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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

House of Representatives Office holders

Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

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

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

Party Leaders and Whips

Australian Labor Party

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

Liberal Party of Australia

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

The Nationals

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

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**PARTY ABBREVIATIONS**

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

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
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The DEPUTY SPEAKER (Ms AE Burke) took the chair at 12:00, made an acknowledgement of country and read prayers.

BILLS

Health Insurance Amendment (Professional Services Review) Bill 2012
National Health Reform Amendment (Administrator and National Health Funding Body) Bill 2012
Federal Financial Relations Amendment (National Health Reform) Bill 2012
Corporations Amendment (Proxy Voting) Bill 2012
Corporations Legislation Amendment (Audit Enhancement) Bill 2012
Tax Laws Amendment (2012 Measures No. 1) Bill 2012
Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012
Telecommunications Interception and Other Legislation Amendment (State Bodies) Bill 2012
Classification (Publications, Films and Computer Games) Amendment (R 18+ Computer Games) Bill 2012
Antarctic Treaty (Environment Protection) Amendment Bill 2011
Tax Laws Amendment (2012 Measures No. 3) Bill 2012
Tax Laws Amendment (Income Tax Rates) Bill 2012

Income Tax (Seasonal Labour Mobility Program Withholding Tax) Bill 2012

Returned from Senate
Message received from the Senate returning the bills without amendments or requests.

National Water Commission Amendment Bill 2012
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 a later hour this day.

Australian Citizenship Amendment (Defence Families) Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr McCormack (Riverina) (12:02): Our nation is forever indebted to Australian Defence Force families who make enormous sacrifices. Partners of serving personnel and children wave their loved ones off at airports and docks not knowing if they will ever see them again. We know a soldier killed on duty pays the supreme sacrifice for their country; so too does their family. All too often last year we acknowledged in this parliament and in moving ramp ceremonies the awful ultimate consequences of what can happen in combat situations as we paid our last respects to brave diggers fallen in Afghanistan.

My home town of Wagga Wagga in the Riverina is a triservice town, having bases for the Air Force and Navy at Forest Hill as well as the Army. The Kapooka Army Base is fittingly known as the home of the soldier, as every recruit does their initial training there. I see the number of new service men and women who arrive in Wagga Wagga
with their families having moved from another part of the country, or indeed from overseas, to faithfully train and serve in the Australian Defence Force. They contribute mightily to the local economy and to the city's stature and social fabric.

This Australian Citizenship Amendment (Defence Families) Bill 2012 concerns the Australian citizenship residence requirement of families of overseas lateral recruits to the Australian Defence Force. A lateral recruit is a member who has served in another nation's military and has subsequently moved to Australia to serve in our Defence Force. These members come from a number of countries, including New Zealand, South Africa, the United Kingdom and the United States of America. The majority have come from the United Kingdom Royal Navy, marines, army or air force. They bring with them a raft of experience and skills, and they help fill capability and critical gaps which currently exist in the workforce of the Australian armed forces.

Australia takes members only where it suits the 'parent' country. An example of this is the Royal Australian Navy is presently taking advantage of the United Kingdom's Strategic Defence and Security Review, which amongst other things is reducing the number of personnel across the United Kingdom's four military services. This has allowed the Royal Australian Navy to increase its recruitment of Royal Navy personnel in order to fill capability gaps within their ranks. A lateral transfer also saves the Australia Defence Force a considerable amount of money and time in training our own personnel. The net benefit Australia receives from recruiting a lateral transfer member far exceeds any potential costs associated with bringing forward the citizenship status of the spouse and dependants of a lateral transfer member.

Due to the gaps which currently exist within the Australian Defence Force, it is looking to recruit up to about 300 lateral transfer personnel each year to fill these gaps. The number of lateral transfers recruited each year is entirely the prerogative of the Australian Defence Force. Of the overseas members who join the Australian Defence Force, 90 per cent have families who move with them to Australia. Given the current recruitment environment in Australia and countries such as the United Kingdom, it is an appropriate time to ensure these families of lateral transfers are afforded the same citizenship status as the serving member.

Under the law all lateral transfer members are required to qualify for permanent residency visas before they can take up a position with the Australian Defence Force and before they relocate to Australia. This is a necessary measure as it is a requirement for all members of the Australian Defence Force to be Australian citizens. A prerequisite to citizenship is permanent residency. Currently, spouses or partners and dependants of lateral transfers are granted permanent residency but not citizenship. Under the Australian Citizenship Act 2007—section 21(2)(c) and section 23—a permanent resident may be granted citizenship after completing 90 days permanent service in the Australian Defence Force or 180 days service in the reserves. The provision of early citizenship does not allow for the inclusion of a spouse or partner, nor does it include dependants aged 16 years or over. This situation can, and does, lead to discord within families of Defence Force members who have transferred from overseas. For these families the lack of citizenship offers them lack of certainty of their right to remain in Australia should something happen to their spouse or parent who is deployed on military operations.
The government has made assurances that support would be provided to families should a deployed lateral transfer member be killed in the line of action, but this provides no comfort to the families of these members. Aside from losing a loved one and not being sure if you can remain in Australia, even if they could stay there is the very real possibility of hardship for these families as they lose an income and are not guaranteed financial assistance through government agencies such as Centrelink. The same issues are also faced by those who may separate and divorce from their spouse who is serving in the defence force. Additionally, children of a serving lateral transfer member cannot gain access to a university HELP based placement unless they are New Zealand citizens, and the cost of university without a Commonwealth placement can be financially crippling.

This bill will fast-track Australian citizenship for family members of Australian Defence Force personnel, and ensure partners and dependants will be eligible for citizenship at the same time as the serving member. The bill also extends the provisions for citizenship beyond only spouses and dependent children to allow, for example, elderly dependent parents, or disabled dependants who do not qualify as children. Members who join the Reserves will also have the relevant defence service criteria cut from 180 days to 90 days. It will also allow a spouse and dependants to remain eligible for citizenship in the event the member dies before attaining citizenship.

The coalition introduced a near-identical bill to this on 21 May 2012. It was put up by the shadow minister for defence science, technology and personnel—the member for Fadden—who had gone out, spoken to defence personnel and their families and, more importantly, listened to what they told him and formulated a view that we as a parliament and as a coalition needed to do something. His well-researched and clearly articulated bill was a result of his discussions and the result of what he heard. Labor introduced its bill the very next day. The introduction of this bill by Labor is purely political. Labor has done nothing while in office, yet suddenly after the coalition introduced a near-identical bill Labor thought it was time to do something. No-one will buy that spin—certainly not veterans, still wondering why their pensions and superannuation entitlements are not fairly indexed, and certainly not defence people still smarting from the $5.5 billion slashed from Defence in the 8 May budget. The cutbacks brought about by the budget will hurt the Riverina considerably, with construction of Kapooka's working accommodation delayed by three years and the officer and pilot training systems delayed by 12 months at RAAF Base Forest Hill. This at a time of great unease; this at a time of unrest and instability in the world. Now, as much as ever, we need a proper focus on defence, not a slash-and-burn approach by a government which says it wants to save the planet but is doing little to protect our nation.

Labor's additional amendments to this particular legislation are simply a political attempt to differentiate its bill from the coalition's. But it gets worse—far worse: Labor is on the record as being against the proposed measures. The Minister for Immigration and Citizenship wrote to the Minister for Defence Science and Personnel on 4 February 2011. Of the proposed changes contained in Labor's bill he said: 

... I do not consider it necessary to amend the citizenship legislation.

While the coalition supports these changes over and above its own bill, Labor could easily have introduced them as amendments to the coalition's bill, rather than trying on
this political stunt and introducing its own bill.

The coalition supports this bill, although it questions the intent and real motives of the Labor government. It is evident that the rushed introduction of Labor's bill is as a direct response to the coalition introducing an almost identical bill just the day before—an attempt to have its bill voted on first, prior to the coalition's bill. Only last year Labor believed it was unnecessary to make such legislative changes.

This legislation will provide families with peace of mind through legislative means. Importantly, it is a policy which is wholly welcomed and supported by Defence Families of Australia, those people who, as I said at the outset, give so much to our nation's security and to our nation's wellbeing. Defence Families of Australia have been marvellous advocates on behalf of defence families and defence personnel across a wide range of issues ranging from defence housing, spousal support and, of course, the need to fix the inequity in families of ADF lateral transfer members.

Finally, Defence Families of Australia ought to be acknowledged and thanked, now and always, for their ongoing advocacy on behalf of ADF personnel right across Australia.

Mr SIMPKINS (Cowan) (12:12): I do welcome the opportunity to speak on the Australian Citizenship Amendment (Defence Families Bill) 2012. On Saturday I attended a gathering of veterans from the Vietnam war, both veterans from the Republic of Vietnam—the South Vietnamese veterans—and Australian Army service veterans and veterans from all the services. This took place at the Australia-Vietnam war memorial in Kings Park on 16 June. Essentially it was a commemoration of 50 years since the first deployment of troops to South Vietnam. That was in 1962, and as we would recall that was the first arrival of members of the Australian Army Training Team Vietnam, known as 'the team'. It was a good opportunity to hear from the training team veterans, veterans of the Vietnam War more widely and also those who actually fought against the communist north in the entire Vietnam war.

It was a moment where you could really look at the ramifications and impact on families that war brings. At the time when people were deployed—thousands of Australians were deployed—to Vietnam, whilst the contact through media was certainly there and bringing the war directly into the lounge rooms of Australian families, they were difficult times for those families. So, when we look at the sort of bill we are talking about today and how it relates to defence families, it is really one of those policy areas where we need to be always cognisant and aware. For those that wear our uniform, that pick up arms for our country, that do the bidding of this nation and try to do the right and the good things in the world, it is at exactly these times when, in comparison with the tragedies that happened to families from the Vietnam War, that we must always be aware of what we need to do. As a national parliament we need to ensure that the Australian families of servicemen are looked after.

As we know, this bill has wide support. It has the support, I hope, of every person in this chamber and later will have the support of the senators as well. From the coalition, the National and Liberal parties' side, that support is unequivocal and is absolutely clear. It is good that we have such policies and such legislation coming to this chamber. We have always made the point from the opposition that we support good policy. If it is right and is in the best interests of this nation then support is always there. The government like to spin their lines about the
coalition and the opposition leader always saying no, but the reality is that when anyone cares to check the public record the vast majority of legislation that comes through here has the support of the opposition. As I said before, there is absolutely no doubt that, when we talk about what is good for the defence of this country and what is good for the families that provide a loved one to serve the national interest in uniform, the coalition, the Liberal and National parties, stand on the side of those families.

When we look at the history of this bill, the way it developed and the involvement of the member for Fadden, the shadow minister, it is very clear that the coalition has stood on the side of defence families in this matter, as it does in all matters. As we know, this bill was introduced in this chamber on 22 May. It was a day after much telegraphing—obviously because a process needs to take place—and it was the day after the member for Fadden's private member's bill was introduced. It was surprising, I guess, after the question of the citizenship of families of those from other defence forces who joined the Australian Army, Navy or Air Force had been raised on many occasions. After these issues had been raised for so long, suddenly, following the member for Fadden's bill, we got a government bill.

Possibly in the minister's second reading speech we might find a little bit of a hint as to some history with regard to the government's motivation. In reading the minister's second reading speech it says very nice things about what the bill will do—and as I said we will support the bill, there is no doubt about that—but what I did note in the second reading speech of Minister Snowdon was that at no point did it mention the build-up to the requirement for this bill. It did not mention the way the minister had written to the immigration minister and been rebuffed at the start of last year. At no point did the second reading speech mention that. It did not actually mention the shadow minister's, the member for Fadden's, bill that was introduced the day before either.

In this place we are used to seeing this government's bills brought in where they attempt to blame the last government. Before 2007 apparently everything the government did in those days was terrible. We are used to seeing that put into a second reading speech in the introduction of bills by the government. We are used to seeing the blaming of everybody else by this government. In this second reading speech that was not there, I guess, because they had to rush this bill into the House. They had to come up with it quickly, with only a couple of weeks notice, so there was not a whole lot of room to fire the shots. There was not a whole lot of opportunity to fire the shots when the government was embarrassed by the fact that a policy initiative that needed to get done, that needed to be brought into this place and needed to be fixed, was actually initiated by the opposition.

There is a little bit of embarrassment, clearly evident in the minister's second reading speech, because they did not talk about all the great work they had done in the lead-up to this bill and they did not talk about how it had been planned for ages. When they finally introduced the bill it was all just purely about what is going to take place as a result of this bill. I suspect that it was really all about the embarrassment, and that is why there were not the negative shots that are normally fired when the government bring legislation into the chamber. As I said before, the government are used to trying to blame everybody else for any issue that takes place.

Let us get to what is really important about this bill, which is the importance of the policy itself. It is the importance of looking
after the families of those who have come to Australia to join our defence forces. I think that, given the operational tempo of the Australian Army particularly, and the Navy and the Air Force to a degree, and the way that so many of our soldiers are serving overseas and are, on any day, out on operations, out on patrols, the last thing that that soldier, sailor or airman needs is to be worried about what may happen to their family if something should happen to them. The reality is that when you pick up a weapon and you are out on patrol, lives can be lost. A person might have come from the army, navy or air force of the UK or somewhere else in the world, and the reality is that ultimately their life could be lost in the conflict or on patrol. The last thing we want is for that person, as they are standing in their arcs of fire, as they are out on patrol, to be thinking about anything but identification of the enemy, defending themselves and protecting their mates. The last thing we want is for that person to be worrying: ‘What’s going to happen to my family? What’s going to happen to my kids? What’s going to happen to my dependants if this all goes pear-shaped?’ So it is right, and certainly overdue, that we should get to this point, with this legislation, where the service person—man or woman—does not need to worry anymore about that aspect of the future should something happen to them.

The reason we recruit people from other defence forces is to fill the capability gaps that we might have. Much has been said about recent rationalisations and cutbacks to the UK defence forces and that that has been an opportunity for us. We are used to seeing reports in newspapers about how difficult it has been to staff the submarine fleet. I guess the UK’s austerity package does give us an opportunity to enhance our own capability, and more and more of these lateral transfers can be expected in the future. Obviously they add great value. And when we ask someone if they are willing to lay down their life for our country, it is right that we say to them: ‘Great, and you’re going to become a citizen now. We will give you citizenship and your family, your dependants, your children, will get the same opportunity.’ As other speakers in this debate this morning and last night have said, the full range of opportunities that citizenship allows will immediately be available to the families of the service person, and it is right that that should occur. It is not just a matter of the person who is out on patrol or in the aircraft or on the ship, serving within the particular service; we have to see beyond that and ensure that their family—who have also given up so much to join them in Australia and to allow them to serve in our national interest—are fully supported and have all the benefits that citizenship provides.

There is no downside to this bill. These changes are well regarded and welcomed by the coalition of the Liberal and National parties. As a former serving member of the defence forces I would like to pay tribute to the member for Fadden, himself a former commissioned officer in the Army, for the way he has reached out and provided support and initiatives and worked to make the public policy debate on matters affecting the best interests of defence families one of his finest priorities. Following on from the private member's bill introduced by the member for Fadden, this bill we are debating has been initiated. The upsides are complete now for the families that need to be supported, so I welcome this bill. (Time expired)

Mr RANDALL (Canning) (12:27): I am pleased to speak on the Australian Citizenship Amendment (Defence Families) Bill 2012. The coalition understand the importance of our service men and women to the security and, indeed, the identity of our
We honour and respect the sacrifices of our defence personnel, not only those serving but also their partners and families, and this includes both Australian born personnel and those who have transferred from another country. Family members support and encourage our Australian Defence Force personnel and spend untold months worrying about their loved ones when they go overseas. As we have seen over the past 10 years in Afghanistan and Iraq, many families have been left to mourn the loss of a fallen Australian soldier and the wounding of Australian soldiers. As a nation we should be prepared to do all we can to support our ADF personnel, their spouses and dependants, given that they are willing to pay the ultimate sacrifice to serve our country.

ADF lateral transfers facilitate an arrangement which allows those serving in another nation—for example, the UK, New Zealand, South Africa—to move to Australia and serve in our ADF. This is to be encouraged as we are able to fill critical gaps in the ADF's workforce and Australia receives skilled and trained personnel, thereby saving significant time and money. The saving obtained by recruiting personnel who are already trained easily offsets any costs in making the recruitments, and their families also make a great contribution as citizens of Australia. For example, it is estimated that it costs Australia up to $2 million to train a fully qualified pilot, so to acquire such personnel from overseas obviously denotes a saving of $2 million per person. The ADF is looking to recruit up to 300 lateral transfer personnel annually and it is expected that 90 per cent of these will have families who will join them in Australia. Transfer applicants must qualify for permanent residency as PR is a prerequisite for citizenship. Once in Australia, ADF lateral transfer members may be granted Australian citizenship after completing 90 days of permanent service or 180 days service in the reserves. Their dependants and spouses, however, are not offered the same pathway to citizenship and have a four-year pathway to Australian citizenship. This sometimes leads to disharmony in the family, and it is an anomalous situation that could be and should be addressed.

The example is that there are lateral transfer members currently serving in the ADF posted overseas. Under the current legislation, if they were to be killed in action today—God forbid—the service man or woman's partner and children would not be able to access the same benefits available to the spouses and dependants of ADF personnel. Moreover, there would be no legislative guarantee that the family members could remain in Australia, as they would not have reached automatic citizenship entitlements. While I would like to think the Australian government would accommodate such individuals, they ought to have the security of having this entitlement protected through this legislative amendment.

The same difficult situation would be faced if a lateral transfer member divorced his or her spouse. The serving member would be afforded citizenship while the spouse and the dependants would not, leading to a problematic situation which could become quite emotional, I dare say. This could be avoided through this legislation. All of the assistance entitlements and privileges that go with Australian citizenship should be provided to these spouses and family members of lateral transfer personnel willing to move their lives to Australia and serve in our Australian defence forces. We should afford the same citizenship rights to family members of lateral transfer members that the personnel
themselves currently receive—in other words, the fast-tracking of citizenship.

The Australian Citizenship Amendment (Defence Families) Bill that we speak on today is supported by the coalition largely because we presented a near identical bill on 21 May this year, one day before this bill was introduced. I heard the member for Cowan, a former serving officer, talk much about this, so I will not go into much detail. Rather than make amendments to the bill that was introduced by the member for Fadden, Labor has shamelessly presented a carbon copy of the coalition's bill introduced just one day prior to this one before us today. I know that imitation is the highest form of flattery, but it really does stretch the envelope of credibility when they claim it as their own.

As I said, the coalition presented a similar bill on 21 May. Labor presented their bill on 22 May. Not only has Labor done nothing to address this situation since taking power in 2007; immigration minister Chris Bowen even wrote to the Minister for Defence Science and Personnel, the Hon. Warren Snowdon, on 4 February 2011 to say they would not. He clearly stated in the last paragraph of his letter to Minister Snowdon:

... I do not consider it necessary to amend the citizenship legislation.

Here it is in the letter, in the last paragraph:

Taking all these factors into account, I do not consider it necessary to amend the citizenship legislation.

So what happens just over a year later? They copy our bill. Has the minister changed his mind in the past 12 months or was it altered because he was in fear of being embarrassed by the coalition's bill to address this anomalous situation regarding lateral transfer members, presented just one day before their bill came on?

Defence Families of Australia wholeheartedly support this bill, as I do, as I believe it will provide security and confidence to lateral transfer members and their families, which is the least we can do as a nation for those who are willing to put their lives on hold to serve in our Australian Defence Force.

I saw this myself when I had the honour to go on one of our Collins class submarines, the Dechaineux. We went off Rottnest. I met a number of lateral transfer people, mainly from the United Kingdom, who had come over to help man our subs. I must admit they were very happy in their job. We just have not got enough of them. As we know, we barely have enough people to man our subs as it is. It is obviously not a huge attraction to work on submarines because of the antisocial nature of being a submariner. You spend many days and months below the ocean surface and away from your family. The husband of one of my staff was a submariner, and I must admit she spent many lonely weeks and months on her own while he was at some secret location somewhere in the world. That is why, if we can get people from other nations that are willing to transfer here, we should do so. I must also add that the submariners that had come from the UK told us that there would be more of them if we could make some adjustments to the superannuation and taxation regimes that they face on leaving the British defence forces. So that is something we need to take into account.

I wish to raise the issue, in relation to this bill, of one of my constituents. Last year I was approached by my constituent Mr Chris Keay of Kelmscott, who was inquiring about the possibility of his son Phillip transferring from the British army to serve in our defence forces. Sadly, upon making inquiries with Minister Snowdon's office, I was informed that Mr Keay's son Phillip would be...
ineligible to transfer as he did not have the required minimum rank, which is sergeant. Phillip currently holds the rank of corporal in the British army. He has completed all the necessary training and assessments to hold the rank of sergeant. He has not yet been promoted, due to the budgetary cutbacks in the UK as a result of the austerity measures being imposed over the past several years, largely due to the huge spending of the previous Labour government and the global financial crisis. So it is not the fault of Phillip Keay that he is not a sergeant. He is just not in a position to be promoted due to the austerity cutbacks on the British armed forces.

As a young, enthusiastic and well-qualified man, Phillip Keay is exactly the person who we as a nation need and who we should be looking to recruit. While the UK may not like the fact that we are effectively poaching talented and fully trained recruits such as Phillip, if he is willing to move his life to Australia and serve in the ADF, I believe we must do more to accommodate and be more obliging when it comes to facilitating such transfers. In other words, we should be flexible and understanding in applying the rules to his case particularly as his father is living here in Australia.

Phillip has served in the British Army for almost 11 years. He has participated in five operational tours including tours in Iraq, Afghanistan and Cyprus. He is an infantry section commander so he is obviously able to lead up to 10 soldiers into combat. Phillip has the skill sets that are required, however, through no fault of his own he is yet to receive the official ranking from the British Army. We should be more willing to consider accepting recruits such as Phillip, because as a nation we are the beneficiary of such transfers. It just seems obvious to me. Opportunities such as this may not remain as attractive as they currently are and Australia should take advantage of this good fortune—and misfortune for the British—while we can.

As I have said, Phillip also has family-related reasons for requesting a transfer to Australia, including the recent birth of his nephew and the fact that a short time ago his father suffered a heart attack, placing greater importance on Phillip’s need to be closer to his family in Australia. So for these commonsense reasons we support this bill. We just seek greater understanding from those who make the decisions in this area. I support this bill before the parliament as it is simply the right thing to do. I would suggest to those opposite that in future, instead of wasting the parliament’s time with duplicate bills, the government support good legislation that has been created and brought to this parliament by the coalition.

Mr CRAIG KELLY (Hughes) (12:39): I rise to speak on the Australian Citizenship Amendment (Defence Families) Bill 2012 and to support the comments of my coalition colleagues who have spoken in favour of this bill. Firstly, I would like to congratulate the member for Fadden for his important work in this area. The member for Fadden is a good man—someone I greatly respect—and one who strongly advocates for the men and women whom he bravely served alongside. If I were in the trenches, I would want a man like the member for Fadden standing alongside me.

However, the bill we are debating here today is not his, though it certainly appears to be remarkably similar to the Australian Citizenship Amendment (Defence Service Requirement) Bill that was introduced to the chamber as a private member’s bill last month by the member for Fadden. In fact in this debate we find the government introducing a bill to do exactly what the
private member's bill introduced by the member for Fadden proposed to do.

So why do we have a government bill that appears to have been taken directly—it was a cut-and-paste job—from the private member's bill of the member for Fadden but included some minor administrative amendments? This bill is being presented as a government initiative when it is quite clearly an initiative of the opposition. But as the old saying goes: imitation is the highest form of flattery. So here we find two near-identical bills which are designed to respond to an issue previously ignored, where the government and this minister have been forced to finally act in response to the strong efforts of the member for Fadden.

This government has been dragged to this issue kicking and screaming, and I know other speakers have pointed out the government's immigration minister's opposition to this bill. In fact, in a letter to the Minister for Defence Science and Defence Personnel, the Minister for Immigration and Citizenship, the member for McMahon, said of the fast-tracking of citizenship for defence families, 'I do not consider it necessary to amend the citizenship legislation.' Clearly, this letter from the minister for immigration, dated 4 February 2011, made it crystal clear that the Labor government did not support the fast-tracking of citizenship for Australian Defence Force personnel and their families.

So why the backflip? I suggest the government's backflip on this position is related to the rundown in defence spending that we have seen under this government whereby our nation's defence spending has been reduced to the lowest level of GDP since that fateful year of 1938. The cuts have included the punitive and penny-pinching axing of the recreational leave travel entitlement for single Defence Force personnel. And after finally being forced to act on this issue, this government have returned to their default position of playing politics. One might ask why we have two bills when the government could have simply shown a positive and constructive approach and amended the private member's bill. We all know that it is simply not in their DNA.

Fifteen months ago the immigration minister outlined his opposition to acting on what most observers would accurately describe as a 'gap' in the legislative framework supporting Defence Force personnel and their families, and we all know that there would have been no action on this issue had the member for Fadden not taken the initiative and introduced a private member's bill. This is yet another example where the coalition is providing the leadership this country so desperately needs, and is doing so from the opposition benches. The member for Fadden has stepped into the breach that has been left by this divided and dysfunctional government. He has stepped in to fill the breach for something that this government has deserted, and I applaud him for that.

This is an important bill. It is a bill that allows those who come from other countries to serve in our armed forces to bring their families here to Australia and to join our population with full citizenship rights. If these men and women are allowed to serve in our Defence Force, why are their families not allowed to benefit from the very freedoms that we ask them to protect? Australian citizenship is one of the most treasured gifts someone living in this country can have. In ordinary circumstances an application for citizenship requires a minimum period of four years residence in the country. The act makes special provision for someone serving in the Defence Force where a much shorter time is required if the
candidate for citizenship completes a certain period of service. As the law currently stands, lateral transfer members of the Australian Defence Force—those serving in other countries' militaries who seek to come here and serve our country—are given a fast track to citizenship after serving this required period in our armed forces. However, shamefully, no such provision is given to the families who give the love and support that is so essential in the life of a soldier, a life that is not easy, with endless rotations and isolation from loved ones. How much harder this would be in the case of a lateral transfer soldier, transferring from across the world to serve in the military of a new homeland, with his family being such a critical support base able to endure those challenges alongside the soldier, if they are not given the same rights to citizenship. This bill enables spouses and dependants of ADF lateral transfer members to gain citizenship at the same time as their partner serving in the Australian Defence Force. This is entirely appropriate when you consider the importance of the family support base that goes along with a lateral transfer to our military services. It is unsurprising that 90 per cent of the lateral transfer recruits to the Australian defence forces have families they seek to bring to Australia with them.

In the past, we have sometimes been far too eager to hand out citizenship to individuals which have no respect for our nation, and in fact some who have been prepared to intentionally harm it. It was only a little over six months ago, back in December 2011, that Justice Betty King sentenced three men to 18 years in prison for their part in a terrorist plot against the Holsworthy Barracks in the electorate of Hughes, which I represent. They aimed to infiltrate the Holsworthy base and shoot as many Army personnel and others as they possibly could until they were killed or captured. In sentencing, Justice King said:

The fact that Australia welcomed all of you, and nurtured you and your families, is something that should cause you all to hang your heads in shame. That this was the way you planned to show your thanks for that support …

She added that all three were unrepentant radical Muslims who would remain a great threat to the public while they held their extremist views. But, of the three, only one terrorist can actually be deported on his release from jail. The other two have Australian citizenship.

The DEPUTY SPEAKER (Ms AE Burke): The member for Hughes I think is drawing a long bow in terms of the bill before us. I would ask him to come back to the bill before the House.

Mr CRAIG KELLY: Thank you, Madam Deputy Speaker, I will come back, because this bill is about Australian citizenship and the importance of it. If we are looking for what qualifications we would seek for someone to become an Australian citizen, then what higher standard, what better applicants could we find than the families of defence force members from countries such as England, New Zealand, Canada, South Africa and the USA who are prepared to fight under the Australia flag to protect our way of life? The Australian Defence Force has a longstanding practice of recruiting members from the armed services of compatible countries, and it is one that in the past has served our nation well. It is a practice that is necessary in order to fill the capability gaps in our own armed forces and is obviously important as new equipment is introduced into each of the services in our Australian defence forces.

Currently, the Australian Defence Force seek to recruit 300 lateral transfer personnel per annum—which may well increase as,
among other examples, our ageing Collins class of submarines is phased out. Of importance to this debate, 90 per cent of possible lateral transfer recruits have families they would seek to bring with them if they came to fight under the Australian flag. It should be noted that, just as Australia seeks to supplement our military capabilities by lateral transfer, so do many other comparable nations. Simply put, unless we make the changes brought forward by the member for Fadden and replicated by the relevant minister we will make ourselves a less attractive option for these defence force personnel that Australia seeks to recruit.

Both pieces of legislation also aim to address the legislative vacuum that exists in relation to the lateral transfer system. The member for Fadden indicated that there are currently seven soldiers serving in combat operations on the front line in Afghanistan that have joined the Australian Defence Force through lateral transfer. But, at present, there is no requirement for the government to afford their families the same level of support in terms of benefits normally payable to the spouses and dependants of Defence Force members killed on duty. In fact, currently there appears to be no legislative basis or guarantee that a spouse or the dependants of a lateral transfer member of the Australian Defence Force would even be able to stay in Australia should that serving member be killed in training or in a combat operation. It is all well and good for a government to say, 'Don't worry; we'll make it happen,' but with this government's long list of broken promises that is not very reassuring. A far better approach would be to correct the legislative settings and give peace of mind to soldiers and their families considering coming to Australia under the lateral transfer system.

The coalition will be supporting this bill because it is based on sound policy and, more so, because it is the right thing to do. As we have always been, we will be the party that supports our defence forces. We will continue to support our soldiers—those brave men and women who give so much of themselves to our nation. We will also support their families, who provide our soldiers with much support. The circumstances surrounding the development of this bill, however, are concerning, and they reflect the disappointing attitude of this Labor-Greens government towards our Australian defence forces. The people of the seat of Hughes have a strong connection with the Australian military that has been developed over generations. The seat of Hughes is the home of a major Defence Force base in Holsworthy, and we are proud to have previously been represented by the Minister for Veterans Affairs and assistant Minister for Defence in the Howard government. But in 2012-13 the current Gillard Labor government has slashed defence funding. I take the opportunity to raise this point because it goes to the attitude the government has toward our defence forces. The recent raft of defence cuts has caused significant disquiet in my community, ranging from annoyance to anger, especially regarding the targeted cuts, the punitive cuts and the mean axing of the recreational defence leave travel entitlements. This important program was very much about the health and wellbeing of our soldiers, who spend so much time away from their families and support networks. Only this government—the same government that thought fixing the legislative gap we are now considering was not necessary—would think many soldiers being left camped in their barracks was a good policy approach. The people of Hughes recognise that this measure is both unfair and will save this government less money than it intends.
When given the choice between implementing good public policy and playing politics, it is unfortunate that this government is choosing the latter. That is what we see in their actions on this bill. Nonetheless, I support this bill and commend it to the House.

Mr SNOWDON (Lindiari—Minister for Veterans’ Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (12:53): First let me say how pleased I am to be able to do the summing up of this piece of legislation, the Australian Citizenship Amendment (Defence Families) Bill 2012, as important as it is, and to acknowledge the contributions of all of those members who have spoken to the second reading. Whilst I acknowledge I do not necessarily support everything that has been said, particularly by the opposition members and most particularly by the member for Hughes, whom I have just had the misfortune to hear. Never mind the facts getting in the way of a good story, which is what has happened in this case. But I will not dwell on that, because I think this piece of legislation is far too important for that sort of petty nonsense. I am heartened that the opposition, despite its protestations, is actually supporting the legislation.

I want to remind the House what this is about. The object of the bill is to enable family members of current and future lateral recruits to the Australian Defence Force to be eligible for conferral of Australian citizenship at the same time as the lateral recruit: 90 days service in either the permanent or reserve forces of the Army, Navy or Air Force. This bill is unquestionably about families and fairness. It is an important amendment that acknowledges the fundamental place families have in the ADF and in Australian society more generally. Currently—and unfortunately—the families of lateral recruits are required to spend up to four years in Australia as lawful noncitizens before being eligible for full citizenship and the associated benefits that are derived from that citizenship. The inconsistent approach to the treatment of members of a family unit that migrated together can only add to the upheaval and uncertainty experienced by lateral recruits in their move to the ADF and to Australia.

The bill acknowledges that defence service can be dangerous, that family members of lateral recruits bear a share of this danger and that they make significant sacrifices to support the serving member. More specifically, it recognises that families of lateral recruits migrate to Australia as a family unit and all face similar settlement challenges. Families have always played a central role in the defence community, and it is only fair that they should be extended the same legal status as the recruited member.

The bill addresses a long-term gap that has existed in our immigration and defence policies. While not trying to be too cute, I will make this observation. During the whole 11 years of the Howard government there was nothing done to address this anomalous situation. In a practical sense—what all good policy should be based upon—the amendments in this bill will assist families with the actual mechanics of settling in Australia, including accessing employment opportunities and educational assistance. It also, importantly, assists these new citizens in building a close and continuing relationship to Australia.

The scope of the bill extends to family members at the time the lateral recruit was granted their visa who hold the same kind of visa as the lateral recruit and who hold that visa because they are a member of the family
unit. The amendments will apply to family members who hold a prescribed visa granted on or after 1 July 2007 and for all applications following the bill's assent. These family members may include the spouse or de facto partner of a lateral recruit and, importantly, dependent children of any age and a dependent parent. The bill also provides a pathway for family members to be eligible for citizenship in the very sad event that the ADF lateral recruit dies while undertaking service. In this instance the family member will be treated as if the ADF member had completed their relevant defence service.

The ADF is highly skilled, highly capable and a very formidable force. Its people are its strength, as my good friend the member for Eden-Monaro can attest as a distinguished former serving officer himself. To continue to maintain a leading capability edge we must do all that is necessary to recruit, train and sustain the best possible people locally and, where required, abroad. The amendments in this bill will assist Australia in attracting personnel to highly specialist roles in the ADF as they will provide tangible benefits to the migrating family and make the decision to transfer all the more straightforward and, indeed, a great deal easier. It is an equitable amendment to the act and one that the government has been proud to introduce into this place.

To provide a sense of some of the numbers and how many families this will impact, the labour agreement in place between the Department of Immigration and Citizenship and the Department of Defence imposes a cap of 510 overseas lateral recruits per year. In the period 2008 to 2011, there were a total of 573 lateral recruits—far below the cap that is being imposed as a result of the agreement between the Department of Defence and the Department of Immigration and Citizenship. So far this year, to 31 March, defence has recruited 23 Navy, one Army and three Air Force members as lateral recruits, and 603 dependent family members have migrated alongside lateral recruits over that period. That is 603 new Australians that will have the certainty and stability in their legal status that comes with being a citizen of this great country.

Before I turn to some points in the debate, I make an observation. I have met a large number of these lateral recruits in various spots around the country, including at HMAS Stirling and at 1 Brigade in Darwin. For example, I had the privilege to meet Commander Rick Westoby from the Royal Australian Navy. He is a Royal Marines Major who was working on exchange at the ADF Warfare Centre at RAAF Williamtown. He is due for compulsory retirement at age 50 from the Royal Marines and wanted to stay within his field of expertise. He was approached by the RAN to transfer, and he now works towards improving the ADF's amphibious and joint operations capability. He transferred to the ADF in 2004. He is one example from a large number of lateral recruits who have come to Australia, particularly from Great Britain. We are very pleased at the services they provide.

I turn now to make some comments on why this bill is more comprehensive than the bill which was proposed by the member for Fadden. Whilst there has been bluff and bluster from many on the opposition benches, the member for Fadden will know that this bill is better than the bill he proposed in a number of ways, and I thank him for his support. Also, I point out that this bill has not come along as recently as the last month; it has been under discussion in one form or another by me inside the government since October or November 2010. Whilst we did not have the best response in the first instance, we have been able to repackage the
response and, to his credit, the Minister for Immigration and Citizenship has sponsored this legislation through the parliament. I am very pleased by and thank him for that.

This bill will extend the reduced residency requirement to all migrating children—not just to those who are aged under 18 years or to students under the age of 25—of the ADF lateral recruit. Disabled children and children who are not students but who are wholly or substantively dependent on the ADF parent and who have migrated with the ADF parent will also be eligible for Australian citizenship under this bill. Unlike the private member’s bill, the government’s bill will not discriminate against the disabled or those who are physically dependent upon the lateral recruit but older than an arbitrary age limit. The private member’s bill did not allow family members of lateral recruits to satisfy the relevant defence service requirement and obtain Australian citizenship in circumstances where the lateral recruit died before he or she had completed the relevant defence service to meet the residency requirements for citizenship. The government’s bill will extend citizenship to family members of lateral recruits in the way that I described earlier. It is important that we acknowledge that the differences between this bill and the private member’s bill are positive. I accept that the member for Fadden has acknowledged this, and I thank him again for his support.

I said earlier that the Minister for Immigration and Citizenship, Mr Bowen, after my initial correspondence to him, wrote to me last year encouraging further liaison on the issues covered by the bill. I am very pleased that we now have a comprehensive set of amendments, which were recognised as necessary as a result of the representations we made, to the Citizenship Act. This bill is not about politics. I acknowledge that people should have the opportunity to express their thoughts in this debate—and some have expressed views which go well beyond the ambit of the debate. Nevertheless I am encouraged by the fact that, despite the bluff and bluster of the opposition, they are supporting this legislation, and I thank them for it. This bill is not about point-scoring, and it is not about politics; it is about the ADF, it is about families and it is about fairness. I commend the bill to the House.

Question agreed to.
Bill read a second time.

Third Reading
Mr SNOWDON (Lindiari—Minister for Veterans’ Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (13:06): by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a second time.

Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012

Second Reading
Debate resumed on the motion:

That this bill be now read a second time.

Mr IAN MACFARLANE (Groom) (13:06): I rise to speak on the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012. As you and I both know, Deputy Speaker Scott, water is not only an essential commodity in our day-to-day lives, and particularly for those from rural industry, but it is a finite resource, and anything that we can do here in this parliament as the overseers of water in Australia to improve the efficient use of that water is a challenge that we must step up to. Those of us who have used appliance in houses that are run by
tank water—and I particularly refer back to the days when I was an active farmer—know the importance of preserving every drop. It is not just about using a glass when you are cleaning your teeth or making sure you turn the tap off; it is about ensuring that you put in place in your household the most water-efficient appliances you can buy. There is an incredible range of water-efficient appliances available on the market. It is not just washing machines and dishwashers; it is things like an addition that I made to my house—in fact, I put two of them in—on each of my instant gas heaters. When you turn on the instant gas hot water system, which has a five-star energy rating and in one case boosts my solar system, there is a flow of water through that appliance before the water actually gets hot, and that water is in fact wasted. As I say, those of us who have known all our lives that water is a precious commodity are keen to rectify that. I have installed these new appliances that are currently available that can be fitted after that hot water system which actually holds a small amount of hot water ready to be used while the other system heats up.

This bill allows the Commonwealth minister to determine changes to the Water Efficiency Labelling and Standards Scheme without changes being required in state and territory legislation. What that means, of course, is that this legislation will allow far more efficient operation of the WELS Scheme, which of course was a proud achievement of the previous coalition government under Prime Minister John Howard. As I say, it is important that consumers know the efficiency of their appliances when they are using water.

Town water these days is a commodity which we no longer take for granted. If I look back at the history in Queensland and going back to the 2005, 2006 and 2007 period, we saw South-East Queensland almost run out of water. In my home town of Toowoomba we had a fairly controversial debate about whether or not we should recycle sewage into the drinking system. Whilst there are certainly some strong arguments for that, I believe that debate was badly mishandled by the then mayor, Di Thorley, who went for far too large a proportion of recycled water, despite my advice to her to perhaps start with 10 per cent and work forward from there. She was determined to push through 30 per cent or more. The community, whilst they were keen to play their part in saving water, simply rejected that proposal. Of course, with the benefit of hindsight it would have been a significant white elephant, being about halfway or perhaps just completed by the time the floods hit Toowoomba and the surrounding region. Our dams in that region have been at about 104 per cent capacity ever since.

The story is not so good for South-East Queensland, of course. The previous Beattie Labor government went for a rolled gold, gilt edged, water recycling system and water grid which I understand cost around $9½ billion. I am not saying that something should not have been done in that case but I am saying that there were far, far more economical ways to achieve the outcomes we needed. Yes, South-East Queensland and Brisbane were running out of water and, yes, something had to be done. But the reality is that a lot of that work was simply done in an unsupervised economic sense. Contractors were just given blank cheques. Things like even base metal gravel for the pipeline was being supplied at exorbitant cost. So little wonder that we now have an extraordinary white elephant in terms of the Queensland water grid and a desalination plant at Tugun that is not only rusting but posing an enormous cost to taxpayers.
Rather than get ourselves into a position where we need to make these almost panicked decisions about what we do about providing water to our community, a far more rational way to do it is firstly have a program of ensuring that, as the population grows, we build dams that the community needs. This, again, was one of the problems we had in Toowoomba and is one of the problems in South-East Queensland, because the previous Prime Minister when he worked for Premier Wayne Goss killed off the Wolfdene dam, a dam which would have provided extra water for Brisbane and would have prevented this situation we had a few years ago. In the case of Toowoomba, Toowoomba did nothing to address the fact that no dam had been built in the time that its population doubled, and Toowoomba is the largest inland provincial city in Australia. But what makes it more complicated is that we sit right on top of the Great Dividing Range, so we can rely on no-one else but ourselves for our water and we need to ensure that we have capacity to catch water virtually at its source.

Along with building adequate water storage facilities we need to do two other things. We need to remind the community of the preciousness of water. As I say, Deputy Speaker Scott, you and I and perhaps others in this chamber who have grown up on tank water know that every drop is precious. Since that water crisis and particularly in Queensland, people now have a far better understanding. That is the first thing we need to do in terms of education of the community. The second thing we need to do is ensure that consumers when they go out to buy appliances have more than adequate information to buy an appliance which is very water efficient.

If I could go back to the WELS Scheme and to the amendments that we are looking at today, the scheme was originally introduced by the coalition in 2005. It was at the time—and this showed the vision of the Howard government—the world's first national scheme of its kind, providing for water efficiency labels on showerheads, washing machines, toilets, dishwashers, urinals and taps. Having been a minister for innovation I should just mention that Australia was the country that invented the dual-flush toilet. Our consciousness of water usage has now been raised, and the use of dual-flush toilets in modern housing developments in cities is saving a huge amount of water. It is part of that and part of identifying those water-saving devices and giving them a star rating that this legislation seeks to address. These labels have given consumers an easy to understand star rating, and water consumption information on the water efficiency of different products is contained within this system. Consumers generally look for three things when they buy an appliance. The first thing, obviously, is that the appliance works. They also look at its energy efficiency. That is covered by a star rating. Consumers understand that; they know how that all works. Also, for washing machines, dishwashers and showerheads, they look at their star rating in respect of water consumption. Given that information, and perhaps provided with some incentives from time to time, consumers do want to do the right thing when it comes to saving water.

This bill amends the WELS Act and allows the Commonwealth minister to determine more of the scheme's details but equally those relating to the registration of products and cost recovery. It differs from the current position in that some aspects of the scheme, such as the five-year period for product registration, cannot be changed without changing nine sets of legislation. So it makes sense to give the minister these powers and to ensure that the level of
bureaucracy, red tape, paperwork and, of course, cost associated with simply trying to get the scheme to work better is eliminated—and these amendments go towards doing that.

Under these amendments the minister will make changes by disallowable legislative instrument, the terms of which must be agreed to by the majority of states and territories. It is an important facet of the scheme that we actually involve the states and territories in it. If this legislation is passed it is expected that the minister will make a number of changes to the WELS scheme, including revising registration fees to meet the cost recovery target of 80 per cent recovered from the industry. Further amendments are proposed in the bill to enforce provisions of the WELS Act, and civil penalty provisions have been added to provide a more cost-effective enforcement response.

The bill will also apply strict liability to more provisions, because it is currently difficult to prove intent in relation to breaches of the act—for example, for not labelling a product properly. Dare I say that whilst Australian manufacturers do their utmost to comply we have seen examples in this system and also in the energy star rating system where some unscrupulous importers have incorrectly labelled their product. That is not only bad for the scheme and bad in terms of trying to save water and encourage the efficient use of water, but it also creates an unfair situation in terms of Australian manufacturers who are doing the right thing. We want to make sure that within this legislation there is the ability to penalise those people who deliberately do the wrong thing.

Some other changes of an administrative nature have also been made through this amendment, including removing the requirement for gazettal of registration of decisions and instead requiring decisions to be published on the WELS website, and providing further reviews of the operation of the WELS scheme at five-yearly intervals. Even though each time we look at the scheme we make it a little better, who knows what technologies there will be and what efficiencies can be gained from this scheme as innovation takes its part? We want to be sure that we go back and look at the scheme every five years, not just to take up innovation but also to improve the efficiency of the scheme. We are also looking at a number of other ways we can improve consumer information.

The coalition supports this bill, as it builds on and improves a successful scheme which, as I said, was introduced by the previous Howard government. We all need to be mindful of the commodities that we use in our day-to-day life, and there is no more essential a commodity than water. It does not matter whether you are an irrigation farmer at St George or in one of the valleys in northern New South Wales such as Narromine or working off a large dam system such as the Fairbairn up at Emerald: water is important to farmers. But as we found three or four years ago, perhaps to our surprise, people who live in the city see water as an inexhaustible commodity. Much of our water is now consumed by residents in urban situations. Not only do we need to ensure that we have the infrastructure to supply water on a reliable basis—and, let's face it, the Romans did it over 2,000 years ago, so I am not sure why we cannot do it in Australia—but it is imperative that we have a set of arrangements and an information system and a ratings system that allows consumers to use that water efficiently and make sure that we preserve this very vital commodity.

I commend the bill to the House.
Ms HALL (Shortland—Government Whip) (13:21): I would like to commence my contribution to this debate on the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012 by congratulating the member for Groom on his contribution on this very important issue and acknowledging the point that he made about the preciousness of water and how we must ensure that we preserve water because it is so vital not only to agriculture but also to very survival of those of us who live in this country—and, for that matter, throughout the world.

The Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012 builds on the previous legislation, the WELS Scheme, and is to apply to all national water efficiency labelling and minimum performance standards to specific water use and water saving products, such as showers, toilets, urinals, taps, dishwashers, clothes washing machines and dryers and flow controllers. Specific products must be registered and labelled under the scheme and meet minimum water efficiency standards. The scheme is a national regulatory scheme, administered by the Australian government on behalf of the participating states and territories.

This bill amends the act by allowing the minister to determine details of the WELS Scheme, particularly those relating to the registration of products and cost recovery to ensure the ongoing sustainability of the scheme through a disallowable legislative instrument. Further, civil penalty provisions have been added for contraventions of the act as well as additional enforcement options. I like this of this legislation as streamlining and providing some flexibility so that the minister can make decisions. It brings together nine separate pieces of legislation and puts them all in one place and also looks at compliance.

The WELS Scheme has been very successful, and this legislation improves on the WELS Scheme. The WELS Scheme has required water-using products to be labelled for water efficiency. As the member for Groom pointed out, consumers not only look at the star rating as far as energy is concerned but also look at the star rating in relation to water usage. The WELS Scheme actually helps Australian households to save water, and by saving water they are also of course saving money. It also allows industry to showcase its most water efficient products. The scheme was established in July 2006 by the Commonwealth in cooperation with the states.

I previously mentioned the product suppliers and the products that are covered by the scheme. The industry registers these products with the WELS register at the Department of Sustainability, Environment, Water, Population and Communities. Eighty per cent of the scheme is funded through industry and 20 per cent is funded by government.

This bill was referred to the Standing Committee on Climate Change, Water, Environment and the Arts by the Selections Committee, and the department briefed the committee. I was confident that there had been wide consultation on the proposed legislation, that this legislation was going to deliver benefits to Australia as a whole and that it was legislation that should be supported by the parliament. It is very pleasing to note that all members of the committee supported the recommendation that the legislation come to the House, be debated and be supported. I could find no reason whatsoever for not supporting the legislation.
As we know, we have had many problems in this country with water—not only in recent times but throughout our history—and anything that we can do to improve our consumption of water should be supported. But this is not just anything that we can do; this is water-proofing Australia for the future. It is allowing each and every person to make a commitment to being more efficient in the way that they use water.

The WELS water rating labels provide water efficiency information for water-using household products. That is very important. I know from consultation with in my community that this is the kind of information that my constituents are looking for—to be able to go along and choose an appliance that will actually deliver them water efficiency as well as energy efficiency and, at the same time, obviously undertaking the job it is supposed to do.

The labelling carries two important pieces of information. As I mentioned, there is the star rating for water efficiency—that is one to six. The label shows a one to six star rating for a quick assessment of the model's water efficiency. The more stars on the label the more water efficient the product is, and a number showing the water consumption per use—for whitegoods and sanitary ware—or the water flow per minute based on laboratory tests. This is really important information. The information that I find most useful is the star rating, and it has been reported to me that that is the information that constituents look for when they are purchasing an appliance.

In 2010 an independent review found that the WELS Scheme was good policy and it had the support of industry—and I might add that it also has the support of the community. The review made a series of recommendations in relation to governance, compliance, administration and fund management. In November 2011, in response to the review, the Standing Council on Environment and Water—which includes the Commonwealth, state and territory governments—approved a three-year strategic plan for the scheme and agreed that 80 per cent of the scheme's costs between 2012 and 2015 should be recovered from industry, with the remaining 20 per cent being provided by government. The bill amends the act by allowing the minister to determine details of the WELS Scheme. The proposed amendments made through this bill and subsequent legislative instrument will also deliver improvements and efficiencies for participants in the scheme. Examples include simplifying and streamlining product registration processes so that it is easier for people registering a product, and providing a common expiry date for all registrations so that retailers will know when the registrations of products they supply are due to expire. This is all about providing information to the retailers, to the consumers and to the purchasers. It is about ensuring that people are aware of the water efficiency of a product while at the same time knowing the expiry date of that efficiency rating.

The bill will introduce a broader range of compliance and enforcement options. It introduces civil penalties to match existing and criminal offences, and remakes some of the existing Criminal Code offences for clarity. The bill also provides opportunities for orders to be given to a person that they remedy their noncompliance with the act. An example is an order for the replacement of an inaccurate WELS-rating label with a correct one. As the member for Groom pointed out, sometimes equipment or an appliance comes from overseas and the energy rating is incorrect. Under this legislation it can be ordered that the rating be replaced with the correct one.
This bill implements the key recommendations of the WELS Scheme 2010 independent review. It is legislation that I am sure members of both sides of the parliament will support. As I mentioned, when the department briefed the climate change committee, I was convinced that there had been adequate consultation with stakeholders as to the nature of the changes and the proposed changes. I felt that consultations had been widespread. As part of the inquiry, when the department visited the committee, it was pointed out that submissions could be viewed on the website. The committee was made aware during the process that the department had researched this well, and the overwhelming majority of stakeholders supported the legislation.

What we have before us today is legislation that is supported by the government and by the opposition, and which the House of Representatives Standing Committee on Climate Change, Environment and the Arts unanimously supported. It is legislation that has been put out into the community for widespread consultation with stakeholders and it has the support of the stakeholders. The department has worked through all the issues that relate to this legislation. As a consequence, I feel that this legislation is going to be well received by the communities that we represent. This legislation will lead to a more efficient use of water in Australia. It will mean that we are better able to conserve water, remembering that water is one of the most precious resources and, as such, we need to make sure that we use it wisely. This legislation is going to make it much easier for us to conserve water and use it efficiently.

**Dr STONE (Murray) (13:35):** Water use efficiency is a critical issue in Australia given the high variability of our seasons. We have a high per capita consumption and we have one of the highest levels of water storage per head of population anywhere in the world. We have needed that, and we need that storage capacity to continue into the future. We have tried to improve the efficiency of water use by better storage, labelling, better measuring, pricing strategies and improved technologies. Labelling is one of the strategies that can really assist in water use efficiency. This, of course, is the focus of the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012, the subject of this debate.

The coalition began this strategy years ago. We were one of the world's innovators when it came to making sure that when a consumer wanted to know how whitegoods would perform with water consumption they could rely on a label which told them what water consumption would occur. This bill will improve the Water Efficiency Labelling Scheme, or WELS Scheme as it is known, and it is a bill that the coalition supports. We have just survived 10 years of drought in Eastern Australia. The coalition has responded to this by, amongst other things, a careful analysis of the potential for new dams for drought-proofing. Our new dam policy will be announced before the next election and stands in stark contrast to the Greens and the Labor Party who have a no-dam policy no matter what, if, or when.

Water use efficiency is also top of mind for irrigators who grow most of the nation's fine food and fibre. They grow it reliably, which means from them can come the food manufacturing sector—and food manufacturers employ the biggest number of workers of any manufacturing sector across Australia. The drive for more efficient water use should be a cause for celebration. It should not be controversial. And it certainly should aim to be achieved at the same time as improved productivity and environmental sustainability if we are talking about water
use efficiency in rural and regional areas, particularly in irrigated agriculture.

Unfortunately in northern Victoria a tragedy is unfolding disguised as a drive for water use efficiency. I am referring to the Goulburn-Murray irrigation system. It all began with Melbourne’s water shortages during the last drought, the 10-year drought that many think was even worse than the Federation drought that occurred just as we were becoming a nation. Instead of considering recycling or stormwater harvesting, the state Labor government of the day decided on a desalination plant, which is yet to deliver any of its promise but has delivered a lot of extra debt. It also decided that a pipeline to take water out of the Goulburn River and over the Great Divide to Melbourne was a way to drought-proof its citizenry.

To justify taking this water from the irrigating food producers of the Goulburn-Murray region, it declared that there had to be over 200 gigalitres of water saved in the Goulburn-Murray irrigation system. After a few false starts it was finally decided that one of the ways to guarantee that these savings would be found annually would be to reduce the water use of irrigators by halving the footprint of the huge irrigation system itself. The system has over 6,000 kilometres of channel, 900 kilometres of pipes and over 3,000 kilometres of drains. There are over 14,000 water consumers. Together the irrigators' product supports over 23 food factories and produces over $2 billion in agricultural production annually. They are in fact the biggest producers of agricultural output in Victoria.

Reducing irrigation to find that extra water for Melbourne, Ballarat and Bendigo was unfortunately not the only reason for the so-called reconfiguring or shrinking of the irrigation system of northern Victoria. Officially this project was called the Food Bowl Modernisation Project and a special agency was set up to oversee it: the Northern Victorian Irrigation Renewal Project, commonly called NVIRP. No-one denies that the state had long neglected the maintenance and proper planning of its state-owned water authority and state-owned irrigation system. The system has over 700 employees whose jobs, you would think, would be to make that system efficient, cost-effective and equal to any in the world. Unfortunately, as the Auditor-General of Victoria's report and the Victorian Ombudsman's report into NVIRP show, the opposite is the case. The Food Bowl Modernisation Project is characterised by a horrific lack of planning and inefficient business model development. It has been very poorly executed. Options have not been considered. There have been breaches of proper tendering practice. Privacy provisions have been overlooked. There is a lack of transparency. Communications with stakeholders have been appalling. The recommendation of the Ombudsman's report was in fact to roll NVIRP from an independent authority into the Goulburn-Murray Water authority.

Meanwhile, irrigators have had the cost of their water increase to such an extent that many cannot pay and many doubt that they can extract enough productivity out of their properties to justify the cost of irrigation water itself. But it gets worse. The plan to halve the irrigation footprint is not just about shrinking water consumption across northern Victoria. The original plan was for some of that water to go to Melbourne but a lot of it was also to go to the Commonwealth Environmental Water Holder, which is part of the Murray-Darling Basin proposal, in order to make sure that we have a sustainable environment throughout the Murray-Darling system.
The other part of the agenda in shrinking the footprint of the Goulburn-Murray irrigation system is to save the state the cost of continuing to manage such a big system—a big system that does produce very substantial amounts of food in the form of dairy product; fruit product; cereals, particularly oil seeds; and sheep and beef meat. These sectors are, as I said before, contributing to some of the biggest outputs of agriculture in the state, including the biggest exports of milk powders through Geelong, but that has not been considered. The consideration and the key driving force behind the Food Bowl Modernisation Project tragically now is how to save the state the costs of running the big system and also how to keep their over 700 employees in business or salaried.

In the northern Victoria area 425 gigalitres have already been recovered from irrigators for the environment. There are another 200 gigalitres shortly to be found. The difficulty for irrigators are self-evident. If you have a system being halved then how is that being achieved? It is being achieved by identifying two parts of the system: the backbone or main channels and then the spurs. The spurs are the smaller channel systems which might have five, 10, 15 or 20 farmers along them and they are supplied water off the backbone or what used to be called the main channels. Goulburn-Murray Water, via their lawyer John Adams based in Kyabram, have come up with a plan where syndicates or 'pods' will manage all of the spurs by themselves. That includes the maintenance as well as the ordering and distribution of the water amongst the various farmers on the spur. It also includes deciding what and if and how they might in the future make any changes or efficiencies in their particular spur. That might all sound fairly reasonable except that you have to understand that a spur might include a dairy farmer and a wheat grower or a cereal producer of some sort or a fruit grower. It might include a big property, a small property, a hobby farmer and a third- or fourth-generation farmer. The tragedy of all of this is that these pods, as they are now called, cannot be insured. They are not subject to unlimited liability. If someone refuses to pay their fees and charges, the rest of the pod are liable. They have to pool all of their water together into one account. It does not matter how many of them there are or what the difference is between their enterprises. If a child falls into the channel and drowns or the pipeline is broken by a rampaging bull, they are all liable. There is no capacity for them to develop a sinking fund for their future maintenance and, if they do not maintain their spur, the water authority can choose not to keep supplying water to them.

The way these things are being proposed and planned is a moral hazard. In fact, as we speak people are being pressured into becoming a part of one of these pods. At the moment, if you refuse to do as the Food Bowl Modernisation Project intends for your part of the system—perhaps it is insisting that you go from irrigation to a stock and domestic system only—you are able to uphold your rights within the law and still be supplied with water. Unfortunately, we have now been told by the Minister for Water in the state of Victoria that the legislation is to change and an irrigator who chooses or would prefer to continue to operate an 800-cow dairy farm with irrigation to support that enterprise can be forced to relinquish their water and become part of a stock and domestic supply system only.

This is a serious problem, of course, for the irrigators who, in my part of the world, are still trying to recover from the 10-year drought and the floods that occurred first in the west of the electorate and last year in the east of the electorate. At a time when our
food manufacturers are wanting to reinvest, as herds rebuild and farmers are trying very hard to adjust so they can survive the new carbon tax coming on 1 July, we have this incredible attack, as I call it, on the production of food in northern Victoria and on the economy, which in turn translates into an attack on our way of life and our communities themselves. There has been no consultation on this decision to halve the irrigation system or on its impacts on the 52 towns across this area. There has been no stakeholder agreement that this is the best option and the way to go. I believe there are now significant reasons to very seriously consider the governance of the irrigation system itself. I believe that, like all other states in Australia, Victoria should consider the establishment of an irrigator-owned cooperative, just as there is in New South Wales, with the Coleambally, Murray or Murrumbidgee irrigation systems, and in Western Australia, with the Harvey and Ord systems. All of those systems are irrigator owned and managed and stakeholder driven. These coops are responsible for every aspect of irrigation system maintenance, including the costs, policies and practices which keep them viable and able to produce food and fibre for the nation.

We are now, quite evidently, in a situation of total policy failure and governance collapse in Victoria in relation to the Goulburn-Murray Water irrigation authority. The minister understood the problem when he became the minister and immediately replaced the board, having called on the previous board to resign, which they all did. The CEOs and CFOs resigned. The NVIRP CEO resigned 24 hours before the ombudsman's report became public. There is a well-understood problem in this part of regional Australia. It has to be addressed with an irrigator cooperative. It must be urgently examined before we lose for all time an investment of four generations in food production in Australia.

Mr ZAPPIA (Makin) (13:49): I speak in support of the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012. Yesterday, I also spoke on this bill because it was referred to the Standing Committee on Climate Change, Environment and the Arts. The committee looked at the legislation and heard from the department about it. As a result of that, yesterday I made a statement to the House reporting back on the findings of the committee having reviewed the legislation. The findings were that the committee unanimously supported the passage of this bill. It did so because this is good legislation. As other speakers have quite rightly pointed out, the original legislation was introduced by the previous government and has been in operation for some six or seven years. The bill we are dealing with is in fact an amendment bill which I believe improves the existing legislation.

The Water Efficiency Labelling and Standards Act 2005 provides for the operation of a scheme known as the WELS scheme, as other members have mentioned, to apply national water efficiency labelling and minimum performance standards to specified water use and water-savings products. These products can include showers, toilets, urinals, taps, dishwashers, clothes washing machines and flow controllers. This is done through a rating system that gives products a water efficiency rating of between zero and six stars.

The act was originally introduced at a time when Australia was facing a devastating water shortage. One good thing that came out of that water shortage during that drought period is that, throughout Australia, Australians learnt how to better use their water resources. I think for the first time in
many years we have come to appreciate the real value of these water resources. The act was originally introduced at the time we were facing those devastating water shortages. Specific products were selected that could be registered and labelled under a scheme if they met minimum water efficiency standards at the time. The scheme is a national regulatory scheme administered by the Australian government on behalf of the states and territories. The bill amends the act by allowing the minister to determine details of the WEL scheme, particularly those relating to registration of products and cost recovery, to ensure ongoing sustainability of the scheme through a disallowable legislative instrument whereby a majority of the states and territories are required to agree to the terms of the scheme before the legislative instrument is made. In effect, it means that the minister will be able to get on with making changes that ought to be made without having to go through the very cumbersome process that currently applies. That does not, however, deny the states and territories the opportunity to agree or disagree with those changes and they need to agree. But it will be a much more efficient way of dealing with the system and so it should be because today there is no doubt that the kinds of products that will come onto the market to comply with this legislation will come on in the years ahead very quickly. There will be companies out there constantly looking for ways of devising, developing and manufacturing products that will form part of these provisions. Further civil penalty provisions have been added for contraventions of the act, as well as additional enforcement options so that a tailored and appropriate response can be provided in every instance.

In 2010, an independent review found that the WEL scheme was good policy which had the support of industry but it could be improved. The review made a series of recommendations in relation to governance, compliance, administration and funding arrangements. That is the very point, that it was good policy but it could be improved. I have no doubt that is why the industry totally supports the changes that are being made. While most of these changes also provide for better regulation and governance of the current legislation, they also provide more opportunities for industry.

In November 2011, in its response to the review, the Standing Council on Environment and Water—incorporating all environment ministers from Commonwealth, state and territory governments—approved a new three-year strategic plan for the scheme. It was also agreed that 80 per cent of the scheme's costs between 2012 and 2015 should be recovered from industry with the remaining 20 per cent to be provided by governments. The proposed amendments through this bill and subsequent legislative instrument will also deliver improvements and efficiencies for participants in the scheme. Examples include simplifying and streamlining product registration processes, so that this is easier for registrants, and providing a common expiry date for all registrations of products they supply are due to expire.

The bill introduces a broader range of compliance and enforcement options. It also introduces civil penalties to match existing criminal offences and to remake some of the existing criminal offences for clarity. This bill will, therefore, insert penalty provisions that will complement the existing offences. Inserting penalty provisions will improve compliance with the scheme and they will more closely reflect the nature and circumstances of the breaches. The offences in part 7 are not all new but are being modified. Strict liability offences are
considered necessary so that a person cannot escape liability by demonstrating that he was not aware of the requirements or was reckless as to the requirements.

Water conservation is overwhelmingly in the public interest. That is why it is reasonable to impose strict liability and significant penalties for the offences under the scheme. This will strongly discourage any actions that lead to excessive urban water consumption. However, the bill also provides opportunities for orders for persons to remedy their non-compliance with the act. An example of this would be to order the replacement of an inaccurate WELS rating label with the correct one. In this way, the act's objective of providing information for purchasers of water using products may be better achieved.

Australia has quite rightly been referred to as a nation that is very dry. Throughout this country, 65 per cent of our water is used by the agricultural sector, 23 per cent is used by the manufacturing sector and 11 per cent is used by households. All three of those sectors can improve their water use. We saw considerable evidence of that in the Murray-Darling Basin inquiry where, when speaking with irrigators throughout the system, we saw how they had invested in water efficiency measures right throughout. They showed that you can do much more with much less water.

The same applies with domestic water consumption in this country. In respect to the urban sector, total domestic consumption over the last 40 years has increased as a consequence of population increase. Australians use about 290 litres of water per person per day, although this significantly varies across the country. Despite significant reductions in per capita consumption over the past decade, overall demand is gradually increasing, mostly because of an increasing population. Based on growth forecasts of a population of around 33 million by 2050, using current annual per capita water consumption, we will need at least an extra thousand gigalitres of water to meet urban household, business and industrial needs. A thousand gigalitres of water is the amount that we would dearly like to find to put it back into the Murray River right now. That exercise alone just demonstrates how difficult it is to find a thousand gigalitres of water, yet that is exactly what we are looking at down the track in terms of the projected population growth and our water needs for 2050.

Certainly some capital cities have invested in desalination plants as an alternative supply of that water. But the reality is that desalination plants come at considerable costs, not only costs to establish the plant but also ongoing costs to take the salt out of the water and then supply it to the homes. So it is not the preferred option. It has been a necessary option but it is also a very costly option. So we ought to be looking at other ways to ensure that we have the water that is required for home use and urban use in years to come. Some states have done that by investing in a whole range of products, by actively managing their water demand, by improving regulatory measures, by applying incentives or by using locally collected water supplies such as rainwater tanks, recycled domestic water or even recycled stormwater.

In my home state of South Australia, we have already taken many of these steps.

The DEPUTY SPEAKER (Ms AE Burke): Deputy Speaker AE Burke – Order! It being 2pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour.
QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Acting Prime Minister and refers to the already flagged increase in rates in the Knox, Mitcham and Bendigo councils due to the world's biggest carbon tax, set to start at $23 a tonne. My question is: how much will council rates escalate when the carbon tax escalates to $350 a tonne?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:00): This is part of the scare campaign that is continuing from the Leader of the Opposition. The impact of 0.7 per cent, less than 1c in the dollar, is something that he continues to deny, and he continues to go around Australia running a scare campaign by exaggerating every possible price increase and then multiplying it by 10. So that is what we are getting in the case of councils. The fact of the matter is this: we will get through this introduction of a carbon price with a strongly growing economy, with strongly growing employment and with price rises which are entirely consistent with the Treasury modelling.

We have had some further support today, because the opposition has been asking us questions about what has been going on internationally and whether our price here is inappropriate compared to what has been going on internationally. Overnight we have had the IMF put out a report which says the IMF confirms that a starting price for carbon pricing should be around the level set by the government in our Clean Energy Act. It goes on to say that Australia, again, is a very good model. The IMF says, yet again, that this is the least-cost way of putting a price on carbon pollution.

What we have is the opposition leader going back to his wrecking ball tactics. He walked away from them last week, and then he said: 'No, it's not going to be a cobra strike. Now it's going to be like being squeezed by a python.' But of course what we know is that he is just like that old snake oil salesman out there selling his snake oil, telling everybody: 'It'll be good for you. Buy some more.' Unfortunately, the public are not buying this argument, not buying their exaggeration of the price impacts. We are providing adequate assistance to households to deal with price increases, including when it comes to councils. If councils are out there exaggerating the impact, they will be paying for that activity and they will face the results with their ratepayers.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): Deputy Speaker, I ask a supplementary question. Can the Acting Prime Minister confirm that the government's own modelling shows that the carbon tax will rise to $131 real or $350 nominal? Can he confirm that is exactly what the government's own modelling says on page 18 of the modelling document?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:03): That has all been published by the government.

Mr Abbott: Deputy Speaker, I seek leave to table this document confirming that there is no scare whatsoever—

Mr Albanese: To coin a phrase to the Leader of the Opposition, no.

Leave not granted.

Economy

Mr NEUMANN (Blair) (14:04): My question is for the Acting Prime Minister. Will the Acting Prime Minister outline the importance of spreading the benefits of a strong economy to ordinary Australians and their families?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:04): I thank the
member for Blair for that question because the Australian economy walks tall in the world, and that is something that everybody on this side of the House is very proud of. The national accounts show that the economy grew by 4.3 per cent throughout the year, faster than every other major advanced economy. Something like 800,000 jobs have been created since the government came to office, during a period in which we have seen the loss of 27 million jobs worldwide. The RBA has cut the cash rate to 3.5 per cent, which is lower than at any stage under the previous government. This means that someone with a mortgage of $300,000 is saving something like $4,000 a year in repayments compared to when those opposite left office. So what we have is impressive growth, low unemployment, record investment, contained inflation, low interest rates and strong public finances.

We do understand that not everybody is the beneficiary, necessarily, of the mining boom, and that there are many people out there who are not in the fast lane of the economy. That is why we are so determined to spread the benefits of the mining boom right around our economy. That is why tomorrow 1.3 million families will begin to receive the benefits of the Schoolkids Bonus. That is $409 for primary school students and $818 for high school students. This is vital money to assist parents with the cost of education. We do believe on this side of the House that parents really deserve that additional assistance with the cost of education. It is going to be there when they really need it—at the start of the year and in the middle of the year. So this will give more families more support. It is a very big investment in education.

Of course those opposite voted against the Schoolkids Bonus. They do not think that mums and dads of Australia deserve this vital cost-of-living relief. They do not trust the parents of Australia to do the right thing by their kids. They would rather give Gina Rinehart control of Fairfax than trust hardworking Australians with the cost of going to school.

Mr Simpkins interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Cowan is warned.

Carbon Pricing

Mr HOCKEY (North Sydney) (14:07): My question is to the Acting Prime Minister and Treasurer. How does the Treasurer reconcile his statement today that the carbon tax is 'only a tiny fraction of the rise of electricity prices in New South Wales; everyone knows that', given that half of the 18 per cent rise in electricity prices announced by the independent regulator is a direct result of the carbon tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:08): I thank the shadow Treasurer for that question, because we know that the main driver of electricity price increases in recent years has been investment in the upgrading of the network—

Mr Hockey interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for North Sydney has asked his question.

Mr SWAN: and there have been very substantial price rises in electricity over a period of years. For example, in the last five years nationally electricity prices have risen by more than 70 per cent without a carbon price. Of course, the rise in New South Wales has been 80 per cent. We do know that nationally the carbon price is expected to add up to nine per cent to the average household bill in 2012-13. The question I was asked was, 'Given the increases in recent years, what is it?' And that is the point I
made. The great bulk of increases in electricity prices have nothing to do with the carbon price, and that is the truth of it. But, of course, you want to run around the country, running your scare campaign. The truth is that in New South Wales those generators and all of those companies owned by the New South Wales government are very profitable. If they want to use the $2 billion and $3 billion they are making out of those assets to give some relief in New South Wales, let us see Barry O'Farrell go and do that. This campaign from those opposite is completely dishonest. It is the work of a snake oil salesman going around the country saying that Whyalla will be wiped out and running around the country exaggerating the impact of the price increases.

Mr Hockey: Madam Deputy Speaker, I rise on a point of order. It comes back to the fact that the Treasurer thinks that a near 50 per cent increase—

The DEPUTY SPEAKER: The member for North Sydney needs to make a point of order.

Mr Hockey: in electricity prices is, in fact, tiny. He has got to reconcile his statement.

The DEPUTY SPEAKER: The member for North Sydney will resume his seat. It is an abuse of points of order. If the member of North Sydney had raised a point of relevance—

Mr Hockey: Relevance!

The DEPUTY SPEAKER: He did not. The member for North Sydney has had his one point of order. He will resume his seat. The Acting Prime Minister has the call.

Mr SWAN: I am finished.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:10): Before I recognise the member for McEwen, I want to welcome to the gallery today members from that other important level of government, local government. I am not going to name every mayor, so do not all send me who they are. They are all in the capital for the Australian local government conference. I hope they enjoy the experience of question time.

QUESTIONS WITHOUT NOTICE

Family Payments

Mr MITCHELL (McEwen) (14:10): They will love it, Madam Deputy Speaker. My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. How is the government helping families with the cost of sending their kids to school? When will this assistance take effect? Are there any obstacles to its delivery?

The DEPUTY SPEAKER (Ms AE Burke): The Minister for Families, Community Services and Indigenous Affairs has the call and will be heard in silence.

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:11): I thank the member for McEwen for his question, because he understands that families in Australia already have enough on their plates. That is why people on this side of the parliament want to do everything we possibly can to help them out, particularly to help out those families who have children at school. That is why the Acting Prime Minister and Treasurer has indicated that from tomorrow families will be receiving the schoolkids bonus directly into their bank accounts, and 1.3 million Australian families will get extra help. That will happen from tomorrow. Of course, from next year families will get their schoolkids bonus paid at the start of term 1 and the start of term 3, just when they need it. I can inform the member for McEwen that nearly 13,000
families will get the schoolkids bonus in his electorate, and more than 22,000 children in primary and secondary school in the electorate of McEwen will benefit. I have absolutely no doubt that those families and those children—like the two million children right around Australia—will be very pleased to see this extra money come into their bank accounts in the next fortnight.

We know that families are already very busy people. Parents are running around doing things for their kids every day, and one thing they do not need is the extra job of keeping receipts. Those opposite seem to have absolutely no connection with reality when it comes to how busy parents are. In fact, the member for Menzies said that he did not think it was a problem at all for parents to have to keep their receipts. People on this side of the parliament understand how busy parents are, and that is why we are making this change and introducing the school kids bonus, and making sure that parents no longer have to keep their receipts. They will get the money straight into their bank accounts when they need it.

It is not only that those opposite do not understand how busy parents are; they also do not understand the financial pressures that parents are under. That is why every single one of those opposite voted no to the schoolkids bonus, just as the Liberals down there in Victoria have just abolished the school start bonus and just like Barry O'Farrell. Barry O'Farrell wants to claw back the money that this government is giving pensioners. Barry O'Farrell is going to increase public housing rents. This government wants to help families. This government wants to help pensioners while all you can do is say no.

**Carbon Pricing**

**Mrs MARKUS** (Macquarie) (14:14): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to the statement of the managing director of Autocast and Forge foundry—Australia's largest independent foundry, operating in Western Sydney—that the threat of the carbon tax is one of the factors gutting manufacturing in Australia. Why is the government persisting with a new tax that will apply the python squeeze of higher electricity prices on Autocast and Forge foundry, endangering the livelihoods of its over 100 employees?

*Government members interjecting*

**The DEPUTY SPEAKER (Ms AE Burke):** Order! The Acting Prime Minister has the call, and people behind him are not assisting him being heard in silence.

**Mr SWAN** (Lilley—Deputy Prime Minister and Treasurer) (14:15): I thank the member for her question. This is a very important economic and environmental reform. Successful countries in the 21st century will be those that use energy efficiently and those that are driven by renewable energy. This is a reform which has been recognised, as I quoted before, by the IMF as being absolutely critical to economic success—

*Mr Randall interjecting—*

**The DEPUTY SPEAKER:** The member for Canning will remove himself from the chamber under standing order 94(a).

*Mr Randall interjecting—*

**The DEPUTY SPEAKER:** The member for Canning is very close to being out for a day.

_The member for Canning then left the chamber._

**Mr SWAN:** The IMF Managing Director has said overnight that this is the best and most comprehensive route to reduce environmental damage and to galvanise
clean energy development and deployment by the private sector. This is confirmed by experience in many countries. The IMF says that comprehensive carbon pricing policies can effectively reduce emissions at least cost. And she goes on in that vein. This is the reason the government has put in place this fundamental reform.

Mrs Bronwyn Bishop: Madam Deputy Speaker, I rise on a point of order under standing order 104. Prior to the word 'directly relevant' being inserted, it was required that the answer maintain a link to the substance of the question. To comply with the new standing order the Acting Prime Minister must relate to the question as asked by the member for Macquarie, not read out a diatribe which is irrelevant.

The DEPUTY SPEAKER: The member for Mackellar will resume her seat. She was doing all right until the end of her point. The Acting Prime Minister has the call.

Mr SWAN: In doing this, there is an impact on the price level in the economy, and that is why we are providing additional assistance to households and also additional assistance to industry. We do recognise that. But this is a fundamental reform to build the resilience of the Australian economy for the future. In the same way that the great reforms that were put in place in the eighties and the nineties have contributed to our resilience today, this is a reform which will do this tomorrow. This will build the strength in our economy by driving the investment that is required in energy efficiency as well as in renewable energy.

Those opposite want to run around the country exaggerating its impact. They do not care about the impact of this; they just care about the politics. They want to run a scare campaign which bears no relationship to the facts. The fact is that the Leader of the Opposition—

Mrs Markus: Madam Deputy Speaker, I rise on a point of order—

The DEPUTY SPEAKER: The member for Macquarie will resume her seat. The member for Macquarie might be aware that the standing orders only provide for one point of order, and one point of order has already been taken on the question.

Government members interjecting

The DEPUTY SPEAKER: Or one point of order on relevance. I think the member for Mackellar was making a relevance point of order under the standing orders, so I am not going to allow the member for Macquarie to take the point of order. The Acting Prime Minister has the call.

Mr SWAN: The Leader of the Opposition has been running around the country preaching doom and gloom—all of it is wrong. All of the material about its impacts is out there in our modelling and it is confirmed by decisions that are taken by regulators—for example, the electricity regulators. All of the rest of it is simply exaggerated hype and a political scare campaign. The Leader of the Opposition thinks that he can somehow get to government by not having any policies, just by running a fear campaign. The fact is, running a fear campaign will not be enough for the Leader of the Opposition, because the public are onto him. He is the most aggro, aggressive, political person in this country. It is turning off the Australian electorate—

The DEPUTY SPEAKER: Order! The Acting Prime Minister will return to the question.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. I simply make the point that the Acting Prime Minister is defying your ruling from earlier on on the question and the answer, and he cannot be allowed to simply to slag and bag the opposition.
The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat. The Acting Prime Minister has the call and will return to the question before the chair.

Mr SWAN: Yes, and I do return to the point made by the IMF. The IMF finds that setting both an initial price and the pathway for future carbon prices is important to create stable incentives for long-term clean-energy investments. The IMF goes on to say that the level set by the government in our Clean Energy Act is a very good model and the price is appropriate—(Time expired)

Media

Mr BANDT (Melbourne) (14:20): My question is to the Acting Prime Minister. You and the opposition have both expressed concerns at reports that Gina Rinehart will not abide by Fairfax's charter of editorial independence. Given her apparent reluctance and her immense wealth, is the government prepared to do more than just publicly call on her to act? Will the government agree to protect in law the editorial independence of major publicly listed media outlets like Fairfax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:20): The government is very strongly of the view that a healthy and robust media is essential to our democratic process, and what has been important to Fairfax right throughout the ages has been its charter of editorial independence. Certainly, we on this side of the House support that charter of editorial independence, but I notice it is opposed by those opposite. They can even say no to a charter of editorial independence. I wonder why that is the case. The editorial independence of media organisations goes to the very core of the quality of our democracy, because the quality of our democracy does depend upon transparency. It does depend upon fair and balanced reporting. Nothing could be more important to the quality of our political debate and our national conversation than having fair and balanced reporting. And to have fair and balanced reporting you do need a degree of independence at the editorial level to make sure that it is not unduly influenced by commercial considerations. This should be just common sense and something that should be supported by everybody in this House. But it is very obvious that those on that side of the House do not care about that at all.

The government has had a couple of reviews in place, the convergence review and the supplementary media inquiry, which has reported in recent times. Journalism is now challenged by great structural changes in technology, and of course this is impacting on media organisations. I will be very, very concerned if the purpose that Ms Rinehart has is to buy influence by buying more shares and junking the charter of independence. That is what I am very concerned about and that is what the government is concerned about, particularly given the record of Ms Rinehart in calling for a greater say, not just in the national debate but also in terms of policy outcomes—the way in which she has pushed her views about getting rid of the MRRT, for example, and the way in which she has managed to get the opposition over there on side for a tax cut for her and Clive Palmer. So we are very concerned about all of those matters, and we are concerned that what will happen in this process is that that charter of independence will be lost. I certainly call on Ms Rinehart to explain, very quickly, to the Australian people what her intentions are and whether she will or will not support a charter of editorial independence.
DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:23): I inform the House that we have present in the gallery this afternoon the St Lucian Minister for External Affairs, International Trade and Civil Aviation, His Excellency Mr Alva Baptiste. On behalf of the House, I extend to him a very warm welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Family Payments

Mrs D’ATH (Petrie) (14:23): My question is to the Minister for School Education, Early Childhood and Youth. Will the minister update the House on the government's assistance to families dealing with the costs of educating their children? How is this an important improvement on previous policies and what steps has the government taken to make sure it is delivered?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:24): I thank the member for Petrie for her question. She is very, very focused on the education that her constituents are able to secure as a consequence of the spending initiatives that this government has made in education, and I know that she, like all on this side, has a strong focus on education in her constituency and in her electorate. The fact is that raising a family can be a costly business and, when it comes to kids and to school, things like school uniforms, excursions, music lessons, extra books and so on—all of these things add up to the cost of raising a family. So I am proud to be able to provide this update to the House, because on this side we take cost-of-living pressures that families face and the education costs that they face seriously. That is why the government has delivered a schoolkids bonus.

It was voted against by the Leader of the Opposition and those opposite, but the fact is that from tomorrow $1.3 million Australian families will get a much needed boost to their budget to help with school costs, because we have replaced the education tax refund with the new schoolkids bonus. People might not know that about 80 per cent of people who were eligible for that education tax refund were not getting their full entitlements, but now it is guaranteed that families who are entitled to family tax benefit A will get the schoolkids bonus. Before June ends, we will see $409 for each primary school kid and $813 for each secondary school kid going into people's accounts. Before the end of the month, two million kids around Australia will benefit from this, and then from January next year the schoolkids bonus will be paid twice a year: once before term 1 and once before term 2. That is a guaranteed payment so that families can meet the costs of education pressures that they face.

It is well known that the opposition derided this initiative by the government. The Leader of the Opposition was fretting about which negative line he could run on this particular initiative, and he came up with the fact that he was worried about it and he opposed it because Australian parents were going to blow it on the pokies. It is a direct quote of Mr Abbott that Australian parents would blow it on the pokies. All I can say to that is that Australian families make hundreds of decisions every week about how best to support their kids, particularly their kids who are at school. Australian families know what cost-of-living pressures are about, and they know that a schoolkids bonus will help them meet those cost-of-living pressures, particularly as the kids are starting school and then halfway through the
year. We are committed to delivering this schoolkids bonus because we know how important education is. Shame on the opposition for opposing it and on the opposition leader for not trusting Australian families with the interests of their own children. (Time expired)

Mrs D’ATH (Petrie) (14:27): Madam Deputy Speaker, I have a supplementary question. Minister, how will the schoolkids bonus you have talked about help parents in my electorate and others around the country?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:27): I am very pleased to be able to answer this supplementary question from the member for Petrie because she, in her electorate, will find that 9,700 families are expected to benefit from the schoolkids bonus—that is, over 17,000 eligible kids in the member for Petrie's electorate in primary and secondary schools. Queensland will see about 281,000 families who are expected to benefit from this schoolkids bonus. It was opposed by those opposite, including the Manager of Opposition Business, who is coming up to ask a question, I hope on education. Why is the government squeezing Australians with the world's biggest carbon tax when it is wasting $540 million on a literacy and numeracy program that has not improved children's ability to read and write?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:30): I most certainly do not accept his characterisation of that program at all. Here we are again with another—

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The members opposite have asked a question; I thought they would like to hear an answer. The Acting Prime Minister has the call.

Mr SWAN: I do not accept that characterisation whatsoever. The fact is that this government's commitment to education is there for all to see in terms of the resources that have been put in in recent years, all of the efforts to lift the quality of teaching and all of the additional resources that have been provided to disadvantaged schools. We are absolutely proud of what we have done in the area of education. I do not accept that characterisation for one minute and, from our point of view, we will continue to do everything we possibly can to
lift the quality and standard of education in our country, which is already high.

We understand, particularly given the global developments that are occurring and developments in our region, that we have to do more—and we will continue to do that. We are proud of what we have achieved in education.

Carbon Pricing

Mr ZAPPIA (Makin) (14:31): My question is to the Minister for Climate Change and Energy Efficiency and Minister for Industry and Innovation. Will the minister update the House on the forecast for the impact of the carbon price? What has the response been on the forecast, and how is the government helping households?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:31): I thank the member for Makin for his question. I am asked about forecasts about the impact of carbon pricing. Of course, that renowned forecaster of doom, the Leader of the Opposition, has claimed repeatedly that the cost impact would be 'unimaginable'. He has called it 'a deadly threat' with ramifications that are 'unthinkable'—it is beyond human capacity to think of what the implications could be! What nonsense; what rubbish. He has gone around the country saying all of this when it boils down to a very simple proposition: we are pricing carbon because it is the most economically efficient way of reducing greenhouse gas emissions and of Australia playing a fair part in international efforts to tackle climate change, and all he has done is go around spreading rubbish. We know the cost impact. It was carefully modelled by the Treasury. It is 0.7 per cent impact on the CPI—less than 1c in the dollar—and, of course, the government will assist households with an average of $10.10 a week provided to households in assistance.

Now that we are turning from the coalition's fiction into fact about carbon pricing, it is instructive that state Liberal governments handing down their budgets are also providing forecasts of the impact of carbon pricing. The Victorian government's budget last month forecast that the carbon price will increase the CPI by 0.5 per cent in 2012-13; the Western Australian Barnett Liberal government in its budget said that it would be 0.7 per cent, which is bang on the Treasury forecasting; in the New South Wales budget—guess what?—it is entirely consistent with the Treasury modelling of 0.7 per cent impact on the CPI.

So here we have state coalition governments and state Liberal premiers completely repudiating the rubbish and nonsense that the opposition leader has spread around this country, just as the backbenchers ignored his warnings about the doom and gloom and the death of the coal industry and instead snapped up the investments. That is what they were doing while he was forecasting the death of the industry. Just as that was happening, state Liberal premiers are also abandoning all of the rubbish that has been spread. He is trying to run away from all these things. We can see the new campaign emerging—it is putting fear into people about 2050. It is all rubbish, and, at the end of the day, you will have no credibility left whatsoever.

Mr ZAPPIA (Makin) (14:34): Madam Deputy Speaker, I have a supplementary question. Minister, you spoke about the importance of accurate information in this debate. Why is that particularly important in the light of recent claims about job losses?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency)
(14:35): I thank the member for Makin once again. We have heard all about the deceit, and there will be plenty more of it to be revealed as the carbon price is implemented from 1 July. But perhaps the most reprehensible part of this deceitful campaign has been the opposition leader's attempts to exploit the anxiety of working people by threatening them about their jobs. Yesterday the opposition was at it yet again—Senator Brandis in particular. Up in the Senate, he directly attributed the loss of 1,900 jobs in Fairfax Media to the introduction of a carbon price in a totally deceitful, dishonest and completely untrue statement that he has still not withdrawn.

It is a complete disgrace, because everyone knows—and certainly all of the staff at Fairfax know very well—that digital technology is putting massive pressure on print media. The carbon price has absolutely nothing to do with the changes at Fairfax, just as the carbon price had nothing to do with the decision of Norsk Hydro to close the aluminium smelter at Kurri Kurri. It was not related to that issue, just as it has had nothing to do with the loss of jobs at Qantas or anywhere else. These people opposite relish the news of job losses so that they can blame them on the carbon price, and it is a disgrace.

**Carbon Pricing**

Mr BRIGGS (Mayo) (14:36): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to reports that the former CEO of the government's Global Carbon Capture and Storage Institute was paid in excess of $500,000 a year, that members flew first class worldwide and that $54 million was spent on operational expenses in the first two years. Why is the government squeezing Australians with the world's biggest carbon tax when it is wasting money allocating $100 million a year to an institute which itself has admitted that this is too much to spend responsibly?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:37): I thank the member for his question, because the government does not apologise for its commitment to carbon capture and storage technology—not one bit—and I believe that some of the reportage of the institute has been exaggerated. The fact is that the development of carbon capture and storage technology is one that is going to be difficult, but it is one that we must absolutely do. It takes an enormous amount of research, it takes an enormous number of partners around the world to put together the right combination of people to get the outcomes that we deserve. So this institute, I believe, has done good work.

Opposition members interjecting—

Mr SWAN: What we are seeing here yet again is the fact that the climate change sceptics opposite do not even accept the basic science of climate change. Therefore they cannot come to the table to have a sensible discussion about what we must do not only in terms of putting a price on carbon but also driving the essential technological development that we need for the decades ahead. Carbon capture and storage is an area where, as one of the largest coal exporters in the world, we do need to make some very substantial progress. As an economy we produce a lot of coal and we export a lot of coal. We have a very big interest in developing carbon capture and storage technology. That is precisely what the institute is doing. It is not something that the institute is doing. It is not something that those on the other side of the House understand or appreciate, but from our point of view we will not be deterred from meeting the challenges of dangerous climate change and supporting our very important coal industry.
Mr Hockey interjecting—

The DEPUTY SPEAKER: Order, the member for North Sydney should observe the standing orders!

Marine Conservation

Ms PARKE (Fremantle) (14:39): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Will the minister update the House on some of the unique marine environments placed under protection in the government's marine parks announcement? Why is this protection necessary and what will be its impact on recreational fishing?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:39): I thank the member for Fremantle for the question. She has been a very strong advocate of protection of marine life and has been a very strong advocate in leading to the announcements which were made last week. In those announcements, there has been a lot of focus on what has happened on the eastern side of the country. It is important also to focus on the benefits in the south-west.

In the south-west, for example, if you are a rec fisher, you refer to this feature as the Rottnest Trench. Environmentalists refer to it as the Perth Canyon. It is a canyon underwater that is larger than the Grand Canyon that, up until now, has had no level of formal protection over it. In taking into account that it is a popular rec fishing site, there are three different heads of the canyon. One of those three heads has gone in as a marine national park; the other two have remained available for recreational use. Similarly, in the area of Geographe Bay further south—a very popular rec fishing site—we have made sure that the marine national parks have been put in places that are away from the principal boat ramps there.

While I give full credit to the member for Fremantle for her advocacy and the question that asks me why this protection is necessary, I think there are others who have made the arguments very strongly as well. I read from a page that used to be available through a link on the internet—that has now been taken down—calling on the federal government to take action by creating larger marine sanctuaries which would protect Australia's marine life and its habitat. It says:

'Australia's coastal waters are filled with unique marine flora and fauna, particularly in the south-west coastal waters of Western Australia, and it is important that we encourage the protection and preservation of our marine ecological environment.' Julie said.

There was a photo of the Deputy Leader of the Opposition holding a 'Save Our Marine Life' sticker. I will not wave it around. I think it is important that I table it, though, because, even though the link has been taken down, they forgot to take down the article so it is still there on Google. You can copy but you cannot delete!

The protection arguments have been well made throughout the whole of the 'Save Our Marine Life' campaign. It has been a major issue in Western Australia, and across the benches over there is a reason why the only opposition we are hearing is being run from backbenchers. There is a reason why it is Ron Boswell who is purporting to make statements on behalf of the entire coalition, without a single frontbencher backing his position in, and that is because scattered across the back bench of those opposite they know that we should be rightly proud of being the world leader in protection of the oceans. Just as we led the way on national parks on land, Australia leads the way on national parks in the ocean.
National Security

Mrs GRIGGS (Solomon) (14:42): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. I remind the minister that commercial, recreational and tourist charter fishing boats have provided much-needed intelligence to Northern Command about illegal boat arrivals in the north and north-west of Australia. With the government planning to lock commercial, recreational and charter boats out of much of this area, is the government intending to increase the surveillance capacity of Northern Command to replace this much-needed volunteer service?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:43): First of all, to deal with one premise in the preamble where it was allegedly a major issue for rec fishers in Darwin, if you get in a tinny from Darwin, you travel 680 kilometres before you get to the nearest place where you cannot drop a line.

Mr Pyne: I rise on a point of order, Madam Deputy Speaker. The minister is not allowed to recast the question to the question he wanted to be asked. The question was about surveillance provided by charter boat operators and commercial fishers—

The DEPUTY SPEAKER: Order! The Manager of Opposition Business will resume his seat! The Leader of the House on a point of order?

Mr Albanese: On the point of order, Madam Deputy Speaker, because the Manager of Opposition Business cannot write a question does not mean that the answer—

The DEPUTY SPEAKER: Order! The Leader of the House will resume his seat! Frivolous points of order from both sides of the chamber do not assist question time. The minister has the call. He is just beginning to answer the question and he will be heard in silence.

Mr BURKE: If you get in the average tinny and you reach that area 680 kilometres away, you probably do not have enough petrol to get back. As with all national parks, there is a management obligation that comes with the establishment of national parks, and just as there are a number of national parks on land managed nationally by the director of national parks, so too does the director of national parks, when these are finally proclaimed, take on the obligation to see that they are properly managed. In some cases this will be done jointly with state governments. In some cases this will be done through relationships with the commercial charter recreational sector. In some cases, for example, where you have got the Great Barrier Reef Marine Park Authority on the exact same boundary as the Coral Sea, there are a range of options as to how the surveillance is actually done. But of course when you establish a national park at sea, just like when you do on land, you take on obligations for management—of course you do. That is where you have opportunities in these areas to be able to use a range of different initiatives, which is the same thing that happens whenever marine parks are established in state waters.

Public Housing

Mr HUSIC (Chifley—Government Whip) (14:46): My question is to the Minister for Housing, Homelessness and Small Business. Minister, how are the government’s pension increases supporting people across the country with the cost of housing including the 5,000 pensioners in my electorate who depend on public housing? Are there any obstacles to getting the extra money into the hands of pensioners?
Mr BRENDAN O'CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (14:46): I thank the member for Chifley for his question and for his ongoing advocacy for the 5,000 pensioners in his electorate who rely on public housing. The government is making significant payments to support pensioners as part of our clean energy household assistance package. These payments will support low-income public housing tenants in adjusting to the cost-of-living impact of the carbon price. Single pensioners will receive $338 and couples will receive $510 combined a year to help transition with these reforms. This is in addition to the historic federal government investment in New South Wales in delivering 7,000 new social housing homes and repairs and maintenance to 31,000 homes in that state.

I have been asked by the honourable member whether there are any obstacles to delivering the money to pensioners. I am afraid that there are obstacles. I was indeed shocked last week when Premier Barry O'Farrell announced he was going to take away some of the money that was going to be provided by this government to help 84,000 New South Wales pensioners in public housing. Barry O'Farrell's decision to hike public housing rents means a single pensioner on maximum rate will now pay an extra $84.50 a year. This is nothing more than a cash grab by the New South Wales government from age pensioners, from pensioners with disability and from veterans in our community who rely on public housing in New South Wales. Barry O'Farrell has shown more regard for lining his own pocket than for helping pensioners in that state.

Opposition members interjecting—

Mr BRENDAN O'CONNOR: I withdraw. But in relation to that I call upon Premier Barry O'Farrell to reverse this terrible decision that is impacting on pensioners in New South Wales and I call upon Premier Newman and Premier Baillieu not to take the money from the 36,000 pensioners in public housing in Queensland and the 46,000 pensioners in public housing in Victoria. I call upon those two premiers not to follow the despicable path of the New South Wales government by taking money away from pensioners—those who are marginalised, those who deserve our support, those who in many cases have helped build this country. What a terrible, despicable act by the New South Wales government! They have an opportunity to reverse the decision, and I call upon Barry O'Farrell to do just that.

Passenger Movement Charge

Mr ABBOTT (Warringah—Leader of the Opposition) (14:49): My question is to the Acting Prime Minister. Can the Acting Prime Minister confirm that the government is about to drop the indexation of the passenger movement charge in response to arguments against it put by the federal coalition?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:49): There is legislation before the House and we will discuss it with the minor parties. We are interested in getting the legislation passed and we will see what the outcome is.

Pensions and Benefits

Ms OWENS (Parramatta) (14:50): My question is to the Minister for Employment and Workplace Relations, Financial Services and Superannuation. Will the minister
outline how the government is supporting working families through decent entitlements and other payments for workers? Is the minister aware of any policies that would put these entitlements and payments at risk?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:50): I thank the member for Parramatta for her question about decent entitlements for Australian workers. It is no secret that this government stands firmly on the side of decent entitlements for Australian workers, and there are many examples of this government's actions in recent times which support this proposition. There is the increase in superannuation for 8½ million Australians, from nine per cent to 12 per cent. Indeed, in the electorate of Parramatta, 26,400 people who earn less than $37,000 a year have had the tax they pay on superannuation abolished—so on the superannuation they get there is no tax. That is fantastic news for these 26,400 electors in the member's seat.

But of course there have been other things to support the entitlements of Australian workers. Again, we should remember the schoolkids bonus—the bonus which those opposite did not even trust parents to spend in the interests of their children. We had supplementary payments to people on allowances—$1 billion to help people make ends meet. But, of course, one of the best things that we have done to help the entitlements of workers is the Fair Work Act. An extra 2½ million Australians are now free from the tyranny of being unfairly dismissed and not having any legal remedies at all. Six hundred thousand workers get injured each year in Australia and they are able to bargain about make-up pay courtesy of this government. These are all very good entitlements.

But I was also asked: what are some of the challenges to the entitlements of people? Let me talk about some of the most vulnerable Australian workers in Australian society—those who get injured. I am afraid I have to report to the House that in New South Wales, as we speak, the New South Wales Liberal government is going after seriously injured workers. Is there no victim that the Liberals in this country will not hunt down and hurt?

Opposition members interjecting—

Mr SHORTEN: Those opposite do not like hearing this. The House will be alarmed to know that if you are severely injured in New South Wales, after 12 months in New South Wales, that is it.

Ms O'Dwyer interjecting—

The DEPUTY SPEAKER: Order, the member for Higgins should stop yelling!

Opposition members interjecting—

The DEPUTY SPEAKER: Order, he has the call!

Mr SHORTEN: If you are policeman in Orange who was injured standing up for people and protecting law and order, your medical injuries miraculously stop, according to 'Dr O'Farrell' and those Liberal quack doctors, at 12 months. Under the Liberals, if you take longer than 12 months you lose your medical benefits.

My concern is this: if you cannot trust the state Liberals to look after injured workers, how can you trust their brothers and sisters, the federal Liberals, to look after Australian workers? Not a chance—no trust. We do not trust you on workers. (Time expired)

The DEPUTY SPEAKER: The minister's time has expired. I will advise him, though, that the microphones in the place work very well and that although a bit of passion is required, yelling at us probably isn't.
Immigration

Mr MORRISON (Cook) (14:54): My question is to the Minister for Immigration and Citizenship. I refer to the statement by the Minister for Home Affairs on 8 June 2012 that Ali Al Abassi—also known as Captain Emad—had been on the movement alert list for some time. When was Captain Emad placed on the department's movement alert list?

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (14:54): I thank the honourable member for his question. I note that last week he said there were 'urgent and important' questions to answer but he forgot to ask any of them yesterday. It is a matter of public record that Mr Ali Al Abassi had been under investigation by the Australian Federal Police for some time. The Australian Federal Police did not have enough evidence to successfully refer him for prosecution and nor were there grounds—or are there currently grounds—to cancel his visa on character grounds. The member for Cook has been alleging all of last week—

Mr Morrison: Madam Deputy Speaker, I rise on a point of order on direct relevance. The minister was asked: when was Captain Emad placed on the movement alert list?

The DEPUTY SPEAKER: The minister has the call and will refer to the question.

Mr BOWEN: The member for Cook said all of last week that Mr Al Abassi had been on the movement alert list for some time and that I should have known. But again he has not checked his facts—and he has not checked his facts today and he has taken out of context things said by my ministerial colleagues. Mr Al Abassi was under AFP investigation and was on the watch list known as PACE, which is an AFP watch list. He was placed on the movement alert list, managed by my department, on 7 June.

The member for Cook has said that the minister for immigration should be aware of every person who is on the movement alert list. Given that there are 639,000 identities on the movement alert list and 1.71 million documents on the movement alert list, I look forward to him implementing that policy if he is ever minister for immigration.

Mr MORRISON (Cook) (14:56): Madam Deputy Speaker, I ask a supplementary question. Given that Captain Emad had been on the movement alert list, or the other list that the minister refers to, and that the Minister for Home Affairs had said he had been on the movement alert list, which is what I referred to, and that he has just said that Mr Al Abassi was the subject of a two-year Federal Police investigation, why didn't the minister move to take advice and cancel his visa under section 109 of the Migration Act? (Time expired)

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (14:57): I am sure there was a question in there somewhere. The fact of the matter is that the member for Cook is wrong again. He has had to rewrite his question on the run because he has got basic facts wrong. The fact is that the consistent advice from the Australian Federal Police to the Minister for Home Affairs and to me has been that premature cancellation of visas can undermine their investigations and could endanger successful prosecutions. The Australian Federal Police have successfully prosecuted many people smugglers. If 'Sergeant Morrison' has a different view based on his vast—

Mr Morrison: Madam Deputy Speaker, I rise on a point of order on relevance. The question was: why did you allow Captain Emad to fly the coop?

The DEPUTY SPEAKER: The member will resume his seat. The minister has the call.
Mr BOWEN: It is hard to be relevant when there is no question asked, Madam Deputy Speaker. But if Sergeant Morrison has a different view based on his vast years of policing experience—

The DEPUTY SPEAKER: Order, the minister will refer to the member appropriately.

Mr BOWEN: I am sure that the Minister for Home Affairs will make the chief commissioner of the AFP available so that the member for Cook can avail the chief commissioner of the benefit of his vast years of policing experience.

Mrs Bronwyn Bishop interjecting—

The DEPUTY SPEAKER: The member for Mackellar can be heard by me very clearly.

Mr Albanese: Unfortunately the member for Mackellar was also heard by me and she should withdraw.

The DEPUTY SPEAKER: The member for Mackellar will withdraw.

Mrs Bronwyn Bishop: I withdraw the term 'bullet head'.

The DEPUTY SPEAKER: The member for Mackellar will leave the chamber under standing order 94(a). Continual abuse of the rules with respect to coming to the despatch box will not be tolerated.

The member for Mackellar then left the chamber—

Mr Pyne: Madam Deputy Speaker, without wishing to earn your ire, the provocation from ministers today, in shouting and bullying the opposition, particularly some of the members on this side of the House, has been utterly unacceptable. A member of the opposition has been ejected from the chamber for simply standing up—

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

Mr Albanese interjecting—

The DEPUTY SPEAKER: The Leader of the House is not assisting. I am fairly confident that the member for Mackellar can look after herself. The member for Reid has the call.

Carbon Pricing

Mr MURPHY (Reid) (14:59): Her venomous and festering tongue!

The DEPUTY SPEAKER (Ms AE Burke): The member for Reid will withdraw and start his question again.

Mr MURPHY: I withdraw. My question is to the Assistant Treasurer and Minister Assisting for Deregulation. Minister, how is the government delivering a price on carbon while assisting families and seniors and making sure they have the protections they need against unfair price rises?

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (15:00): I thank the member for Reid for his question. Of course he knows that the carbon price will cut greenhouse gas emissions to assist us in making our contribution towards tackling climate change. Of course it will also drive investment in clean energy so that we can build a stronger economy for the future. We expect that the carbon price will have an impact on prices on average of around 0.7 per cent, or less than one per cent. Of course that is about a third of the impact that the GST had on prices when it was introduced. Power prices are expected to go up by around $3.30 per week on average, but because we are a Labor government we are determined to implement this reform in a way that is consistent with our values, and that is why we have provided a
comprehensive household assistance package.

For instance, the member would be interested to know that in the Reid electorate we are providing relief to more than 10,000 families and 18,000 pensioners, and we are delivering tax cuts to 53,000 taxpayers earning up to $80,000. We have provided the ACCC with $12.8 million to protect households from businesses that jack up the prices and falsely blame the carbon price for those price increases. But of course we note that many Australians have been doing a fair bit for some time to try to cut their power expenditure and reduce their emissions. But now, of course, it is good to see public campaigns such as One Big Switch that are empowering Australians to get a better deal out of electricity retailers. We know that the best thing for consumers is to have the power to take their business elsewhere to get a better deal.

While we are delivering assistance to households and consumers are out there trying to do their bit, those opposite are trying to do their best to do harm. Under the Liberal government in New South Wales, in the short time that they have been in power we have seen electricity prices rise by 17 per cent in the past year. What have we seen in Western Australia? In Western Australia we have seen electricity prices increase by 57 per cent since the Barnett government came to power. You cannot blame carbon pricing for those increases, and these were increases that were inflicted upon the Australian people without a comprehensive assistance package.

We know that the Leader of the Opposition has said that, if he gets elected, he will rip away the assistance that we are providing to households. He will rip it away. But the Premier of New South Wales is not waiting till the next election, because he already has his hand in the pockets of the most vulnerable people in New South Wales, ripping away their assistance by jacking up public housing rents. I think we all know the Leader of the Opposition has made an art form out of his relentless negativity, but if he were fair dinkum about price rises then he would pick up the phone, call Premier O'Farrell and say no to these increases.

Mr Abbott: In response to the minister's answer, I seek leave to table the government's modelling document showing that emissions will increase under the government's carbon tax—a 43-million-tonne increase.

Leave not granted.

Asylum Seekers

Mr KEENAN (Stirling) (15:04): My question is to the Acting Prime Minister. Will the Acting Prime Minister confirm to the House that an asylum seeker boat has arrived at Cocos Island carrying a breed of rat that will eat the eggs and kill the chicks of the world's last remaining population of these Cocos buff-banded rail birds? What is the Acting Prime Minister's plan to protect Cocos Island from further biosecurity threats given that four illegal boats have arrived there in less than one month?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:04): I cannot confirm that.

Child Care

Mr CHEESEMAN (Corangamite) (15:04): My question is to the—

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order, the member for Goldstein! The Leader of the Opposition by now should know that when the Speaker or the Deputy Speaker is on her feet silence should ensue.

Mr CHEESEMAN: My question is to the Minister for Employment Participation,
Early Childhood and Child Care. How is the government helping Australian families to access affordable, high-quality child care?

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (15:05):
I thank the member for Corangamite for his question. He knows that we are incredibly proud of our record of reform when it comes to ensuring that child care is more affordable, more accessible and of higher quality under this government. As the Prime Minister has recently made very clear, we are always working towards the next steps to assist Australian parents just a little bit more as they juggle their work and family commitments.

Some of those opposite want to talk a bit at the moment about increasing childcare fees. That is fine, but they are only telling part of the story, because the truth is that you cannot talk to the Australian public about increasing childcare fees without also talking to them about the government's subsidies, which have increased even more. So if we want to have a look at childcare fees, let us do it based on the facts. The facts are that this government increased the childcare rebate from 30 per cent, as it was under them, to 50 per cent under our government. The facts are that, whilst they were happy in government to have the cap on that childcare rebate at $4,354 per family, we increased it to $7,500 per family per year.

We know that this has had a huge impact on childcare affordability. In fact, as a result of our increased investment, analysis shows that a family that was paying 13 per cent of their disposable income on their childcare fees in 2004 is now paying 7.5 per cent of that income under our government now. Of course, we are not saying that it is not already an additional burden on families to pay their childcare fees, but what we are saying is that we have a record of putting triple the investment in the hands of Australian families, because we know how important childcare affordability is.

As well as affordability, we know that parents want peace of mind when they drop their children off in the morning so they can be confident that they are being well cared for, and that means having the highest quality services possible. We in Australia now have more kids in care than ever before, attending child care for a greater number of hours. We also have an abundance of research which shows how critical these early years are and that 90 per cent of brain development occurs in these early years. So we believe that we need to get it right, and that is why we have worked with every state and territory government of all political persuasions to lift the quality of care and ensure that Australian children have the best qualified staff and the best attention and supervision going forward.

Those opposite can peddle their half-truths. They can tell the public half of the situation. But, in contrast, we are getting on with the job of making real investments to ease families' cost-of-living pressures and are getting on with the job of making real reforms to give Australian children the best quality childcare services possible.

Mr Swan: Madam Deputy Speaker, I ask that further questions be placed on the Notice Paper.

QUESTIONS TO THE SPEAKER

Acting Prime Minister

Mr KEENAN (Stirling) (15:08): Madam Deputy Speaker, I wonder if you could require the Acting Prime Minister to inform himself on the issues associated with the Cocos Islands.

The DEPUTY SPEAKER (Ms AE Burke) (15:08): The member for Stirling
will resume his seat. The member for Stirling will resume his seat. The member for Stirling will resume his seat. I should not have to require a member three times to do so.

AUDITOR-GENERAL'S REPORTS

Reports Nos 43 and 44 of 2011-12

The DEPUTY SPEAKER (Ms AE Burke) (15:09): I present the Auditor-General's performance audit reports: Audit report No. 43 2011-12, National Partnership Agreement on Remote Service Delivery, and Audit report No.44 2011-12, Administration of the primary care infrastructure grants program.

Ordered that the reports be made parliamentary papers.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:09): Documents are presented as listed in the schedule circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings. I move:

That the House take note of the following documents:

Australian Human Rights Commission—Reports—

No. 49—Cherkupalli v Commonwealth of Australia (Department of Immigration and Citizenship).

No. 50—Campbell v Black & White Cabs Pty Ltd and Tighe.

No. 51—Brown v Commonwealth of Australia (Department of Immigration and Citizenship).

Gambling Reform—Joint Select Committee—Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011—Status of Government response.

Sydney Airport Demand Management Act—Quarterly report on movement cap for Sydney airport for the period 1 January to 31 March 2012.


Debate adjourned.

PERSONAL EXPLANATIONS

Ms PLIBERSEK (Sydney—Minister for Health) (15:10): Madam Deputy Speaker, I wish to make a personal explanation.

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

Ms PLIBERSEK: Yes, I do.

The DEPUTY SPEAKER: The minister has the call.

Ms PLIBERSEK: I want to correct an article by Karen Dearne on page 34 of the Australian today. I have corrected the figures that she has wrongly used before. I corrected them in February. She is about half a billion dollars out again. Journalists are entitled to their own opinions, but they are not entitled to their own facts.

MATTERS OF PUBLIC IMPORTANCE

Pacific Highway

The DEPUTY SPEAKER (Ms AE Burke) (15:10): The Speaker has received letters from the honourable member for Lyne, the honourable Leader of the Nationals and the honourable member for Wakefield proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 46, the Speaker has selected the matter which, in his opinion, is the most urgent and important; that is, that proposed by the honourable member for Lyne, namely:

The urgent need for a Commonwealth-State funding agreement on the Pacific Highway with a completion date of 2016.
I therefore call upon those honourable members who approve of the proposed discussion to rise in their places.

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

Mr OAKESHOTT (Lyne) (1511): I thank several members of the House for their support in allowing this matter of public importance to get on the agenda. It is telling that this is the first time a crossbench member has put up an MPI when only one half of this chamber has got to its feet to support it.

It is often said that infrastructure is hard to deliver in Australia today. It is also often said that Commonwealth-state relations have never been worse. Both those statements have a new pin-up and a new poster boy, and that is the Pacific Highway. The Pacific Highway is the new face of the inability of governments, state and federal, to deliver on infrastructure commitments and promises. The Pacific Highway is the new poster boy of the failure of the relationships between the Commonwealth and the states in Australia today. Those that try to argue the case 'if it ain't broke, don't fix it' are wrong. This relationship is broken, and the Pacific Highway over the past 20 years is a telling example of the dysfunction that exists in the delivery of major infrastructure projects for Australia.

What makes this worse is that absolutely everyone I talk to or listen to on this project says they get it. Everyone who travels the Pacific Highway and stops at memorials for photo opportunities talks about how they want particular projects done and talks about how they recognise the safety and the efficiency gains by delivering on this project. All politicians seem to agree that this is the priority job—certainly for the North Coast of New South Wales and for New South Wales roads generally. It also used to be for New South Wales transport generally, and essentially for this corridor between Sydney and Brisbane. For the Pacific Highway, until now all the language and all the rhetoric has been that this is the recognised agreed priority corridor for completion by the agreed date of 2016. So when it comes to the crunch and the agreements in writing and in funding are not delivered upon, it is all the more galling and all the more frustrating that we all have seen and heard the words of so many in saying they get it when quite clearly, through the lack of agreements reached and the lack of financial commitment given, they do not. There is some sort of disconnect between the rhetoric of the last decade and the reality of the finances, particularly as demonstrated in the New South Wales budget of last week, which monumentally failed to back up the rhetoric that we have heard from so many members of parliament, saying that they understood what it meant to get to the 2016 deadline. Even though advancing this project has been like pulling teeth for the last 10 to 15 years, this matter of public importance has a sense of urgency about it right now. It is an eleventh-hour bid—a bit of a desperate attempt—to get federal and state action now for the completion of the Pacific Highway by 2016 according to the bipartisan, decade-long agreement. If agreement cannot be reached, it will have significance for many people outside this chamber: this parliament and the New South Wales parliament will have contributed to more deaths on the Pacific Highway—and I do not say that lightly. There have been more than 800 lives lost on that section of road over the past 10 to 15 years. None of us wants to see that number increase and, if we are serious about avoiding or minimising any more loss of life or injury through what is now a very busy corridor between Sydney and Brisbane, we
must get this formal agreement in place and complete the project in the next four years.

I also warn the House that, if an agreement cannot be reached, North Coast communities will take matters into their own hands. Two months ago, for example, in a community at Urunga there was a very serious attempt to blockade the highway. That would have significant impacts on a whole range of businesses and affect the function of the North Coast, but that is how frustrated communities have been in the past. That blockade was narrowly avoided for a couple of reasons. I do not fear but I expect and warn this House that, unless an agreement can be put in place, there will be blockades on the highway by communities so frustrated and so cynical about the promises that have been made but not delivered upon. The history of this project is: overpromise and underdeliver, overpromise and underdeliver, overpromise and underdeliver. The communities of the North Coast are sick of it and, quite rightly, are pretty keen to respond to the problem if government will not.

How have we got to this point? In the last 12 months people such as I have been trying to get two things done through this chamber. One was to get a work schedule released. There was a period of time when plenty of people were saying that, in the four-year window coming up, the work could not be done—not for financial reasons but for resourcing and work-scheduling reasons. There either was not the manpower or there were not the resources to do the job. We blew that argument out of the water around January or February by getting a work schedule released that clearly demonstrated that the manpower and resources are there and, over the next four years, section by section, the job could be done.

So it all comes down to the money. In the May federal budget, as all in this place should have seen, the standout item in infrastructure was the commitment of $3.56 billion over the next four years to the Pacific Highway. It was the standout item. If anyone is in any doubt, go to the budget papers and try to argue differently. That was a significant contribution from the Commonwealth, saying, 'On the basis of the agreements in the past we will commit to getting this job done by the agreed date of 2016.'

It all then came down to the owner of the asset. It is fundamentally a state road and it all came down to last week's New South Wales budget. New South Wales had the opportunity to choose this project, double their money and get the job done over and above all other infrastructure demands. Here was a project with a $3.5 billion carrot dangling from the Commonwealth and the opportunity in four years to get the project off the books. What did New South Wales choose to do? They redirected that money to a planning project in Sydney in a rail corridor that is still in dispute and will receive no contribution whatsoever from the Commonwealth. In the clear choice between one or the other—between doubling the money and getting the job done or effectively a halving of the money and not even starting to get the job done with issues still in planning dispute—for some unknown reason the New South Wales government selected this Sydney based project in planning dispute with no contribution from the Commonwealth as the preferred choice, leaving a significant amount of confusion in the planning process around the Pacific Highway and amongst communities, who are white-hot about this decision, particularly the politics of it, where every single electorate along this corridor is either a Liberal Party or a National Party seat. How on earth have
they allowed a planning dispute in Sydney to redirect, and effectively pinch, the money from completing the job as promised for the Pacific Highway? In my view, it is an absolute disgrace, and that is why there is a sense of urgency about trying to get some direction from this chamber and from colleagues in the New South Wales parliament on exactly where this road stands on the list of priorities. All this rhetoric that they get it and they want this job done by 2016 seems to now have just gone ‘poof’ into nowhere. This project is now some sort of lower order priority behind two rail corridors in Sydney that will swallow pretty well the entire transport and infrastructure budget of New South Wales if they remain the priority exercises in that state. If we were in any doubt, there are quotes after quotes after quotes to demonstrate a pretty serious backflip from the New South Wales government who, as I say, overpromised and, in the last week, have clearly underdelivered. Here are three from the New South Wales Leader of the National Party, whose home electorate is right on the Pacific Highway corridor and who now, through his actions, is saying that a Sydney rail corridor is more important than finishing the Pacific Highway. Andrew Stoner, in a media release of 21 February 2011 said: 'Only the New South Wales Liberals and Nationals are committed to completing the upgrade of the Pacific Highway by 2016’—obviously wrong. The *Coffs Coast Advocate* of 31 March 2011 had this quote from the same gentleman:

The NSW Liberals and Nationals are committed to road safety and plan for the upgrade of the Pacific Highway to be completed by 2016. Wrong. In the *Australian Financial Review* of 6 April 2011 we read:

In October last year Prime Minister Julia Gillard told parliament she was committed to completing a dual carriageway on the Pacific Highway by 2016.

Here is the quote from Mr Stoner's spokesman:

We support that, and we want to work with them towards getting there …

What happened? What happened last week? Why the lack of commitment to getting this job done in the next four years and getting this project off the books and working in a bipartisan way with the Commonwealth to actually celebrate an infrastructure project in Australia and the completion of an infrastructure project?

Instead, what we have had since is some sort of attempt to develop a new company line, that this has been some sort 80-20 funding arrangement rather than a fifty-fifty funding arrangement, which is why members in this place would have heard me stand up yesterday and ask the minister about releasing all documents and all correspondence. There is not a single document that has the New South Wales roads minister's signature on it, or the federal roads minister's signature on it, for the life of this Pacific Highway project. So across political boundaries we have seen changes of political colours at both levels over the last 10 to 15 years. There is not one single document that has those two ministers' signatures on it that says 80-20. Unless there is some secret document that New South Wales is withholding from communities, it does not exist. Yet we, in the last week, have had members of parliament in New South Wales stand up and say, 'I have a memorandum of understanding in my hands that is an 80-20 agreement.' That is a complete lie, in a parliament, under privilege. Yet they are getting away with it.

It is time we started to call some people's bluff on this and started to look at documents that are signed agreements between
Commonwealth and state ministers, of all political persuasions. And the variations on the language are all 'dollar for dollar', 'matching funding' or 'fifty-fifty agreements'. That is what the three agreed documents I have seen are. One is an AusLink document; one goes back to a Pacific Highway reconstruction document, right back at the start, with Michael Knight and Laurie Brereton; one is John Howard and Mark Vaile in 2007. They are all variations on this same theme: fifty-fifty, matching funding, or dollar for dollar. There is no such thing as a memorandum of understanding that is 80-20.

And it is a complete disguise to try and cover the tracks of people who promised big, who overpromised, who got elected on this platform of finishing this job and who have underdelivered. They have failed. And they are going to cost lives unless this issue can be saved somehow, quickly, in the interests of the communities of the North Coast and in the interests of safety and efficiency on probably the major transport corridor in the Australian road network, and particularly between Sydney and Brisbane. I hope we can catch this one and save the 2016 deadline.

(Time expired)

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:26): I thank the member for Lyne for moving this matter of public importance debate today. I, frankly, was shocked that the members of the National Party and the Liberal Party refused to even stand up out of their seats and support this debate being conducted today. This is an absolutely vital national issue. It is an issue for all those communities along the North Coast of New South Wales. But it is also an issue for all those who travel along the Pacific Highway—and it might just be once a year, around the Christmas holidays. But there are people right throughout this nation who have been impacted in a very personal way because of road accidents that have occurred on the Pacific Highway. In 1989 there were the two worst accidents in Australia's history—they still remain a tragic record: the Clybucca incident, and then one further up the road, in just months, in Grafton. It is as a result of that that we had a coronial inquiry. The coronial inquiry recommended the full duplication of the highway.

It is a fact that governments, federal and state, Labor and coalition, have not done enough on this issue. That is a fact. But when I became the minister in 2007 I absolutely committed to doing my best to ensure that we actually had some reality to match the rhetoric about what needed to be done on the Pacific Highway. We have provided, prior to this year, $4.1 billion of funding from the Commonwealth for this highway. That compares with $1.3 billion over the 12 years of the Howard government; during that period state governments put in $2.5 billion. You do not need a calculator to work out that that is almost double, and yet what we have from the state government of New South Wales today is this absolute nonsense that somehow this is the responsibility of the federal government alone. I was extremely critical of the New South Wales government when they did not do their bit on the Pacific Highway. Indeed, I took $50 million from the New South Wales government—the Rees bungle cost $50 million—when they were doing the wrong thing. I was out there at press conferences saying they needed to do more. And do you know who was backing me in: not just the member for Lyne, but every state coalition member from Premier O'Farrell now to Andrew Stoner to Duncan Gay. There was quote after quote. Andrew Stoner, Deputy Premier and member for the seat right in the middle of the highway said:
Nathan Rees can't pass the buck on this issue. The upgrade of the Pacific Highway is a State Government responsibility, so it's up to them to get the job done.

If elected to Government in 2011, we will make the upgrade of the Pacific Highway a top priority. It is not ancient history; it was in 2009.

Premier O'Farrell on 8 March 2011, two weeks before the election, said:

Only the NSW Liberals and Nationals are committed to completing the upgrade of the Pacific Highway by 2016.

That was two weeks before the election, when they won nearly every seat. When you cross Sydney Harbour Bridge and drive to Queensland, every single seat along the way is held by a coalition member, without exception. The roads minister said in 2007:

I would hope this time he—

the then roads minister Eric Roozendaal—

would ... say, 'Yes I will match that money and save the lives of people in NSW that have to use this highway'.

I repeat: 'match that money'. That is what they were calling for. It is not surprising that they were calling for that. Indeed, when they were the state opposition they were saying this.

Again, the Deputy Premier on 21 October 2009 said:

I pay credit to the Rudd [Labor] Government ... for increasing the funding... The Pacific Highway is a State road that effectively causes the loss of one life a week.

The State Government must increase its commitment... As ... Mr Albanese pointed out ... the Federal Government is actually carrying the State...

The roads organisations follow this issue day after day. The NRMA president said:

It was the Howard Government that set the 50/50 funding split for the Pacific Highway from 2006 and the NRMA has supported this approach since day one.

While in Opposition, the current NSW Government frequently called on the NSW Labor Government to match federal funding for the Pacific Highway dollar-for-dollar and we supported this call too.

To now suggest that funding should suddenly be reverted to an 80-20 model would ensure further long delays in finally upgrading this dangerous highway.

That was on 27 February this year.

We have agreement after agreement. The AusLink 2004 paper said:

The Government will partner with the New South Wales Government to commence new duplication and upgrading projects by investing an additional $480 million in the Pacific Highway in the five-year period. The New South Wales Government will be expected to at least match this level of funding.

The Pacific Highway reconstruction program New South Wales said:

Under the Pacific Highway Reconstruction Program the Commonwealth will match on a dollar-for-dollar basis additional expenditure on the Pacific Highway in NSW, up to a maximum of $75 million a year ...

That was in 1996. The memorandum of understanding in June 2006 was signed by the Leader of the National Party. It would be fifty-fifty and match the funding. That was the position that was put forward. It was in the AusLink agreement as well.

In 2007 the federal coalition, in a statement by the Prime Minister—this was during the election campaign for the existing program—said:

The Coalition Government is willing to provide our share of the additional funding needed to fully duplicate by 2016, if the NSW Government will match our funding commitment to a faster completion.

So this is not something that has been plucked from nowhere. This is something that has been in place since 1996. It was called for by those opposite. It was called for
by the state coalition not year after year, not month after month but day in and day out. The communities on the North Coast of New South Wales had every right to expect that it would happen under the O'Farrell government when it was elected—as it inevitably was. This was not a tough election campaign where they thought: 'Oh, we'd better promise more money. We're not sure how we'll deliver it, but we'd better make a promise otherwise we mightn't get across the line.' This was a landslide. There are 93 seats, with 20 on one side and 73 on the other. Every seat from the Sydney Harbour Bridge to the Queensland border is held by the coalition. They knew what they were doing. The people on the North Coast were entitled to think that they would keep their word.

Yet this is what we have. Last year, when we put in the federal budget $750 million of new money as part of our $1.02 billion of additional funding for the Pacific Highway, 'dollar-for-dollar matching' was what we said. The state government in the Treasurer's speech on budget night and in questions in the parliament that week said they would match the $750 million. Yet there was a sleight of hand. In a letter from the minister for roads on 28 May to me it said:

As noted, New South Wales has committed $468 million under the current agreement. Funding beyond 2013-14 would normally be negotiated in the context of formulating the Nation Building Program. This will now take place as part of finalising the Pacific Highway intergovernmental agreement. As you are aware, more than $7 billion in additional funding is required to complete the highway duplication by 2016.

People who pay close attention to this—and a number of people do, particularly the people on the North Coast—will know that on budget night we allocated additional money to the Nation Building Program and said that it would be available on a dollar-for-dollar basis up to $3.56 billion, which was half the assessment from New South Wales of the remaining costs—$7.1 billion. But last week in the New South Wales budget that $7.1 billion became $7.7 billion because they ripped off $300 million from what they said they were committing in last year's budget to this year. They took $300 million further—the matching amount—from our funding commitment as well, because they knew that it was a matching amount.

So $7.1 billion became $7.7 billion. A tough task became even tougher. They say, 'There are pressures on our budget. We've lost $5 billion of revenue.' This government had to take a $140 billion hit to revenue as a result of the global financial crisis but I went into our budget processes and argued the case. I argued the case; this lot just rolled over. In New South Wales they rolled over for the Liberals. So they have $3.3 billion for a project that will cost at least $14 billion. And they have abandoned the commitment to the Pacific Highway.

I have a meeting scheduled with the roads minister next Thursday. The New South Wales government has, between now and next Thursday, to get on board and actually do. The National Party of old would not have rolled over. McEwen would not have rolled over like this. They would have demanded support for this national project that has been recognised by Infrastructure Australia. Yet the current Leader of the National Party signed documents about the fifty-fifty funding when he was the transport minister. But to give him some credit, at least he was not the local member, the transport minister, Leader of the National Party and Deputy Prime Minister, as the former member for Lyne was, at that time. They had the other leaders—the former member for Richmond was another National Party leader—and local members all up and down the coast, but they
still did not do anything to fix this problem. But they have an opportunity, and we ask nothing more and nothing less than that they keep to their word and do what they said they would do, which is to do their bit.

What will we do? We have on the table dollar-for-dollar funding. The money will go to the Pacific Highway. We will provide 50 per cent funding. It is a matter of what the timeframe is. We know that 2016 is achievable. Those opposite have gone away and said that it is not achievable. We have produced the timeframe with the projects.

I make this point: last week we had the extraordinary position where people on the other side of the chamber were talking about pork-barrelling. The member for Dawson said: You can only write it down to pork-barrelling and vote buying.

Of the current action on the Pacific Highway, 92 per cent is in coalition seats. If you want an example of a national government rising above politics it is this government and this project. All we ask is that those opposite do what they said they would do. They have that opportunity in the next couple of weeks. They need to deliver on their commitments, because this project is too important to play politics with.

Mr TRUSS (Wide Bay—Leader of The Nationals) (15:41): The Pacific Highway is a major national priority. It is vital that this road be upgraded, and be upgraded as quickly as possible. It carries a large volume of traffic. There are many accidents on the road. There have been many tragedies and much heartbreak. That is why I grieve at the fact that the government is now seeking to turn the construction of this road into some kind of political barney. Instead of putting their shoulders to the wheel they are turning this into a political stunt. They are changing the rules midstream about funding levels and then trying to, somehow or other, blame the New South Wales state government.

The Prime Minister promised the member for Lyne that this road would be duplicated by 2016. I guess that should have been an early marker that the deadline would never be met, because this Prime Minister never honours her word—we are only 12 days away from the carbon tax that we were never going to have. I might add that this is a carbon tax which is going to make the construction of the Pacific Highway more expensive. It will be more difficult to achieve the objective because the cost of building the road will be significantly higher than it would have been without a carbon tax.

The member for Lyne acknowledged quite some time ago that this target was not going to be met—that there was insufficient funding available. He asked questions of the Prime Minister. The Prime Minister seemed to walk away from the issue and said that the target was still going to be met. But in reality, all along the government knew that it did not have sufficient funding on the table to be able to make this achievable.

We have just heard the Minister for Infrastructure and Transport say, as he has often said, that he was upset when the New South Wales Labor government started withdrawing funding from the Pacific Highway. Let’s make this absolutely clear: the goal of reaching this target by 2016 died when the previous Labor state government in New South Wales started to withdraw funding from the project. It actually cut the funding. Indeed it is true that Mr Albanese, in a letter that he tabled yesterday, criticised the New South Wales Labor government for taking $300 million off the Pacific Highway so that the state government would only be providing $500 million over the period of the memorandum of understanding. He said that
he took $48 million from them as a penalty for that. But that is not true. I pointed this out to the minister in this House once before. Reading from his own letter, it is quite clear that the $48 million was withdrawn from the New South Wales government because they had not signed the MOU on time. It had nothing to do with the amount of money in it; they had not signed the MOU on time. So he was taking the $48 million bonus that was available for early signature away from New South Wales.

But do you know how long this penalty lasted? For two paragraphs in the same letter. In paragraph 2 of the letter, he said he was taking the $48 million away. In the same letter, in paragraph 4, he said:

… I have taken a decision to direct an additional $48 million to provide for further duplication works on the Pacific Highway …

So he took it away, and two paragraphs later he gave it back to New South Wales. That is how angry he was with Labor in New South Wales for reducing their funding for the Pacific Highway.

**Mr Oakeshott:** Table it—table it with the signature.

**Mr TRUSS:** The honourable member for Lyne said that there is no agreement around which involves an 80-20 split. That is actually technically correct, because the agreement under the memorandum of understanding has an 83-17 split—$2,541 million—

**Mr Oakeshott:** Table it, please.

**Mr TRUSS:** coming from the federal government and $500 million coming from the state government. That is 83 per cent to 17 per cent.

As the time wore on, there were some more agreements. In March 2009, the Commonwealth added another $48 million, which you have just heard about.

**Mr Oakeshott:** Mr Deputy Speaker, I rise on a point of order. In desperation, I ask the Leader of the National Party to table the document he is referring to.

**The DEPUTY SPEAKER (Mr KJ Thomson):** That is a matter for the Leader of the National Party.

**Mr TRUSS:** I am going to read the numbers, so you will not need them to be tabled. There was $48 million provided, 100 per cent from the Commonwealth and nought from the New South Wales Labor government. In May 2009, the Commonwealth provided another $618 million for the Kempsey bypass—nought coming from the New South Wales Labor government. By that stage the split had got to 86 per cent from the federal government and only 14 per cent from New South Wales—an 86-14 split. Then there was a new national partnership agreement which incorporated these new figures, and it was signed by Minister Albanese, Minister Campbell and Minister Daley—all Labor ministers. They signed up to an 86-14 split.

So every single project on the Pacific Highway when Labor was in government federally and when Labor was in government in New South Wales was on a split of at least 83-17, and in some cases 100-0. And yet the member for Lyne is in here defending this and trying to blame others. The numbers, 86 per cent, 87 per cent, clearly demonstrate that Labor had in fact changed the formula and was intending that there be an 80-20 split on this road.

If you want any further evidence of this, just look at the nation building document released in May 2009, where the government proudly announced the new N1, which for the first time included the Pacific Highway. Prior to then, the Pacific Highway was not a part of highway 1 network. So the funding had been fifty-fifty. Minister Albanese says
that the previous government did not spend as much money on the Pacific Highway as the current Labor government. That is true, because the funding share was different at that time. But I could just as easily say that the Howard coalition government spent infinitely more on the Pacific Highway than did the Keating and Hawke governments. The reality is that time has moved on. We were the first to contribute significantly to the Pacific Highway. The current government, to its credit, has continued that, and the next coalition government will do even better. We will make sure that this project is completed.

So the reality is that Labor changed the rules. Every single piece of funding while there was a Labor government in New South Wales was based on at least an 83 per cent to 17 per cent split. It was not until the election of the O'Farrell government that that changed. In May and September 2001 the O'Farrell government committed $468 million extra to the Pacific Highway, and that brought it to an 80-20 split. So was it any wonder that the New South Wales coalition government, when it was seeking election, was making promises on commitments for funding on the basis of an 80-20 split? That had applied to other sections of highway 1 and it applies to other projects in New South Wales. And so this was the arrangement that was in place.

Mr Oakeshott: Table it!

Mr TRUSS: New South Wales was making funding available on the basis of the agreements that were in place at that stage—a signed MOU, Member for Lyne. There was therefore every reason to believe that that was indeed the funding arrangement.

Mr Oakeshott: Mr Deputy Speaker, I rise on a point of order. In further desperation, I ask the Leader of the National Party to table this mythical memorandum of understanding.

The DEPUTY SPEAKER: There is no point of order. These things are a matter for the Leader of the National Party.

Mr TRUSS: The reality is that we listened to the member for Lyne in silence but he chooses to interrupt everyone else. I think that is a recognition of the fact that he knows that his argument is threadbare. He has become too politically connected to the government to actually see the facts, and that is a real concern to me—that a man who purports to be independent will not actually look at the issues as they really are and make sure that the facts are told as they should be.

Another letter, which the minister tabled yesterday, is from David Campbell, the then Minister for Transport, to him in December 2009. Towards the end of the letter the Labor government says:

Subject to your agreement to the above course of action, I will undertake to seek confirmation of a 20% NSW government commitment to the additional funding required—

for the road. So there is not the slightest doubt that when there was a Labor state government in New South Wales the federal Labor government intended to provide 80 per cent of the funding and the state was only going to be asked for 20 per cent. They have changed the rules now that there has been a change of government and because the federal government itself has reduced its funding commitments.

In the document that they presented in May 2009 they said there would be over $4 billion of funding in 2012-13. We know that that is now only just over $2.6 billion. For the following year there was to be $5 billion, and they have slashed that amount of funding as well. Labor has cut its funding for roads and the Pacific Highway is suffering, and they are now trying to blame the New South
Wales state Liberal government. *(Time expired)*

Mrs ELLIOT (Richmond—Parliamentary Secretary for Trade) (15:52): How incredibly disappointing yet not surprising that speech by the Leader of the National Party was. It was the same old story, the same old misleading statements. He could not table that fanciful document that he was quoting from; he refused to do that. He was just trying to change the goalposts and the rules. He signed a memorandum of understanding; he knows what the facts are in relation to this. He and the National Party really do represent so much of how they have let down the people of regional New South Wales, particularly those people on the mid- to North Coast of New South Wales. They have done it across so many areas and in so many particular programs that they have not fulfilled, and people are realising now that the National Party just cannot deliver.

We heard before from the Minister for Infrastructure and Transport about those state coalition seats right up and down the coast. None of those National Party members could get their Liberal masters in Sydney to commit to this funding. It shows how ineffective they are. They are ineffective at a state level; they are ineffective at a federal level. We see it; I know I see it in my area on the North Coast. It is not just when it comes to roads; it is in other areas as well. They are just incapable of delivering anything when it comes to state funding—totally incapable. It is particularly highlighted when we look at what is happening now with the Pacific Highway and the funding for it. The fact is that they have just not been able to bring forward any of the commitment we need from the state government in relation to this. This is an issue of such extreme importance when we look at upgrading the highway, the safety provisions and those improved road conditions.

I and, I know, many other local members have a very strong commitment to ensuring we have that upgrade. I have a personal perspective. As a former police officer I was involved in attending many fatal traffic accidents, and I have a very strong commitment to road upgrades wherever we can have them and am very proud of the commitments that this government has made. It sickens me when we see the state governments not just weaselling out of their commitments on one hand, but also what I have seen in my area, which is them then trying to make a fanciful claim that somehow there has been a cut in funding and they cannot fund all the commitments they made prior to the last election. They are misleading on so many fronts. That is very typical of the National Party. That is how they respond to things because they just cannot deliver.

In May we saw in our federal budget that we would inject an extra $3.56 billion into Pacific Highway funding if it were matched by the New South Wales government. That would mean full duplication by the end of 2016. We have made that very clear to them. We are asking them to fulfil the commitment that they made prior to the last state election. They came out and said that they wanted to have those funding arrangements in place. In fact, they were calling on the previous state Labor government to match that. We continue to call upon the current state government to do that. If they matched our commitment it would take the spending on this road to more than $7.7 billion over nine years, compared to the Howard government's record of just $1.3 billion over 12 years. We will continue to call upon them to make sure that they honour that.

Of course, the betrayal of our North Coast communities began last Tuesday with the
state budget. Despite the fact that the state government kept saying that they supported matching the fifty-fifty federal-state funding, they failed to deliver. We were all there waiting for it, waiting to see it in their budget. There was nothing; they failed to do it. Not only did they not match the funding, not only did they not commit to the fifty-fifty funding; on top of that they cut $300 million from their roads funding. Doing that made it even worse. They were just playing politics and cutting the funding. Now we have the Leader of the National Party walking away from previous commitments. He did not really say what they were going to do now. He was just waving pieces of paper around and talking about false memorandums of understanding. He cannot really give us a definitive date when they are going to do it or, if they were in government, what they would commit. They have no credibility on many issues, and they certainly have none on the Pacific Highway.

In comparison, we have a very strong commitment. We have heard a number of quotes but there is one I would like to give from the Premier, Barry O’Farrell, on 8 March 2011. He said:

Only the NSW Liberals and Nationals are committed to completing the upgrade of the Pacific Highway by 2016.

It is very convenient that he said that prior to the last state election. We certainly heard a lot of National Party members up and down the North Coast saying the same sorts of things and calling on the state Labor government to match that funding. They have all gone quiet now. They are all in hiding, as they always are—every single one of them—because they have been unable to deliver that.

I would like to speak briefly about some of the funding in my seat, particularly the Sexton Hill upgrade, which is just about to be completed. This upgrade was funded by $349 million from the federal government and $10 million from the previous state government. The completion of it means that you can hop in a car in the Brisbane CBD and you will have no traffic lights until you hit Coffs Harbour. This is pretty amazing and it shows what can happen when you do get a major commitment to the Pacific Highway. The state member up there, Geoff Provest, really highlights how ineffective the National Party have been when we look at this issue of Sexton Hill. First of all, he was against the construction of the road and the design of the road. He bagged out the RTA at every given opportunity. He came along recently when we had the minister for transport up there talking about opening the northbound lane to the Pacific Highway at Sexton Hill. He had a bit of a tantrum and left. He has not really contributed anything. He has not contributed 1c. Mind you, he puts out a lot of brochures, trying to claim a lot of the funding for it, but they are pretty desperate attempts.

But what I think really upset people was that when we had the announcement of the state budget, of course the state National Party MP for Tweed, Geoff Provest, was not able to deliver on any of his particular funding initiatives. In particular, he promised prior to the last election that there would be funding to upgrade the western side of Kirkwood Road. There was no money to do that. He also promised money for a homeless shelter. We have not seen that delivered. He also promised funding for a high school at Pottsville. We did not see any of that. But do you know what he is now claiming as the reason why he cannot deliver that? He is misleading people by saying, 'I cannot deliver funding because the federal government has reduced funding for the Pacific Highway.'

This is a double lie. First of all, they did not match our funding. Then they cut $300
In there and make their voices heard by the National Party and the Liberal Party to get the funding. If you cannot do it—if you cannot do your job—then step aside and get somebody who can deliver for the North Coast and secure the funding not just for the Pacific Highway but also for everything else. Is this the start of the next few years when they will not be able to deliver anything at all? People are already sick of all the excuses and all the misleading statements. These members have to start standing up and getting results, particularly on issues that are really important and almost above politics, such as this funding of the Pacific Highway.

We have put the offer out there. It is more than $3.5 billion for them to match at fifty-fifty. That is as per their memorandums of understanding—it is what they called for prior to getting into government in New South Wales. We are asking them to honour it, to match it and to join with us and finish this stretch of the Pacific Highway. It is such an important issue for safety and for road upgrades for the people of New South Wales and others travelling in the area. It is now up to the state National Party members up and down the coast. As we know, there are many of them up and down the coast as you go north of Sydney. It is time for them to stand up and deliver, because this issue is so important. The federal Labor government has continued to deliver. (Time expired)

Mr HARTSUYKER (Cowper) (15:59): I welcome the opportunity to speak on the very important issue of the Pacific Highway. It seems incredible that, effectively, we are debating in this House the bickering between the state and federal governments, because the people of the North Coast are sick of bickering. They just want the state government and the federal government to shut up and get on and start building the road. There was a commitment in the federal budget of some $3.5 billion for the road and
a commitment from the state government of $1.5 billion over the forward estimates for the road, so there is $5 billion in the pot. Stop talking about it, stop arguing and just get on and build it. That is what the people of New South Wales and the people of Australia who travel from Sydney to Brisbane want. We need an effective Pacific Highway to handle the huge transport task safely.

Regrettably, the Pacific Highway is one of the most notorious roads in the country. A number of areas in my electorate are particularly notorious—most notably the accident black spot from Warrell Creek to Urunga. Sadly, today there has been yet another accident south of Macksville. The Macksville bridge is decades past its use-by date and simply not up to the huge transport task of supporting the massive B-doubles which are crossing it in their thousands each week. The upgrade to the Pacific Highway is a huge task and is going to take a huge amount of work to complete.

It seems incredible that members of this House and other politicians are out there are still talking about a completion date of 2016. That is nothing but an elaborate deception. The opportunity to complete the highway by 2016 slipped by long ago. It has taken 16 years to so far complete 52 per cent of the highway, but the government and the member for Lyne would have us believe that, while it took 16 years to do the first half of the project, the second half can be miraculously done in four years. That is a fairy story. As members of this House we have an obligation to deal truthfully with our electorates; we have an obligation to deal with the facts. The simple fact is that if you going to complete the highway in four years you are going to have to complete it at a rate of 80 kilometres a year. They have not come close to that rate in any year so far, and they are not going to do it now.

If we have a look at the stats, we see that they are quite informative. The total length of the section of highway in question is 664 kilometres; 346 kilometres are completed; 318 kilometres are still to go; 60 kilometres are under construction; 121 kilometres are planned; and 137 kilometres are not even in receipt of planning approval. If we look at the time it takes to build some of these very extensive civil works projects—I see the member for Page up there, and there was a massive task completed on the Ballina bypass—we realise that it takes years to do these things. There are huge engineering challenges. There is subsidence in the soil because of the very unstable nature of many of the alluvial flats that have to be crossed on some of the remaining sections. It is a huge task, and 137 kilometres have not even had planning approval yet. With a three-year-plus construction timetable, a lot of planning has to happen between now and the end of the year for there to be any hope of the project being completed by the end of 2016.

The reality is that there is no hope—the program for the completion of the road by 2016 which is talked about by the minister and by the member for Lyne is nothing more than an elaborate deception. It is pretty easy to write a schedule on a piece of paper; it is a lot harder to build and fund the road. I think that the people of the North Coast are entitled to expect honesty from their elected representatives. This road will not be finished by 2016, but we are still duty-bound to use our best endeavours to complete the road just as quickly as possible, to stop arguing the toss, arguing about the split of percentages. Both levels of government should commit the maximum amount of funds possible to the road and get it done just as quickly as they can.

I have two priorities as the member for Cowper, as one who represents a large stretch of the highway. We need to bypass
black spots as quickly as possible. Eliminate the worst accident spots first. That clearly has to be a priority. We have to as a matter of urgency extend the proposal to do the work from Nambucca to Urunga. We need to extend that to Warrell Creek so that we take out that entire accident black spot—not just half of it, which is the current proposal. We have a proposal, and I welcome it, to start work on the section of road from Nambucca to Urunga. We had that tragic accident at Urunga earlier in the year. We need to go further. We need to increase the scope of that project right up to Warrell Creek. That would include the area where we had the accident today, a most worthy area of our construction attention.

The other important thing we must do is get the heavy vehicles out of the main streets of our towns. That is vitally important. It is vitally important that we bypass Macksville, as I said. The bridge cannot cope with the loads on it at the moment. We need to bypass Coffs Harbour. We have some 13 sets of traffic lights going through Coffs Harbour. Bypassing Coffs Harbour would result in a huge improvement in traffic efficiency on the Pacific Highway. It is vital that the Coffs Harbour bypass be an integral part of the Pacific Highway project and not left until the end. It certainly must be completed just as quickly as possible. Ulmarra still needs to be bypassed. That is a vitally important project. These are very important projects. We saw in Urunga, tragically, what happens when heavy vehicles crash in a built-up area. It is a disastrous situation.

I have been fighting since I have been the member for Cowper to ensure that the highway is upgraded as quickly as possible. I welcome all financial commitments, both state and federal, towards the construction of the road, but I am concerned that there is an attempt at deception to make people believe there is any prospect of a 2016 completion date, which there is not.

If you look at the funding as detailed in the federal budget you will see that there is no additional funding scheduled for the financial year 2012-13. Of the $3.5 billion that has been committed to the road by the government, there is no additional funding for 2012-13, which is somewhat disappointing. There is only $231 million for the year 2013-14. It is not until we get to 2014-15 that the new expenditure essentially ramps right up. We have just over $1 billion in 2014 and $1.4 billion in 2015. But if you were to look for a clue as to what the real completion date for the Pacific Highway is you would need to look no further than the budget, because there is a remaining $1 billion still to be spent in 2016-17, which is outside the forward estimates period. So the budget papers themselves tell the story that not even the government believes this fairy story that this project will be completed within the period up to 2016. You cannot complete almost half of the Pacific Highway link in just four years. It is an engineering impossibility. It is a fairy story perpetuated by the member for Lyne and the minister that you are able to do that. We need honesty with our constituents.

We need both the state and the federal governments to commit the maximum amount of funding to the road. We need to get the big trucks out of the main streets. We need to bypass the worst accident black spots first. Saving lives has to be a priority. Improving amenity in small communities has to be our priority. Improving travel efficiency around Coffs Harbour has to be our priority. We have massive numbers of trucks and cars which use the main street of Coffs Harbour every day. It is a deadly and toxic mix to have heavy vehicles mixing with local transport. It may have been acceptable in an era when the levels of traffic
on the highway were only a small fraction of what they are today. Traffic volumes have grown to such a huge extent that that is not tenable in the 21st century.

I call on all members of this House to work constructively towards the completion of the Pacific Highway just as quickly as possible, to be honest with the Australian people and to work towards realistic time frames to complete this very important project so that lives are saved, the road is made more safe and transport can move more efficiently up and down the east coast.

**Ms SAFFIN** (Page 16:12): I rise to speak to this motion. I am pleased that we are talking about the Pacific Highway but not pleased that we are still talking about trying to get the New South Wales government to honour the commitment that they gave to a fifty-fifty funding split. They should just really get on with it.

I listened very carefully to the honourable member for Cowper's contribution. The member for Cowper said in this place in a motion on notice:

The Pacific Highway is a state road designed, built, owned and maintained by the New South Wales state government. The Pacific Highway is a state road.

The member for Cowper said that people on the North Coast are sick of the bickering. And they are, I know, I am a local—I represent the local people. They are sick of the bickering but they are also sick of the litany of lies that have been told about the funding commitments for the Pacific Highway. I want to put some facts on the public record now. Barry O'Farrell on 8 March:

Only the New South Wales Liberals and Nationals are committed to completing the upgrade of the Pacific Highway by 2016.

John Howard, 16 October 2007:

My government's preference remains for the duplication to be completed by 2016 in line with our 2004 commitment.

A further quote:

The coalition government is willing to provide our share of the additional funding needed to fully duplicate by 2016 if the New South Wales government will match our funding commitment to a faster completion.

That covers two things. That shows that there was that discussion early on, that there was a willingness to talk about the duplication by 2016, and also that there was a fifty-fifty shared funding split with the New South Wales government. On 10 October 2007, Duncan Gay, the New South Wales Minister for Roads, who was then a member of the Legislative Council, said in Hansard:

I would have hoped this time that he—meaning the then roads minister Eric Roozendaal—would have been a statesman and said, 'Yes, I'll match that money and save the lives of people in New South Wales that use the highway.'

That goes to the commitment to matching funding. I have heard it said by Nationals members in the House today that the Leader of the New South Wales Nationals Andrew Stoner said it would be impossible to have 2016 as the date the Pacific Highway could be duplicated and that, ages ago, he was saying something different. I will quote Andrew Stoner from the New South Wales Hansard of 16 February 2012. He said it was 'something completely impossible given the size of our state's road transport network and our unfair and inadequate revenue base'. That was not ages ago; it was 16 February 2012.

Further, Andrew Stoner said in the *Northern Star* on 20 July 2011 that 'the date remains plausible as long as both governments commit to it'. And I have got a whole lot of quotes that clearly show they
were saying 2016 would be the operative date. When I say 'they' I mean the New South Wales government and, in particular members of the New South Wales National Party. There are three state members of the National Party in my seat, and one of them is a minister. They have had a lot to say about the Pacific Highway over time, and I will come to that.

But I come back to the fifty-fifty issue. A lot of locals say: 'We don't care who funds it, we just want it funded, we just want it done.' And I agree with them: we do not care at that level. But I do care when people are elected into public positions on an issue like the Pacific Highway—particularly the National Party members. They have given these commitments all the way through. They have inveigled, they have called on other people to make sure they honour that fifty-fifty funding split, and then when it comes to the 2016 deadline, at the first opportunity they get they run away from it at 100 miles per hour. Why aren't they honourable enough to fess up and say, 'We aren't going to do this, but this is what we are going to do'? First of all they construct this 80-20 funding split. Extra money is allocated to the Pacific Highway from the federal government. It is stimulus money. If you have a look at the tabulation of the money that has been available, you can see it. It is there. And then they turn around and use it like a weapon and say it is 80-20. It was not 80-20 and they know it. And it shows in some of their budget papers. It was fifty-fifty.

And then we come to the next astounding allegations. They are actually just lies. I have got one here. I got one last night that came through in a newsletter by the Nationals MP for Clarence, Chris Gulaptis. He talks about getting on with the job of the funding of works on the Pacific Highway, saying 'despite a shock $2.3 billion funding cut in the Gillard government's May budget'—another lie. They just put spin on anything. I cannot believe it. They are putting it out with taxpayers paying for it, and it is another pack of lies.

The minister for roads, when he was in the upper house—it was earlier this year, I think, in May—started that too. So there are two things. They try to squirm out of the commitment they clearly gave to fifty-fifty funding, and, worse than that, they claimed that only they could deliver it, only they could fix it. And then they constructed this 80-20 split that never existed. It started under John Howard, and John Howard spoke about it in this place many times. It was fifty-fifty. And now they are going on about it being a funding cut. The $3.56 billion available in the federal budget is not what I would call a funding cut, and the $4.1 billion that has been allocated from the federal government thus far for the Pacific Highway clearly is not a funding cut. For the 12 years that the Howard government was in, around $1.3 billion was allocated.

But there is more. The New South Wales Treasurer in his budget speech on 6 September 2011 said:
In its last Budget, the Commonwealth allocated $750 million for the Pacific Highway but only on the condition that the NSW Government matched this amount.
Yes, the fifty-fifty. The state Treasurer went on:
We are determined to provide the funds needed to match this Commonwealth offer.
That gives credibility to the fifty-fifty but, more than that, when you look at the New South Wales budget papers, it shows that they did not even match that. It was $468 million that was actually allocated at that time, even though they said they were 'determined to provide the funds needed to match the Commonwealth offer'. That was done at the time and I can remember it
clearly. It says it was $750 million from the federal budget. I remember that there was around $1 billion and there was a sum of around $250 million negotiated that could go somewhere else, because the state government wanted to do it.

I now come to the Leader of the Nationals in this place. I heard him talk today. He said the coalition had made enormous strides towards duplicating the Pacific Highway beginning in 1996 when they began to share funding responsibility with the two state governments. (Time expired)

Mr BALDWIN (Paterson) (16:22):
There is no doubt that the Pacific Highway is an important piece of infrastructure. This will in fact be my 22nd contribution to this House on the Pacific Highway. I am very fortunate that in my electorate now the roadwork from Raymond Terrace all the way through to Failford is now duplicated—all but the Bulahdelah bypass, which was commenced under the Howard government. Works there have been delayed because of the inordinate amount of wet weather that we have had. I have continued to push for the upgrading of the Pacific Highway.

The one thing that concerns me is the rant and rave by the minister—today and on previous occasions—who only now has found it in his breath to actually cast aspersions upon the former state Labor government. The former state Labor government entered into some correspondence, which the minister tabled, and in that correspondence there are some very interesting revelations. In particular is the agreement for an 80-20 funding split. The first is a letter from Minister Albanese to the former Minister for Roads and now NSW shadow treasurer, Michael Darby. I will quote from that letter. It says:
I am writing in relation to the Nation Building Program Memorandum of Understanding. I am pleased New South Wales has taken the decision to sign up to that agreement.

The minister was so pleased to sign with the New South Wales government that the federal government was delivering $2.451 billion and the New South Wales government was delivering $500 million. When you calculate that, it is actually 83 per cent federal funding and 17 per cent state funding for the Pacific Highway under that agreement—not fifty-fifty; it was 83-17.

The next letter that the minister tabled was from the former minister Campbell to Minister Albanese. There are a couple of points in that letter which show that the state Labor government wanted to lock in that 80-20, and I will quote from that letter: 'I will undertake to seek confirmation of the 20 per cent New South Wales government commitment to the additional funding required.' In another letter, in which there was an agreement to continue support, the minister said: 'I look forward to working with you on the delivery of the nation-building program over the coming years.' That letter to Michael Daley was dated 18 June. Sorry, that was the date it was tabled.

Dr Emerson: Do your homework.

Mr BALDWIN: Well, your minister obviously does not date letters.

Dr Emerson: Well, you should have had a look at it before you brought it into the chamber.

Mr BALDWIN: It was your minister who tabled it, my friend.

Dr Emerson: You brought it into the chamber.

Mr BALDWIN: As I go through the list of works and all of the funding, it ranges from 83-17, 83-17, 86-14, 86-14 and 80-20. What we are seeing here are weasel words from a minister who, when his own political persuasion was in power in the state
government, was quite happy to sit back and accept the funding arrangement. The only thing that has changed is that there has been a change of political persuasion to the coalition in New South Wales. And all of a sudden this minister decides it is a game-changer. All of a sudden he can change the funding arrangement to fifty-fifty from what was, under the nation-building program of 2009-14, a funding arrangement that averaged 80-20.

As I said, I am very fortunate to be the member of an electorate where very shortly the work will be duplicated all the way through my electorate. Last week I took my vehicle on a drive up to Brisbane and I travelled up and down the Pacific Highway. I drove up and I drove back. There are parts of that roadwork that still are very notorious and bad. I am happy that work has commenced. I am happy that work has been committed and is under construction. The people who travel those roads and are affected by those roads care very little about what the funding arrangement is. But I put this to the chamber: if this minister had an ounce of honour in his body in relation to this, he would accept the fact that historically he has been funding these roadworks 80-20 and would continue. This change of pace has only occurred because there has been a change in the New South Wales government.

In this year's budget papers under his 'Nation Building—additional funding for the Pacific Highway', that additional funding is in 2013-14, 2014-15 and 2015-16, with the bulk of it pushed out well and truly into the forward estimates. There is no additional immediate money in 2012-13. Such is the commitment of this minister of this Labor government that in fact it is not until 2013-14 that there is an additional $231 million and in 2014-15 there is $1.025 billion and in 2015-16 there is $1.4 billion. The rhetoric from the minister makes it appear that the money is sitting on the table right now to start the works today. Well, that is not the truth; that is just not the truth—and the budget papers themselves show that to be a fact.

As I said, people want to know when this work will be finished. They do not want the political argy-bargy that is going on; they want outcomes. They want outcomes that will see changes on the Pacific Highway. The minister talks about how choked up he got about the fatal accidents—and I agree with him that they were terrible. I remember the Kempsey bus smash many, many years ago and the fatalities that occurred there. But for this minister to have sat quiet for three years in this House about funding only to raise now his concerns in relation to the levels of funding being contributed by the new coalition government in New South Wales is hypocrisy in itself. The reality is that this minister is not in control of his own budget, does not understand what is required for the outcomes and has done nothing more than play politics with this. Not only is he a member of the same political party as the former state government, but he is also from the same state, New South Wales. That is what makes his assertions even more hypocritical.

What we want to see are real outcomes. What we want to see is the work completed. Members up and down the coast—it does not matter what their political persuasion is—get very heated and animated when it comes to the roadworks on the Pacific Highway. As I understand it, more and more the Pacific Highway is becoming the road of choice over the New England Highway as the preferred access route to Queensland, and it does need to be upgraded. But the reality is that this minister, rather than playing political games, needs to sit down in serious discussions and apply the same level of integrity as he did to the former state Labor
government, for whom he allowed the 80-20 funding split. We all want to see the road finished. We want to see the work completed, and that is key and critical.

The DEPUTY SPEAKER (Mr KJ Thomson): Order! I understand that the discussion has concluded.

BILLS
Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr ZAPPIA (Makin) (16:31): Just before question time, in speaking on the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012, I was making the point that all of us, wherever we live, can take steps to use water more efficiently, and we have seen that extensively in many urban areas. In particular we have seen it in my home state of South Australia, where I have had some personal experience in a number of different schemes in which local communities have engaged in stormwater harvesting and re-use, the establishment of their own recycled water systems and the extensive use of rainwater tanks. In fact recent data from South Australia shows that average daily consumption between 2001 and 2009-10 fell from 756 litres per household to 501 litres per household. In the same period, the state's daily water consumption per person fell from 539 litres to 385 litres. That represents a decrease of 29 per cent. Those kinds of decreases are welcome and hopefully would motivate people right around the country to use or adopt similar methods and ideas in respect of how they might also contribute to water savings.

This legislation, I believe, is critical to all that because this legislation enables people to seek out appliances which use less water. It is my view from my interaction with the community—certainly where I come from—that Australians are becoming more water conscious and would welcome the opportunity to use items or accessories that will enable them to save water. It would seem to me that this legislation, where it provides a star rating to different items that might be available, would be very much a marketing tool for those who market, design or manufacture those very products. I would suggest that this legislation would encourage further investment in the design and manufacture of water-saving products, because the manufacturers would know that there is going to be a demand for their product if it meets the standards. So it is important from the point of view that it will encourage investment, it is important to ensure that the star rating system is applied correctly and is not abused, and it is important because I believe that this legislation will create a mindset of water savings throughout the community.

For those reasons and the other reasons which I have touched on in my comments on this bill, I commend the bill to the House.

Mr HUNT (Flinders) (16:34): It gives me great pleasure to support the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012—in particular because this builds on an initiative that the coalition brought into being. In 2005 the coalition government created the world's first national scheme of its kind, providing for water efficiency labels on water products such as shower heads, washing machines, toilets, dishwashers and taps, among other things. My recollection is that I had the privilege of being able to introduce the legislation into this very chamber, albeit from the other side of the
table. The important thing about the star rating scheme is that it gives consumers the ability to understand, to make choices and to work out what the impact of their purchasing decisions will be on their water consumption. That objective was a good one then, it remains a good one now, and this bill completes that work. So we are supportive of that.

I put this bill into a particular context. It has been part of a dramatic change in the approach to water use over the last decade. It began with the work of John Anderson—and I want to give him credit for that—the now gone Peter Cullen, and many others who helped. To the extent that I was able to play a small role in that process of bringing the issue of water to the federal jurisdiction, that is a source of great joy and pride. In particular, it was the previous government that put into place an approach—a Murray-Darling Basin Plan—which set up the future. Unfortunately, the ball has largely been dropped by a government which at present has sought to grandstand rather than to deliver. We put in place the $10 billion plan, which still sees enormous quantities of funds which were to have been expended on replumbing rural Australia—on water efficiency on a grand scale—waiting in escrow to be applied to purpose.

I look at the Murray Irrigation Area. I look at the Murrumbidgee Irrigation Area. I look at programs in south Queensland, in the tributaries and headwaters of the Darling, which could have been advanced but which have not been advanced. I look at the Menindee Lakes and see that the beginnings contained within the Water Efficiency Labelling and Standards Act of the day have not necessarily been followed through with the vigour that they should have been in terms of the grand water efficiency schemes which would have had an impact on the carrying capacity and the water efficiency of the Murray-Darling Basin.

Having said that, let me note that what this bill does is make relatively minor amendments to the WELS Act to allow the minister to determine more of the scheme’s details, particularly those relating to registration of products and cost recovery. It means the minister, with the fiat of the states, can act at a national level without reference and without having to make changes to, all up, as many as nine different acts. It is a sensible approach, entirely in line with what was put into being from the outset.

The broader context of this particular bill and the predecessor act is about consolidation of environmental programs into single national schemes. We do this across water, we do it across land and we do it across air quality. I specifically want to make reference to land. We want to build a one-stop-shop approach in the same way that this legislation seeks to for environmental approvals. At present, we have systems of environmental approvals across Commonwealth and state jurisdictions which can literally take more than half a decade and which can have thousands and thousands of pages of requirements and then potentially thousands of approval triggers, which in each case will have to be negotiated through a separate licence. So our approach is the same as is contained in this bill, and that is to seek a single one-stop-shop approach. If elected, we want to cooperate with each of the states to establish bilateral agreements.

It is timely the minister arrives here on that note—he who has delayed the Alpha coal project with a shameless abuse of process, in my own respectful submission to the House. My view and our view is that we can have consolidated single national processes. In the case of environmental approvals, we should seek to do this
wherever possible through agreements with the states to dramatically simplify the process: one single document lodgement, one single assessment process and clear time lines so we can simplify the process. I have no problem with a red light if a program is a bad one. I have no problem with a red light if a project will result in environmental damage. What I do have a problem with is if we are in permanent amber-light mode. I would respectfully request the minister to take this opportunity to indicate the progress he is making with the stalled Alpha coal project, which should have been a shining example of cooperation.

Finally, I turn to the third area of cooperation, and that is on air quality and, in particular, emissions reduction. Our approach is very simple: to seek to have one single national emissions reduction fund. We want to work away from the multiplicity of state schemes to one single national emissions reduction fund.

This bill does not stand on its own; it is part of a broader context of history. The simplification process is the potential, the possibility, the opportunity we have at this point of time. So I am delighted to support this bill. It completes the work we began in 2005.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (16:41): I cannot begin to say what an absolute pleasure it is to be here in Canberra today to hear the speech from the member for Flinders. It would have been earth shattering had I missed it because—

Mr Hunt interjecting—

Mr BURKE: Don't interject from out of your seat—that is highly disorderly. I have particularly enjoyed the concept that one of the issues that apparently is pertinent to the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012 is the Alpha coal project, in the mind of the member for Flinders. He has raised some issues in the course of the debate which I do think are worth me responding to directly. In the first instance, that is the first time I have heard the opposition say that they were opposed to the decisions I took on Alpha coal. They may well have made those comments to the media before, but I have not heard them in the parliament before.

Mr Hunt interjecting—

Mr BURKE: If it is the case—while the member interjects from out of his seat—that they reject it, they should be very careful what they wish for, because what the member for Flinders is suggesting I should have done was make a decision on incomplete information which would then have been turfed out in court. The member for Flinders is suggesting that the responsible thing to do would have been the opposite of what the proponents wanted me to do. The proponents, the company themselves, actually asked me to complete the process. The Queensland government asked me and agreed that the process should be completed at a Commonwealth level.

The worst outcome for business and the worst outcome for the environment would be to make a decision when the assessment work had not been completed. The risk that is taken to the environment is obvious. It is not a game of pin the tail on the donkey, where you blindfold yourself from the information and just say, 'Look, let's whack the conditions there.' You are dealing with serious issues for the environment and you need to know the factual basis on which those decisions are being made.

Had the Queensland Coordinator-General completed the process, then a decision would have been made by me within the 30-day period. Even Queensland acknowledged that
they were not completing the process. What has happened since then—I put this out publicly in a media release which came out early this week or it may have been Friday last week—is there are four specific issues we need further information on. Some of that was information already held by Alpha that simply had not been included within the Coordinator-General's report. Alpha are now getting that information. It will probably be beyond the original 30-day business time line, but we have stopped the clock to make sure that we are within the rules on that. I am not expecting that it is going to be a date that would have any problems for the time line of investment decisions for the company. Obviously, I cannot prejudge what the answer will be, but the issues which need to be raised and are being finalised are simply issues where an assessment is required under national environmental law. To date, to do less than that was not the position of the coalition. My understanding of the position of the coalition has always been that they did not want a lowering of the quality of assessments or of environmental standards but they did want a streamlining of the process. The process would have been streamlined had the Queensland Coordinator-General finished the job. Now, in a good agreement which was signed last Friday by me, the Queensland Minister for Environment and Heritage Protection and the Deputy Premier of Queensland, we have some amendments to the bilateral agreement to make sure as best we can that this sort of problem never arises again.

I have no interest in delays or duplication, but I also have absolutely no interest in lowering environmental standards or making decisions that later on get thrown out in court. If it is the position of the opposition that I should have made the Alpha coal decision on information that was deficient and did not meet the standards of national environmental law, that is a significant shift from their public position and I would simply urge them to correct it at the earliest possible opportunity.

Mr Hunt: No, we expect you to do your job.

Mr BURKE: I will acknowledge the interjection because it is a classic. The interjection is: 'We expect you to do your job.' The problem is that they were just telling me a minute ago they did not want me to do my job and they wanted me to simply accept that when Queensland stops short I should jump ahead, make a decision and not fulfil my responsibilities under national environmental law. I am not prepared to do that.

The company is working constructively with us. The relationship with the Queensland government will, I think, be on a better footing because of the amendments we made to the bilateral agreement last week. There may well be times in the future when Queensland decides, perhaps for good reason, that the expertise to provide an assessment is actually better done at a Commonwealth level. That happened, for example, on some of the coal seam gas decisions because we had the availability and expertise of Geoscience Australia. From time to time, even under a bilateral agreement, a state government says, 'Look, we actually think this is something that you would be better placed to do.' So there will be occasions when there is still duplication, but it will occur in a cooperative way and with plenty of notice, rather than us only finding out at the end of the process that the job is in fact not yet finished.

Having dealt with the issues that are in front of us in this debate—but which are a bit of a stretch when it comes to the bill—I say that the bill itself deals with issues that have had bipartisan support for significant periods
of time. I am pleased that there has been a constructive debate and pleased and proud to be here to thank everybody for their contributions. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation for the bill announced.

Third Reading

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (16:48): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Navigation Bill 2012

Navigation (Consequential Amendments) Bill 2012

Marine Safety (Domestic Commercial Vessel) National Law Bill 2012

Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Bill 2012

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr TRUSS (Wide Bay—Leader of The Nationals) (16:50): I rise to speak on the Navigation Bill 2012 and its consequential amendments bill, which update and modernise the Navigation Act 1912. Even though they are not directly connected, this bill will be debated together with the Marine Safety (Domestic Commercial Vessel) National Law Bill 2012 and its consequential amendments bill, which provide the legislative framework for the implementation of the national marine safety regulator.

Let me begin by discussing the Navigation Bill 2012. The original Navigation Act from 1912 is regarded as one of the major achievements of Prime Minister Andrew Fisher, who was, I might add, the first member for my electorate of Wide Bay. It certainly was a big achievement for the relatively new Federation of Australia at the time. In 1912, when the bill was debated in the House, the minister at the time, Frank Tudor, noted that not only was it the longest bill ever submitted to the decade-old Australian parliament but it was practically the longest bill on maritime activity and shipping introduced to any parliament. If you look at its replacement bill, while it has some volume it is tiny compared with much of the legislation that comes into the parliament these days. It does not compare too honourably to the Fair Work Bill, which was quite thick, or taxation law et cetera. Those sorts of things obviously take a lot of space these days. But, in its day in 1912, the Navigation Act was the longest piece of legislation that had been introduced into the parliament. The 1912 bill was a long time in the making. It was originally drafted in 1903. It was read for the first time in 1904, before being withdrawn, and then a royal commission was established to investigate how shipping in Australia should be regulated. In 1905 a conference of colonial parliaments was proposed and in 1907 that conference was finally held. A bill was introduced in 1907 and again in 1908 and again in 1910, but it was not until 1912 that Australia finally got there. After lengthy debate and comprehensive amendments, the Navigation Act 1912 was passed. It took nine years from the drafting stage until the bill passed the parliament, but it has to be acknowledged that there were in fact eight changes of government during that period. I
guess that is unthinkable in modern political terms. But it is also perhaps significant that this was the era when the Titanic sank and it would undoubtedly have brought considerable community interest into making sure that navigation and maritime law in our country were appropriate to meet the needs of that time.

The minister should be pleased that the rewrite of the act has only taken around three years to come together—about a third of the time it took the original act to be drafted and passed. In the minister's second reading speech from 1912, he stated that the bill largely followed the United Kingdom's Merchant Shipping Act. However, the minister noted the large number of amendments to the UK act—81 in the 50-odd years between 1840 and 1894—which resulted in it being extremely difficult at the end of that time to find out exactly what the law was, unless members of the House of Commons or those interested in the act knew exactly what amendments had been made. Now we face the same situation, where the Navigation Act of 1912 has been amended so many times that, after 100 years, it is indeed in need of an update.

The Navigation Act 1912 is Australia's primary piece of legislation for regulating ship and seafarer safety, shipboard aspects of protection of the marine environment, and employment conditions for Australian seafarers. It gives effect to Australia's port state control responsibilities and implements a range of international conventions covering matters such as the safety of life at sea, training and certification of seafarers, prevention of collisions at sea, watertight integrity and reserve buoyancy of ships, and regulations to determine gross and net tonnage of ships.

The Navigation Bill 2012 will rewrite the Navigation Act 1912 with modern language to reflect contemporary conditions and practices in the shipping industry. It will remove a number of unnecessary and outdated provisions and enhance ship safety and protection of the marine environment. It will also introduce greater flexibility to allow regulation to remain contemporary with the national and international standards as they develop over time. The bill also encompasses the Lighthouses Act 1911, one of Australia's oldest laws, which will be repealed if this bill is enacted.

The minister in his second reading speech has mentioned a number of the archaic provisions contained in the Navigation Act 1912, such as those which make it an offence to take a lunatic to sea without telling the master, and provisions exempting the master of a ship from prosecution if he shoots a seafarer. Additionally, the rewrite of the Navigation Act 1912 will give effect to the International Labour Organisation's Maritime Labour Convention, which was passed through the parliament late last year, as the bill incorporates the conditions of the Maritime Labour Convention. I understand that industry is supportive of the rewrite of the Navigation Act 1912 and acknowledges that the current act is out of date and does not accord with modern industry practices.

I acknowledge that Shipping Australia has raised concerns about the harshness of the penalties imposed by the bill in their submission to the consultation process. The bill does establish a number of civil and criminal penalty provisions. In some cases, lengthy prison sentences can be imposed. However, I note that the explanatory memorandum of the bill states that the penalties for offences in the bill are intended to reinforce the deterrent effect of the bill and give courts the discretion to respond meaningfully and proportionally to breaches. Breaches of the Navigation Act can have serious consequences for the environment,
the community and, of course, the lives of seafarers.

The coalition will not oppose the Navigation Bill 2012. We recognise that the efforts to modernise, streamline and clarify existing provisions to ensure that it reflects contemporary maritime industry practice should be supported.

I will now turn to the Marine Safety (Domestic Commercial Vessel) National Law Bill 2012. As I mentioned earlier, this bill, together with its consequential amendments bill, introduces a new national law for maritime safety that will commence from 1 January 2013 and establishes the Australian Maritime Safety Authority, AMSA, as the national maritime regulator to provide for the consistent regulation of domestic shipping. The bill establishes a system of vessel identification and the issue of certificates in relation to vessel identification, vessel survey, the commercial operation of vessels and seafarer competency. The bill also creates an offence where a certificate is required and not held or held and not complied with, and establishes general safety obligations on persons involved in the operation of a commercial vessel, or who may use the vessel as a conveyance, to take reasonable care for their own safety and the safety of others. It also establishes a system within which to conduct compliance and enforcement activities and provides for the consistent application of nationally agreed standards across Australia.

The principle of the establishment of a national maritime safety regulator has been agreed to by the Council of Australian Governments, and the specifics of the regulations contained in this bill were agreed to by the Standing Council on Transport and Infrastructure, comprised of transport ministers from all jurisdictions, last month. I trust that the states and territories will enact appropriate legislation in their own jurisdictions as necessary to fully implement the national maritime safety regulator.

The national maritime safety regulator is one part of the three national transport regulators that are presently being established. The South Australian government has recently passed laws establishing the National Rail Safety Regulator, and the new Queensland government is presently considering legislation to implement the National Heavy Vehicle Regulator. Harmonisation of laws in these three areas will, it has been estimated, provide productivity benefits of $30 billion over the next 20 years as the 23 current regulators will be consolidated into three national regulators. Currently there are eight different marine safety regulators in Australia, each implementing their own rules and regulations, and there are, in fact, many instances where those rules and regulations vary. People find that a vessel that can operate legally in one state cannot, when it crosses the borders, meet the new state's requirements. The bills will mean that Australia will have one national maritime safety law replacing 50 pieces of state and federal legislation.

Under the bills AMSA will be established as the national regulator and existing state and territory regulators will deliver national law functions under the delegation of AMSA. State and territory agencies will be responsible for the effective day-to-day operation of the national law. These jurisdictions will retain responsibility for the regulation of waterways, the management of ports and associated issues such as classifying waters, setting speed limits and regulating alcohol consumption. The bills will mean that companies that operate nationally will not have to comply with multiple safety regulatory regimes. Designers and builders will have to comply...
with one certification system rather than applying for recertification in each jurisdiction. The national law will cut through red tape for business involved in the industry.

In addition to the national law being supported by all jurisdictions, extensive industry consultation has been undertaken, and I understand that, broadly speaking, industry is supportive of a national maritime safety regulator. I note that some concerns have been raised by smaller groups and I trust that the department, AMSA, and the minister will work constructively with these organisations to ensure that a positive outcome is reached, particularly as regulations are prepared to support this legislation. It is important when considering national law in such a complex area that we get it right to prevent any unintended consequences that could have a drastic impact on these industries.

I understand that in May the scuba clubs wrote to the minister outlining their concerns about some aspects of the national law, and at the time the minister's office advised that the way dive clubs will be treated under legislation will be decided after further consultation. Generally, community group vessels will not be subject to regulation under the national law. Only those community group vessels used for a commercial purpose or to undertake commercial activities will be regulated under the national law. The minister has informed me that these purposes or activities will be articulated in the regulations and stakeholders will be consulted on the development of the regulations, which I understand will be starting as soon as the laws have been passed.

To the extent that dive clubs are community groups the same rules will apply as outlined previously. In other words, it is intended that through the regulations the dive club vessels operated in connection with commercial activity—for example, where nonmembers pay a fee—or for commercial purposes will be subject to national law standards. However, the regulatory treatment will be tailored to the risks involved in the activities. Activities assessed as low risk will be subject to low-level regulations. These vessels are, of course, now regulated by the states, and the minister has assured me that it is anticipated that the level of regulation is unlikely to be significantly different under the national law to what applies at the current state level and, hopefully, in some cases it may be less. The legislation is due to take effect in six months. I remind the minister of his commitment to ensure that the concerns that have been raised are addressed promptly and in time for the legislation to be effectively implemented.

In conclusion, the coalition will be supporting the Marine Safety (Domestic Commercial Vessel) National Law Bill 2012. The bill has the support of all state and territory governments and has received broad industry support. The bill will reduce industry red tape and will harmonise the contradictory laws which are currently in place by replacing eight regulators and 50 acts with one national law. This bill has been under preparation now for quite some time. It has taken some years for it to go through the COAG process, but we know that that is a somewhat slow-moving process. I am pleased that in this area, where there has been so much overlapping regulation and so much duplication, this legislation is a significant step forward to helping achieve uniformity of regulation across the nation.

**Ms OWENS (Parramatta) (17:05):** I am pleased to stand to speak on the Navigation Bill 2012, the Navigation (Consequential Amendments) Bill 2012, the Marine Safety (Domestic Commercial Vessel) National
Law Bill 2012 and the Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Bill 2012. I have been watching with some interest the progress towards this day for a number of years. This suite of bills brings together for me a number of the characteristics of this government: firstly, an absolute commitment to Australian shipping and a place for Australian shipping not only as a builder of ships but also in a country that can stand tall in the international shipping world. It once again looks to the future. Secondly, it considers, in the drafting of this suite of bills, the flexibility that is needed as things change in the industry. This is well and truly—particularly relative to the bill that it replaces—a suite of bills that looks at the future and the position of our shipping industry very well.

Thirdly, it also brings forward something that this government has been doing consistently for four years now—that is, starting to remove the unnecessary duplication of regulation that we have in this nation when people cross state borders. Over the last year I have watched the government deal with the duplication of regulation for business names, for the registration of medical practitioners and for the sharing of information among police forces—a whole range of areas where this government has stepped in to take out some of that unnecessary duplication which has grown over time, largely because we started as a federation of states, but which still in 2012 is something that plagues many businesses around the country. This suite of bills is literally 100 years in the making. The main bill, the Navigation Bill 2012, essentially replaces the Navigation Act 1912, an act which celebrates its 100th birthday this year. It is one of the oldest acts in parliament and, as we heard from the previous speaker, one that took some nine years of development and was one of the largest acts of parliament of its day. It was still being drafted in 1912 when the Titanic sank, and the drafting was altered to incorporate safety recommendations that were internationally agreed to following that disaster. It is an extremely important act. It is the key legislative vehicle to give domestic effect to Australia’s port control responsibilities and implements a range of international conventions covering matters such as safety of life at sea, training and certification of seafarers, prevention of collisions at sea, watertight integrity and reserve buoyancy of ships, pollution prevention standards for ships, safety of containers, salvage and regulations to determine gross and net tonnage of ships. These are things that most Australians would not give a thought to on a day-to-day basis; but, if you think about it for any length of time, you realise it is an act of parliament that underpins much of the safety of personnel and our environment. It is the primary legislation that regulates ship and seafarer safety, employment conditions for Australian seafarers and, importantly, the shipboard aspects of protection of the marine environment, so it is an extremely important act.

As you would expect, it has been amended over the years many times. It has often been the case that it was done on an ad hoc basis—a fix here, a fix there, a change to meet new international conventions. As a result, it is a strange mix of modern and archaic concepts. The archaic provisions are gone from the new act. As has been mentioned a number of times, we no longer necessarily need the master of a ship to be told if someone who is coming onboard is, to quote from the old act, 'a lunatic'. It would no longer be right for the master of a ship to be told if someone who is coming onboard is, to quote from the old act, 'a lunatic'. It would no longer be right for the master of a ship to be able to shoot someone and be immune from prosecution. And yet those provisions had remained in the act. They are now gone.
But the changes go much further than that. They are a genuine rewriting of the act, casting it in modern, plain language. Perhaps that is also partly the reason why it is much shorter than the old one. I know that when most of us start looking at an old act the urge to pick up the red pencil comes out. It has well and truly been done here. It is cast in plain, easily understood language. It reflects contemporary conditions and practices in the shipping industry. It removes unnecessary and outdated provisions. It enhances ship safety and protection of the marine environment. It introduces greater flexibility to allow regulation to remain contemporary with national and international standards. In doing all of that it provides confidence and certainty for the shipping industry.

It also encompasses another act which is even older than the Navigation Act 1912, and that is the Lighthouses Act 1911. That, of course, is an act that is about aids to navigation, but navigation has changed quite considerably since that initial act was drafted, as you can imagine. Again the act has been altered and amended over time, but the new provisions have been modernised and are flexible enough to encompass all the new ways of navigation including satellites, global positioning systems and traditional beacons and lights. Those provisions will be encompassed in the new Navigation Bill 2012. The old Lighthouses Act 1911 will be repealed once the new act comes into play. The bill took about three years in planning, public and whole-of-government consultation and extensive drafting. Through the commitment and cooperation demonstrated by all stakeholders, we now have a bill which will well and truly set the shipping industry up for the future.

Shipping is an incredibly important part of Australian life. Australia's shipping is now the fourth-largest in the world but, at the same time as it has been growing, the number of Australian ships operating has been in drastic decline. In 1996, 16 years ago, we had 55 ships. Today we only have 21, with just four operating internationally. This government has introduced legislation recently which demonstrates its commitment to regrowing this incredibly important part of our national life. We are an island, as we know. We are a country where 99.9 per cent of our exports are moved by ships. That again makes this particular industry incredibly important.

And yet it has operated for quite some time under some interesting restrictions. The Marine Safety (Domestic Commercial Vessel) National Law Bill 2012 works to remove some of the regulatory burdens that the shipping industry faces. It creates one of the three national regulators that will replace 23 existing regulators of rail, heavy vehicles and ships. It introduces a new national law for the regulation of domestic commercial vessel safety and establishes the Australian Maritime Safety Authority as the national marine safety regulator. This will make a remarkable difference. It has come about through consultation through COAG—again a very comprehensive negotiation process—because it effectively removes a great deal of state regulation and replaces it with the national one. The reduction in red tape and the productivity benefits of this reform are calculated to be around $30 billion over 30 years. The bill means that Australia finally has one national maritime safety law replacing 50 pieces of legislation in seven jurisdictions, one national maritime safety regulator replacing seven state and territory regulators, and one national system for commercial safety allowing the seamless movement of domestic commercial vessels and crew around the country. I want to talk about exactly what that means. For example, if you look at crew qualifications between jurisdictions, a seafarer may be issued a
certificate from the Australian Maritime College in Tasmania following an oral examination, but if he decides to seek work in Western Australia he must be issued with a new Western Australian certificate when he crosses the border, involving the payment of a $335 fee. Nationally recognised qualifications and a single certificate will allow a smooth transfer of labour across state borders.

It also affects construction standards. A vessel built in one jurisdiction for operation in another requires certification during construction by a surveyor from the receiving jurisdiction. This only applies if the ship is travelling domestically. For example, a company based in Tasmania builds catamarans. The catamarans are all built to the national standard and subject to survey during construction. The vessels sold around the world with supporting documentation based on the national standard for commercial vessels are accepted without question. But if that catamaran should be sold domestically, additional documentation and physical inspections are required by the gaining jurisdiction's maritime authority. If you build a catamaran in Tasmania and move it from state to state you have to get additional documentation, but if you take it overseas it can happily travel around the world. This new national maritime regulator removes that quite onerous regulatory burden.

It also means that meeting the requirements of different jurisdictions in relation to the issue of certificates will be removed, saving considerable time should the owner of a vessel decide to move interstate or take the vessel across the state border. Another example is of a Tasmanian company operating a fishing vessel around the nation, including in waters at the top end of the Gulf of Carpentaria. Every time one of that company's vessels crosses waters between the Northern Territory and Queensland the company must apply for new seaworthy certificates from the respective maritime transport authorities. For that particular company seven staff are employed just to support the administrative work required to cross a dotted line when it comes to a state border in an ocean.

This is a very important suite of bills. It recrafts an act which has served us well for a long time, but is now increasingly a patchwork of archaic and modern concepts. It recrafts that into a modern bill with associated bills that look to the future and recognise the reality of the shipping industry in Australia. This suite of maritime bills prepares our regulatory framework for growth in the Australian shipbuilding industry itself. You can imagine the increased complexity for Australian shipbuilders as we increase our shipbuilding capacity if the regulation had continued as it was, requiring such an onerous regulatory burden every time our ships cross a border. They are important pieces of legislation which have been many years in the making. I congratulate the minister and the department for some extraordinary work. New legislation which requires such extensive consultation with all the state jurisdictions is very difficult to achieve. That is one of the reasons why drafting such legislation takes three or more years. It demonstrates an extraordinary commitment to looking to both the future and our Australian shipping industry. I commend the bill to the House.

Mr ROBERT (Fadden) (17:19): I rise to comment on the bills being debated in cognate, including the Navigation Bill 2012 and consequential amendments to marine safety legislation. It will not surprise many people to realise that the Navigation Act is 100 years old. It has been amended many times and as a result apparently is a mix of
archaic and modern concepts. It must be a cracking read.

At the National Shipping Industry Conference 2009 the Minister for Infrastructure and Transport announced the government's intention to rewrite the act—a fitting task, one would think. Many provisions of the act were taken from the British Merchant Shipping Act 1894 which included laws which have been around since the 18th century. One can only surmise what some of those laws were. Apparently they included making it an offence to take a lunatic to sea without telling the master, something the Labor Party should perhaps have been informed about previously. But it is good to know they are focusing on the big issues of ensuring that lunatics are no longer on the high seas.

The Navigation Act 1912 is Australia's primary piece of legislation for regulating ship and seafarer safety, shipboard aspects of protection of the marine environment and employment conditions for Australian seafarers. The bill gives effect to Australia's port control responsibilities and implements a range of international conventions covering matters such as safety of life at sea, training and certification of seafarers, prevention of collisions at sea, watertight integrity and reserve buoyancy of ships and regulations to determine gross and net tonnage of ships. If the legislation were simply about the restriction of lunatics it may well be fitting in itself.

The Marine Safety (Domestic Commercial Vessel) National Law Bill introduces a new national law for maritime safety that will commence on 1 January 2013 and establishes a national maritime regulator to provide for the consistent regulation of domestic commercial shipping. This is part of a suite of reforms agreed by the Council of Australian Governments in 2009. They are intended to adopt nationally consistent laws in maritime and rail safety and for the heavy vehicle industry. This will apparently reduce the regulatory burden on a business and will consolidate the existing 23 regulators into three national regulators. Frankly, the reduction of regulators by itself is always a good move. These reforms are expected to provide productivity benefits of some one-and-a-bit million dollars per year, or $30 million over 20 years. As a general rule the merging of regulators into national regulators—the merging of many into few—makes sense. Nationally consistent laws in the maritime, rail and heavy vehicle industries also makes sense. There is scope in terms of maritime safety, maritime law and navigation law for other areas to be widened as well. The electorate of Fadden, which I represent, is of course home to the Gold Coast Marine Precinct, that has some of the nation's great luxury boatbuilders. These include the likes of Maritimo and also the great tinnie producer, Telwater Marine, which produces 10,000 tinnies there, as well as a number of other yacht builders and boatbuilders.

One of the key areas of concern for these boatbuilders, whilst these issues of debate and legislation are important, is the issue of grey imports. These are boats flooding in from overseas which are not required to meet Australian manufacturing standards, are not required to have Australian manufacturing plates certifying their met standards, are not required to meet Australian safety standards and, of course, have only tier 1 emission standards engines. The rest of the world— the rest of the world meaning the United States, Europe and, I believe, even Somalia—is moving to tiers 2 and 3 emission standards for inboard engines over 37 kilowatts. Australia has not moved into that area to do that. Therefore, a large number of boats and...
engines over that power rating that only meet tier 1 standards are coming into Australia.

At present there are regulations in terms of motor vessels, and there is an overarching piece of legislation that allows regs to hang off motor vehicles, but there is nothing that covers motor vessels. So whilst the coalition will support the government as they seek to have nationally consistent laws that line up in maritime, rail safety and the heavy vehicle industries, I think there is also space for the opposition and the government to commence a dialogue on how we deal with other areas of the boating industry to ensure that boats and engines that are imported into Australia in that pleasure craft space comply with Australian manufacturing law, comply with Australian standards and comply with Australian safety requirements and, of course, have a tier 2- or 3-emission engine. I look forward to the opportunity to discuss these issues with the minister. The current bills on the table enjoy the coalition’s support.

Mr ZAPPIA (Makin) (17:25): Yesterday was a historic day for the shipping industry here in Australia, when we saw reforms that had been worked on for the last five years passed through the Senate. Having passed through the Senate, and also having been through this House, that legislation will now obviously become law and put into effect those very important and long-overdue reforms. These are reforms which all speakers have made the point about, that they update legislation that is now 100 years old—legislation that is clearly outdated and which should have been updated a long, long time ago.

It was interesting to hear the member for Fadden say that the coalition will support this legislation, because they did not support the reforms which were voted on in the Senate yesterday and they did not support those reforms when they were in this House. So I am pleased to hear that at least they support this legislation, the package of bills that is before us today—the Navigation Bill 2012 and cognate bills.

It is a package of bills, because this legislation sets out to do a number of things. Whilst I certainly will not go into detail about all of them, there are some comments I want to make. The most important aspect of this legislation is that a national maritime regulator is established under the national law bill. Not only is a national maritime regulator long overdue but it will create much more efficiency in the shipping industry here.

The national maritime regulator is one of three national regulators that replace 23 existing regulators for rail, heavy vehicle and ships across this country. The national law bill introduces a new national law for the regulation of domestic commercial vessel safety and establishes the Australian Maritime Safety Authority as the national regulator. The objects of the bill are to promote continuous improvement in marine safety, to promote public confidence in the safety of marine operators, to ensure effective identification and management of safety risks and to reduce the regulatory burden without compromising safety. It is all about making our shipping industry more efficient.

The national law bill is a component of the national transport reform package, which I mentioned a moment ago, and there has been other legislation in respect of the road transport sector. That was debated in this parliament only last month and, again, it complements this legislation. It has also now been agreed to by this parliament. The policy basis for this legislation arises from an agreement reached at the Council of Australian Governments meeting on 19
August 2011. So this is legislation that has the support of each of the states and territories. And understandably so, because having three national transport regulators instead of 23, which is currently the case across the three sectors, will result in significant improvements to efficiency and to productivity. Across those three transport sectors those improvements are estimated to save about $30 billion over the next 20 years. That is not insignificant—$30 billion is a lot of money, and it is money that would not be able to be saved if we did not undertake and commit to the reforms across all of the three transport sectors.

This bill means that Australia now has one national maritime safety law replacing 50 pieces of legislation in seven jurisdictions, one national maritime safety regulator replacing seven state and territory regulators and one national system for commercial vessel safety, allowing the seamless movement of domestic commercial vessels and crew around the country. Clearly it makes sense to have one national regulator. It also makes a lot of sense to have one national set of laws so that as vessels move from one state to the waters of another state they are subjected to the same laws and conditions.

The state and territory agencies will still be responsible for the effective day-to-day operation of the national law under delegation from the national regulator. The jurisdictions—that is, the states and territories—will retain responsibility for the regulation of waterways, the management of ports and associated issues such as classifying waters, setting speed limits and regulating alcohol consumption. I think it is quite appropriate that each state and territory have that responsibility remain with it. I note that vessels which operate internationally, foreign vessels and vessels which maintain certification under the International Convention for the Safety of Life at Sea will be regulated by the Commonwealth under the Navigation Act 2012 and are outside the scope of this bill. Defence vessels and recreation vessels are also outside the application of this bill. Interstate vessels that are currently regulated under the Navigation Act 1912 will be covered under the national law from its commencement.

The Maritime Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Bill provides for consequential amendments to the Australian Maritime Safety Authority Act 1990, the AMSA Act, and the national law bill. The objective of this arrangement is to align the national law, general safety obligations and offences with workplace health and safety duties and offences once the WHS Act has been enacted nationally.

Schedule 1 of the bill amends the AMSA Act to include definitions defined in the national law and to reflect the agreement on commercial vessel safety reform that the Commonwealth reached in the Council of Australian Governments agreement. The bill will ensure that the AMSA board membership includes at least one member with knowledge of or experience relevant to non-SOLAS-convention commercial vessel operation and/or construction. Schedule 2 of the bill repeals the existing offences and penalties for the general safety duties in the national law and replaces them with provisions that correspond substantially with the provisions of part 2 of the Work Health and Safety Act 2011. Schedule 2 will take effect when all law that corresponds substantially with the Work Health and Safety Act 2011 is enacted in all states and territories.

I want to make a few general comments about the shipping industry in this country, and they are comments that I touched on
when I was speaking to the reforms only two weeks ago. Those reforms, as I said at the outset, have now been passed by both this House and the Senate. According to the Australian Logistics Council, the national freight task in this country is expected to double to 1,000 billion tonne kilometres by 2030 and to 1,400 billion tonne kilometres by 2050. We live in a country where we export a lot of our product. We are fortunate to have an abundance of mineral resources. We sell those resources outside this country, but we do not ship them because we have hardly any ships left in this country. In fact I understand that less than half a per cent of our exports are carried by Australian flag vessels.

It is high time that we got behind our shipping industry in this country. It is high time for several reasons. Firstly, we have a product to export, yet we have no means to carry it. It makes logical sense to value-add to that product by having a shipping industry and a shipping fleet capable of continuing the work that we generate in this country. Secondly, we know full well that a shipping industry, like any industry, has to abide by regulations and the laws of the sea. We have had too many experiences where that has not occurred, including in our own waters, and we have seen the destruction and damage that is caused by that. By having professional, well-regulated, well-trained shipping crews, that is not likely to happen. It is in our environmental interest, if nothing else, to ensure that that happens. We also have obligations to the rest of the world when our ships are in international waters or when any ship carrying our produce is in international waters. If we are going to live up to those obligations, it seems to me that we ought to be in total control of the process.

We have an opportunity to do something that we have neglected to do for a long, long time, which is to revive the shipping fleet of Australia. In doing so we will add to our national prosperity and we will also be more in control of our future affairs. A good example of that, where we literally see money being wasted, is the demurrage costs that we pay to foreign vessels whilst they sit in our coastal waters waiting to be loaded. I understand that in 2008, which is the last year I have figures for, we paid about $1.8 billion in demurrage costs just to have those vessels sitting out in our coastal waters. Even if it were our ships sitting out there, at least that money would be going into our own industry and not into someone else's.

There are very many good economic reasons to revive and support the Australian shipping industry. The four pieces of legislation that we are dealing with today are part of that process. It is legislation that has been worked on for some time, it is legislation that has the agreement of the industry, it is legislation that has the agreement of the states and it is legislation that will add to the national economy and national prosperity. For those reasons I commend the legislation to the House.

Mrs PRENTICE (Ryan) (17:36): I rise today to speak on the Navigation Bill 2012, the Marine Safety (Domestic Commercial Vessel) National Law Bill 2012 and cognate bills. These measures are an important step at streamlining, modernising and clarifying existing laws to reflect contemporary maritime industry practice. They are also a necessary step to legislate the extensive Council of Australian Governments, COAG, reforms and will give effect to international agreements incorporating the conditions from the International Labour Organisation's Maritime Labour Convention. It is a curious incident in the history of Australian parliamentary democracy that the primary bill governing Australian navigation is the oft-amended Navigation Act 1912, now a 100-year-old act that still contains a jumble
of both archaic and modern concepts. The initial act was based on provisions contained in the British Merchant Shipping Act 1894, which included laws such as the offence to take a lunatic to sea without telling the master. The act is Australia's primary piece of legislation with regard to the regulation of ship and seafarer safety, employment conditions for Australian seafarers and some aspects of marine environment protection. As such, the coalition welcomed the announcement at the 2009 Natship conference by the Minister for Infrastructure and Transport to review this legislation and rewrite the act. Following the passage of the coastal shipping reforms, about which I have spoken in this House previously, and the consequent introduction of the Australian international second register, the conditions of the International Labour Organisation's Maritime Labour Convention have been codified into law, and this rewrite will give effect to that convention.

There are provisions in this bill for significant penalties for breaches of the conditions of the bill, which are included as a deterrent effect and which also provide for redress through the court system to respond proportionally to any breach. It is very important to note that any breach of the Navigation Act 1912 can have very serious consequences for the Australian marine environment, as well as for the community and the lives of seafarers themselves. From this premise, the industry must accept their duty to follow the provisions which protect these stakeholders, for which there are three key categories of offences: offences involving intentional misconduct, which carry the highest maximum penalty under these measures, and reckless or negligent conduct, which attracts relatively lower penalties. In addition, as an alternative to criminal prosecution proceedings, the bills creates civil penalty provisions.

Following a considered process to rewrite this act, I trust that these bills will be a meaningful step to reform Australian navigation. These bills reflect Australia's commitment to international cooperation by giving effect to a range of international conventions which cover many areas including safety of life at sea, the prevention of ship collisions, the regulation of watertight integrity and reserve buoyancy of ships, determinations about gross and net tonnage of ships, and of course training and certification of seafarers, which I will touch on in more detail later.

The coalition supports the passage of these bills through parliament as they are a necessary modernisation of navigation regulations. However, I do note that there are still significant concerns within the industry relating to the Australian Maritime Safety Authority, and with these bills making that organisation the overarching national regulator—which will apply to all of Australia—these concerns must be addressed.

The Marine Safety (Domestic Commercial Vessel) National Law Bill 2012 and cognate bills serve to establish a national maritime regulator to streamline Australian intergovernmental regulation of marine safety, which aims to provide constituent regulation of domestic commercial shipping across the nation.

The primary intentions of the bill are to establish the existing Australian Maritime Safety Authority as the so-called national regulator for the express purpose of performing necessary functions and exercising powers of the provisions of the bills; establish a national system for the identification of vessels and the issuance of certificates; establish offences for noncompliance with certificate requirements or for where appropriate certificates are not
held; determine general safety obligations for those involved in commercial vessel operations and for those who may use the vessel to ensure proper safety procedures are followed; create a system for compliance and enforcement activities; and have provisions for consistent application of nationally agreed standards across the country.

At present, there are currently eight separate marine safety regulators when you consider the Commonwealth, the six states and the Northern Territory. These bills will mean that there will be only one regulator, AMSA. Moreover, these bills will supersede 50 pieces of legislation across seven jurisdictions which currently govern maritime safety law. This means that interstate vessels which are currently regulated under the Navigation Act 1912 will be covered under the national law. On the ground, the responsibility for the effective day-to-day operations of the law will lie with the state and territory agencies. Of course, each jurisdiction will still be responsible for paying their fair share in order to fund AMSA, such that the Commonwealth will pay the most, with each respective state donating an appropriate amount.

I recently had a meeting with a constituent who is very concerned about the watering down of conditions under Marine Order 3 for marine engineers. This process is still ongoing, with the consultation draft being released on 8 December 2011, which preceded information sessions and 202 written submissions. There were concerns that the new issue of Marine Order 3 would come into force on 1 July 2012. However, the Chief Executive Officer of AMSA, Mr Graham Peachey, has indicated that they will delay the implementation, and, importantly, further consult with industry before declaring a new issue of Marine Order 3. This enables any remaining issues to be addressed, and I would like to update the House on the grave concerns held by marine engineers.

My constituent made a very considered submission to the Maritime Operations Division of AMSA regarding these changes. In his submission, he outlined his experience: he has completed a Bachelor of Naval Architecture with first-class honours, completed a three-year marine engineering cadetship and passed very difficult AMSA oral exams, steam and motor class certificates, as well as realising many other qualifications and expertise through many years in the Royal Australian Navy and merchant navy. Clearly, this constituent is very experienced and knows the industry back to front. He is extremely concerned on three fronts. Firstly, that the significant reduction in sea time to 26 weeks for a trainee marine engineer will produce trainees with a serious lack of necessary experience. This reduction is also relevant to the lack of distinction between diesel engines on small near coastal craft and a variable speed bluewater vessel, which may run on diesel or gas turbines or be steam propelled. As a result, there are concerns that, in failing to distinguish between an engineer's training on one or both of these ships, they may lack the necessary experience in maintenance—which can only be achieved through an adequate amount of seafaring experience with other qualified marine engineers. Secondly, he is concerned that an oral safety exam will no longer be mandatory. Fundamentally, theoretical knowledge and the ability to sit written examinations does not translate to operational knowledge. He notes that a three-hour long written exam is very stressful for a candidate, but such stress reflects how a candidate may react in an emergency situation on board a vessel, should one occur. This is absolutely crucial to ensure the safety of the candidate, their shipmates and the machinery for which a
candidate is responsible. Today's measures will make AMSA the national regulator. I trust that for all issues that will fall under its purview AMSA will take at face value all concerns from industry, workers and unions. I am confident that it will retain its commitment to constructive relations with stakeholders in government, industry and the community.

I and my coalition colleagues will always consider the merits of a bill on a case-by-case basis to ensure that the general welfare of Australia and its citizens is maximised. These bills today are a step to increase efficiency in the regulation of navigation and maritime safety national law by streamlining and modernising the existing law. It is expected that these reforms should provide productivity benefits of $30 billion over the next 20 years. It is of course not for that reason alone that I support these bills, but certainly I am confident that all stakeholders in this area—seafarers, industry, the environment and the community—will benefit in many ways.

However, I point to the lack of consistency and I would suggest that that is the confused way this government has introduced other purported reforms into this House, in particular from the Minister for Infrastructure and Transport. Fortunately, the Transport Workers Union has not managed to destroy the substantial intent of these bills.

On 14 March 2012, I spoke on and opposed the introduction of the Road Safety Remuneration Bill 2011 and its consequential amendments bill. I opposed those bills because, as I said at the time, they would create a new layer of bureaucracy and add to jurisdictional creep between state and federal legislation, decreasing flexibility in the industry and increasing red tape. Those bills did not streamline or modernise regulation; they merely added another layer with which companies and employees had to comply. Further, on 28 May 2012, I spoke on and opposed the Shipping Reform (Tax Incentives) Bill 2012 and associated bills. I said that they were yet another example of this Labor government using the long arm of governmental bureaucracy to intervene in and overregulate an industry to the detriment of the Australian economy.

So you can imagine my surprise that the Australian Labor Party has actually introduced bills that attempt to genuinely reform the industry, bills that will implement measures for the future health of our economy. The point is this: those on the opposite side of the House try to claim that we on this side oppose bills unnecessarily or that we are more interested in opposing for political gain. This is patently not true. The coalition will always consider the details of every bill. We always assess whether the seen and unseen consequences of a bill are beneficial to our country. And we have followed this process today.

These bills should decrease the level of bureaucracy, will ensure a more effective and appropriate national law and enforcement process, and will not only be beneficial economically but further act to protect our community and environment. For these reasons, I support the passage of these bills.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:48): I thank members for their comments and their contributions to the debate on the Navigation Bill 2012 and the Marine Safety (Domestic Commercial Vessel) National Law Bill 2012. These bills represent the most significant overhaul of the regulation and management of Australia's maritime industry since 1912. Between them these bills provide the primary legislative means for the Australian government to
regulate international ship and seafarer safety, ensure shipping is conducted in a manner which protects our marine environment, give effect to Australia's obligations under various International Maritime Organisation conventions and create a national safety system for domestic commercial vessels by establishing the Australian Maritime Safety Authority as the single national maritime regulator.

Shipping is a crucial part of the Australian transport system. Each year almost 4,000 ships transport goods to and from Australia, carrying 99 per cent by volume of Australia's imports and exports. This constitutes the world's fourth largest shipping task. The increase in demand for Australia's exports and new resource developments means that Australia's sea freight task is likely to double by 2025. The safety and efficiency of the shipping industry is, therefore, critical to Australia's economic prosperity. For these reasons it is important that the 100-year-old Navigation Act be replaced with a contemporary legislative framework for maritime regulation. It is also important that vessels operating in Australian waters all operate under one system with one set of rules.

It is a credit to all states and territories that the national law bill is the result of a cooperative national reform effort. All jurisdictions have actively participated in developing this bill. The national law bill replaces eight existing federal, state and territory regulators with one national marine safety regulator and a single national law, providing clarity and consistency for Australia's seafarers and commercial vessel owners, together with the single national regulators in rail safety and heavy vehicles.

This will lead to a benefit to the national economy of $30 billion over 20 years. This is real productivity reform. This is real microeconomic reform, moving from 23 regulators down to three, achieved by this government, funded by this government, driven by this government, in cooperation with the state and territory governments. This is indeed a proud day, the day when this legislation is adopted. I congratulate the fact that the opposition are also supporting legislation, meaning that this has bipartisanship, which just emphasises how significant this legislation is.

The practical impact of these bills is that the conduct, obligations and safety standards required of vessels in Australian waters will be clear, consistent and consistently applied. This means that companies or people who operate national businesses, have vessels in multiple states or rely on domestic commercial vessels for their livelihoods will not have to grapple with different safety, regulatory or administrative requirements. Yesterday, the Senate passed the most significant reform of Australia's shipping industry since the 1920s. That reform should be viewed in combination with these bills to mean that this week this parliament is dealing with the most significant reform of the maritime sector since Federation. This, together with the shipping bills, will ensure that our country has a strong and prosperous maritime future. A competitive, growing and safe Australian shipping industry is good for our economy, our environment and our national security.

I want to pay tribute to all those who have been involved in this process: the state and territory governments, the unions and maritime industry sectors, and AMSA—the Australian Maritime Safety Authority. I wish particularly to single out the work that has been done by my department through the Deputy Secretary, Andrew Wilson, and Karen Gosling. Karen will be leaving the department shortly for a much quieter life in retirement. I wish Karen well. This is a
I also want to pay tribute to two people in my office—one former and one current. Craig Carmody has driven this reform through my office under circumstances which have been difficult, getting on top of the detail of such a complex series of legislation and liaising on a day-to-day basis with the sector. I often think that as ministers and members of parliament we get the credit but it is the staff who are doing the hard yards. Mr Carmody's predecessor, Malcolm Larsen is now with AMSA. I think he can get a great deal of credit for being there as this enormous reform project began.

This is a proud day and I commend these bills to the House. I congratulate all those who have been involved in this reform.

Question agreed to.

Bill read a second time.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:55): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

Navigation (Consequential Amendments) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:56): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

Marine Safety (Domestic Commercial Vessel) National Law Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:57): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:58): by leave—I move:

That this bill be now read a third time.

These subsequent bills are going through the parliament with considerable ease. Those who read Hansard should not think that their genesis was easy. This has been more than 100 years in the making. Today—making sure that this legislation moves forward, and that we have a single national regulator—is a significant day indeed.

Question agreed to.

Bill read a third time.
Financial Framework Legislation Amendment Bill (No. 2) 2012
Second Reading

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

Mr ROBB (Goldstein) (17:59): I rise to speak on Financial Framework Legislation Amendment Bill (No. 2) 2012. This bill seeks to make technical amendments to 21 acts across six portfolios. It forms part of an ongoing program of improving the financial framework as issues arise. The coalition supports the program in principle. This is the 10th financial framework amendment bill since 2004. It seeks to correct anomalies, to add clarity and to ensure consistency across government acts. It aims to ensure legislation is up to date and properly reflects actual and efficient financial practices. The program also seeks to ensure financial arrangements are consistent with constitutional requirements.

It is tedious work, but it is important work. Making the financial framework more efficient is, of course, a good thing. There are 140 items of amendment in this bill alone to achieve both clarity and efficiency across a raft of legislation. It would be a good thing if this level of rigour was also extended to the government's deregulation agenda. The government promised a one-in one-out approach to new regulation. Of course, instead, we have seen 18,089 new pieces of regulation introduced and just 86 items repealed—just a little margin of error of about 18,000 pieces of legislation that have not been removed!

This particular bill is broad in its reach. The amendments are technical but vigilance is required. We have to be mindful of unintended consequences or inequitable outcomes. We do not want to see changes that make people worse off. The coalition has closely examined amendments associated with various acts under the agriculture portfolio, as well as those related to the validation of certain benefits under the Defence Force Retirement and Death Benefits Act 1973 which were made as a result of Commonwealth administrative breaches.

There are also amendments proposed across various superannuation related acts. These would put in place provisions for the Commonwealth to recover inadvertent overpayments, in line with provisions under the Financial Management and Accountability Act 1997. Other amendments in the superannuation area would allow payments made between a recipient's death and the time when the Commonwealth is notified to be recoverable from the deceased's estate. Of course, the government has some form when it comes to sending out cheques to the deceased. Previous Treasury figures showed that, of $12 billion worth of $900 cheques that went out as stimulus payments, $40 million worth were sent out to 16,000 dead people and 27,000 expatriates. So these provisions of this bill are well placed.

There are also provisions under the Taxation Administration Act 1953 which would allow the Commissioner of Taxation or their delegate to make discretionary recoverable advance payments. This relates to benefits that may be in dispute but for which entitlement is likely to be established or re-established. This would only be applied if the Commonwealth was satisfied that the eventual costs associated with halting payments would be greater than if the advances were made. This is designed to require considerations of 'efficient, effective and economical factors' in making payments consistent with the FMA Act.

In the agriculture portfolio there are amendments which clarify the arrangements...
around Commonwealth support payments to industry bodies. These payments are subject to a limit of 0.5 per cent of an industry's annual gross value of production. They are based on data prepared by the Australian Bureau of Agricultural and Resource Economics and Sciences. In practice, the most up-to-date ABARES data may not be available until after payments are required. As a result, payments made could inadvertently exceed the 0.5 per cent limit. The amendments would allow for determinations to be made by 31 October. If the amount paid ultimately exceeds 0.5 per cent, the recipient body will pay to the Commonwealth an amount equal to the excess. If an amount has not been determined by 31 October, the payment will be based on the industry's gross value of production from the previous year. It has been highlighted that payments made during the year which exceed 0.5 per cent risk breaching section 83 of the Constitution. The shadow minister for agriculture has been consulting with relevant groups, and no concerns have emerged.

In the agriculture portfolio there are also amendments which put in place more efficient ways of recovering administrative costs associated with making payments to agencies. Under the National Residue Survey Administration Act 1992 there are amendments which align payment approval requirements with actual practice. The NRS is entrusted with monitoring for harmful residues in Australian agricultural products and is funded through industry levies.

In relation to amendments in the DFRDB and other areas of superannuation it is important that the government commits to fully communicating any changes to scheme members—for example, the changes associated with provisions to recover overpayments for deceased estates. The amendments under schedule 2 of the bill in relation to the Defence Force Retirement and Death Benefits Act, importantly, have provisions in place to offset debts owed by members as a consequence of previous administrative breaches.

The changes in this bill are reasonable. There has been a genuine effort to improve the efficiency of the financial framework. It is a shame that the rather forensic and technical nature of the amendments in this bill does not reflect the broader approach to financing of this government. For example, this bill gets into the weeds of the financial framework and does some effective work. It is an ongoing program to dot the i's and cross the t's. Yet, on the other hand, you have a government that refuses to subject the $50 billion NBN project—the biggest infrastructure project in the nation's history—to cost-benefit analysis. So here we are, spending important, appropriate, time in this House, and we have spent not one minute on looking at the outcome of a cost-benefit analysis of a $50 billion project. It beggars belief. And the government is prepared to risk $10 billion of borrowed taxpayer dollars on speculative clean energy projects.

These are the sorts of things which confuse the community. They are a reason for the crisis of confidence in the community: they see no consistency. They see a government that is prepared to back its bureaucracy in doing forensic and detailed work at this micro level, and yet where the big bucks are spent we see a very amateur approach being taken. If only the government took this approach to its broader financial activities, we would not be lumbered with $144 billion of net debt and we would be far more resilient to any further shockwaves that might come from Europe or elsewhere. We support the bill.
Mr NEUMANN (Blair) (18:08): That was a typical whinging, moaning and carping response from the member for Goldstein on economic management, typical of the negativity of those opposite. Even on important legislation like the Financial Framework Legislation Amendment Bill (No. 2) 2012, they cannot even bring themselves to come into this chamber with any humility or grace, or to realise that what we are doing here is part of a process that has since 2004 seen 10 legislative changes. In fact, what has been found by the Auditor-General in relation to this issue has been going on for decades. We are a government of laws, and one of the esoteric pieces of legislation can be found in the Constitution, which says, in section 83:

No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.

In other words, government cannot actually spend money unless there is a legislative framework or basis for expenditure of that money.

Some years ago I had the benefit, as a member of the Joint Standing Committee of Public Accounts and Audit, of going to Wellington in New Zealand for an Australasian convention in relation to those sorts of committees across the states and territories of Australia and across the South Pacific. There were delegates from a number of different countries, including from as far away as Europe. One thing that is for sure is that we are very blessed in this country to have an office of independence, rigour, objectivity and impartiality called the Australian National Audit Office.

Governments of both persuasions find themselves foul of that office. We note the 1,200-page ANAO report into regional rorts—the outlandish, inflated rip-offs and rorts of those opposite in regional funding, particularly in the later days of the Howard government up to November 2007.

We on this side of politics have found ourselves at odds with and upset by the Australian National Audit Office. In a sense, that is a good thing, because when the ANAO raises concerns about circumstances that might cause governments to risk breaching section 83 of the Constitution it is important that we actually listen. In relation to this matter, the ANAO looked at the context in which government agencies' financial statements for 2010-11 may have technically been in breach of section 83 of the Constitution. There were risks involved, but the administrative processes put in place which govern agencies do not actually have a sound legislatively-backed basis for them. Payments could be made based on estimates, assumptions and the like, whereas the legislative provision for that expenditure may not actually be there. The ANAO recommended we look at this and work with agencies, and throughout the framing of the legislation before the House today the Australian National Audit Office and the Auditor-General have been involved in consultation with various statutory agencies.

The management of the financial framework of the Commonwealth can be found in the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997. Those acts, and others, provide what I will call the governing arrangements for specific agencies of the Commonwealth. It is important that we comply with the law there, and it is important that we comply with the Constitution. There are a whole range of pieces of legislation that are being amended by schedule 1 of this bill. They are varied and include the Dairy Produce Act 1986, the Taxation Administration Act 1953, the Primary Industries and Energy Research and Development Act 1989 and the Defence...
Force Retirement and Death Benefits Act 1973. And the list goes on. It is important that we make these amendments across a whole range of legislation.

If enacted, this particular bill will make sure that the framework necessary to address the errors that have been made, the overpayments that could have been undertaken, are backed by legislation and that those payments by Commonwealth agencies are regularised to make sure that they are supported by specific appropriations including specific accounts and are consistent with section 83 of the Constitution and other legislation. Lest anyone think, if they were listening to the member for Goldstein on this matter, that somehow the government was profligate in relation to these issues and there was great waste and mismanagement, I just want to refer briefly before I conclude to the Taxation Administration Act that I referred to. This bill impacts on the Taxation Administration Act through, amongst other things, recoverable payments, the idea of a recoverable advance under recoverable payments and—in other legislation—recoverable death payments. The Australian Taxation Office makes payments in excess of $14 million every year under our taxation laws. It is an enormous amount, and, on the evidence I have received, there could be some issues with 0.01 per cent of all cash payments. This means that fewer than 1,000 payments are at risk of not being supported by an appropriation, and this is a very, very small percentage. But, of course, that is what the Auditor-General is for—to make sure that those payments are consistent with the tax laws and that, if there is an error, they are supported by standing appropriations. It is important that the mechanisms put in place to make sure that money is recovered are supported. I am pleased that government agencies have been involved in the process and that they have been consulted and that the Auditor-General has taken steps, as I know he does also when he makes reports on other issues with government programs, to see that he is involved in the process in order to make sure that the best governance, practice and administration are put in place.

This is a good bill, even though it might be a bit vague and a bit complicated and not that many people might have gone through it. I thank the officials who have taken the time to do it, because that is in the best interests of the public. I support the legislation.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:16): I thank all members who have contributed to the debate on the Financial Framework Legislation Amendment Bill (No. 2) 2012. In particular I acknowledge the contribution of the member for Blair, who, apart from being a very effective local member, is one of the hardest working legislators in this place.

This is the 10th financial framework legislation amendment bill since 2004. It forms part of an ongoing program to address financial framework issues as they are identified, and it assists in ensuring that specific provisions in existing legislation remain clear and up to date. This bill has been put together in collaboration with the relevant ministers and their departments.

This bill, if enacted, will clarify specific provisions in 21 acts, across six portfolios, to establish a better way to deal with overpayments which are administrative or technical in nature. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.
Third Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:18): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BUSINESS

Rearrangement

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:18):

I move:

That order of the day No. 8, government business, be postponed until a later hour this day.

Question agreed to.

BILLS

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

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HOCKEY (North Sydney) (18:19): I rise to speak on the government's Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012. Transfer pricing in general terms occurs when two parties related or unrelated supply goods or services to each other and transfer profits from one to the other. The parties to the transaction may be domestic entities, or the transaction may occur between resident and non-resident entities. The transaction can also be between related parties or non-related parties. Of course, for taxation purposes, the main issue occurs when the transaction is between related parties and one of those parties is a nonresident.

For Australian taxation purposes, where only one party is a nonresident, Australian tax can be minimised through applying deductions to the Australian entity through the purchase of goods by the resident entity at an inflated price or through allocating income from the Australian resident through the sale of goods from the resident entity to the non-resident entities at a discounted price. Specifically, division 13 of part 3 of the Income Tax Assessment Act is designed to ensure that transactions between Australian residents and nonresidents are done at arm's length for taxation purposes. This counters such activities as the shifting of deductions to the Australian resident from the nonresident or income shifting from the Australian resident to the nonresident. This is done so that appropriate taxation can be captured within Australia.

Not only is division 13 of the Income Tax Assessment Act relevant but so too are our international tax treaties, which are incorporated into our domestic law through the International Tax Agreements Act 1953. These treaties are commonly referred to as double taxation agreements. Where there is conflict between division 13 and a treaty, the treaty takes priority. Of particular importance within these treaties are the provisions relating to associated enterprises. These are usually contained within article 9 and deal with profit-shifting. As I mentioned earlier, they mandate an arm's-length principle for international dealings between associated enterprises. The Australian Taxation Commissioner applies the provisions within division 13 of the 1936 tax act along with the associated enterprises article within the international tax treaty when making transfer-pricing adjustments. The outcome of these adjustments should be consistent. Division 13 and associated enterprises articles within tax treaties are both based on the arms-length principle. However, consideration must be given as to the precise wording of the treaty. If the operation of division 13 and the relevant
section of the tax treaty are inconsistent, the international tax treaty provisions will apply unless the treaty itself gives precedence to domestic law.

In 2011 the full Federal Court cast doubt on this premise for transfer-pricing adjustments in the Commissioner of Taxation v SNF (Australia) Pty Ltd. Transfer-pricing rules exist to ensure that appropriate taxation is collected on the contribution of profits from Australian operations and also to ensure that profits are not shifted between related parties and across borders. For the benefit of context I will briefly go over the key points of this case. The taxpayer was in that case a wholly owned French subsidiary who was a distributor of chemicals acquired from a non-resident related party and who sold these goods in Australia. SNF used what is known as the comparable uncontrolled prices—CUP—basis for its transfer-pricing methodology. SNF provided evidence of sale transactions from comparable entities to the Commissioner of Taxation which showed that SNF paid less for its acquired stock than prices paid by comparable independent entities.

SNF also used OECD guidelines in explaining its comparability factors. The commissioner disagreed with SNF's transfer-pricing methodology and calculation, arguing that Australian transfer-pricing rules meant that SNF could only compare an arm's-length transaction with transactions of other taxpayers who had the same characteristics as SNF, apart from its association with offshore related parties. Some examples of similar characteristics that the commissioner argued would provide a basis for comparison include the size of SNF within its market, the market strategy that SNF was employing, and SNF's loss position. The full Federal Court rejected the commissioner's approach and upheld SNF's position. The court also highlighted that the approach taken by the commissioner imposed unreasonably high benchmarks for comparison when using the transfer-pricing methodology. This was, in part, acknowledged by the commissioner in the commissioner's decision impact statement on this particular case.

The commissioner's impact statement notes that the court found that the OECD's transfer-pricing guidelines were not a legitimate aid to the construction of either division 13 or the associated enterprises articles of Australia's double tax treaties as domestically enacted. This case was argued only on the basis of division 13. The government now believes division 13 does not adequately reflect the contributions or profits from Australian operations to multinational groups. As such, the government claims there will be instances where treaty transfer-pricing rules may produce an unintended taxation outcome relative to the application of division 13.

In November last year the government announced a review of division 13 of the 1936 tax act and announced that it would legislate to clarify the transfer-pricing rules and tax treaties are valid transfer-pricing adjustments independent of the ITAA 1936. The bill currently before the House deals with these changes to legislation. The government's bill seeks to ensure that transfer-pricing articles contained in Australia's tax treaties are able to be applied and provide assessment authority independent of division 13. They are seeking to do this by creating express provisions within the Income Tax Assessment Act 1997. The government's bill also seeks to ensure that transfer-pricing rules are interpreted as consistently as possible with the relevant OECD guidelines. Finally, this bill seeks to clarify the interaction between transfer pricing and thin capitalisation rules,
which have previously only been dealt with through administrative arrangements.

Of great significance to us on this side of the House is that the government is again, through this bill, raising the spectre of sovereign risk. This bill seeks to retrospectively amend transfer-pricing legislation following the outcome of the full Federal Court decision in the SNF (Australia) case. This change is proposed to apply retrospectively to 1 July 2004. The explanatory memorandum suggests a basis for starting on 1 July 2004 on this confusing argument:

The 2004 income year commenced immediately after the parliament's most recent amendment to the tax laws in 2003, which again evidenced the parliament's understanding that tax treaties could be used as a separate basis for making transfer-pricing arrangements.

In his second reading speech to the House, the minister stated:

A decision to change the law from a date before announcement is not taken lightly. It is generally only done, as in this case, where there is significant risk to revenue that is inconsistent with the parliament's intention.

This is curious rationalisation from a government that have only served to heighten sovereign risk perceptions. They have cast doubt on investor confidence on the Australian economy, having implemented a raft of decisions in taxation law with retrospective effect since coming into office only 4½ years ago. As recently as last year the government legislated a retrospective change dating back to 1990. They sought to clarify the taxing point and the way it is determined for the purposes of the petroleum resource rent tax. This was to pre-empt the outcome of a taxpayer appeal to the full Federal Court.

This government has a bad habit of bringing retrospective legislation to the House. This bad habit is damaging Australia's sovereign risk profile and damaging international investor confidence. The coalition has serious concerns regarding the government's justification for the retrospective application of this bill. The explanatory memorandum to this bill fails to quantify the impact on government revenue on the basis that this bill is a 'revenue protection measure'. The government has not provided any detail on the size of the retrospective tax impost. The government is asking for this parliament to pass legislation that will have a retrospective commencement date going back eight years. For the government to do so, I suggest, requires the government to make a compelling case for the need for the amendment. Indeed the unlimited power to make amendments provides another reason why it is incumbent on the government to make public any evidence it has that makes it so important for this House to pass a bill containing such a significant retrospective measure.

We are not convinced. During recent Senate estimates, responding to a question from the coalition about cases in dispute and the amount of revenue at stake that was being addressed by this egregiously retrospective bill, the Commissioner of Taxation said:

They involve substantial sums, but not greatly substantial in the context of the broader picture.

What the hell does that mean? Again I call on the government: can you justify publicly why you need to go back to 2004 to fix an issue that is 'not greatly substantial in the context of the broader picture' as the Commissioner for Taxation says? We will pursue this matter vigorously through the Senate Economics Legislation Committee inquiry into this bill. In the meantime the coalition will not accept the government's case. It has not been a strong case and certainly publicly it has not been made satisfactorily to justify such significant
legislation as this, which is retrospective. The government's justification for such change within the explanatory memorandum to this bill was that:

Australia incorporates its tax treaties into municipal law through the *International Tax Agreements Act 1953* (ITAA 1953). The Commissioner of Taxation (the Commissioner) has long held and publicly expressed a view that the treaty transfer pricing rules, as enacted, provide an alternate basis to Division 13 for transfer pricing adjustments. Many stakeholders and professional groups do not agree with this statement in the explanatory memorandum. The Law Council and the Corporate Tax Association, among others, take issue with this statement. I wonder if the ministers know the true impact of the legislation that they are trying to steer through this place. This creates real sovereign risk—and the Commissioner of Taxation is of no help whatsoever in this process. The Taxation Committee of the Business Law Section of the Law Council of Australia stated in its submission on the exposure draft of this bill that 'the justification for retrospective operation of the amendment from 1 July 2004 was on a spurious basis'. They said:

The Committee rejects the suggestion that there has been any clear expression of Parliamentary intention that the associated enterprises articles of Australia’s double taxation agreements (DTAs) were to operate as an independent taxing power. Nor has Parliament previously indicated an intention to fundamentally alter the principles to be applied in interpreting the provisions of the DTAs conferring the taxing power. They went on to say:

The Committee is concerned that paragraph 1.10 of the Draft EM seeks to justify the retrospective operation of the amendment from 1 July 2004 on a spurious basis. The purported basis for electing this particular date is that Parliament spoke to this issue in 2003, and that the current amendment is a ‘clarification’ of prior intention. The Draft EM cites the International Tax Agreements Amendment Act 2003 (Cth) and its explanatory materials as Parliament’s most recent demonstration of its intention that DTAs provide alternative and independent transfer pricing liability provisions to those contained in Division 13 of the Income Tax Assessment Act 1936 (ITAA 1936).

The Committee strongly disagrees that the 2003 amendment or its explanatory materials gave any signal—explicitly or implicitly—that the transfer pricing rules would operate as suggested. Furthermore, no further attempt at ‘clarification’ has been made by Parliament in the eight years since this time despite the issue being questioned by the courts on a number of occasions. That is a hugely important point. The parliament never sought to repair, change or clarify this piece of disputed bill in all that time, even though the matter had gone to the courts on a number of occasions. They went on to say:

For these reasons it is plainly inappropriate to select this date and, if the provisions remain retrospective, the Draft EM (particularly paragraphs 1.8 to 1.10) should be modified to make it clear to Parliament that this is the case. This evidence seems to contradict the government's justification for the retrospective application of the bill: that it was the parliament's understanding that tax treaties could be used as a separate basis for making transfer pricing adjustments. The coalition is opposed to retrospective tax changes as a matter of principle. People are entitled to proceed with the law as it stands. There have been exceptions. But under this situation the law has been clear since 2003, operating in an unfettered fashion even though invited by the courts. If it was done wrongly the previous coalition government is as guilty as the current government. I am not pretending otherwise. But it is going to create enhanced sovereign risk when sovereign risk is the most disputed
and contentious issue in global financial markets at the moment.

The coalition understands that it can change the substance of bargains struck between taxpayers who have made every effort to comply with the prevailing law as at the time the agreement was entered into. Retrospectivity can expose taxpayers to penalties in circumstances where taxpayers could not possibly have taken steps at the earlier time to mitigate the potential for penalties to be imposed. People believed they were complying with the law. It may change a taxpayer's tax profile, which in turn can materially impact the financial viability of investment decisions and the pricing of those decisions. Most importantly, the retrospective application of the change will heighten Australia's level of perceived sovereign risk.

In submissions in the consultation period for these proposed changes, various peak taxation and accounting bodies all expressed concern over the retrospective application of this proposed legislation. The Institute of Chartered Accountants of Australia in its submission to Treasury stated: 'The retrospective amendment to the law being proposed in the exposure draft legislation cannot be justified on either a policy or revenue integrity basis.' The Tax Institute's submission states that it 'has grave concerns as to the appropriateness of retrospective legislation to effect this announced change.' CPA Australia stated:

We reiterate our earlier view that no clear business case has been advanced to justify the retrospective application …

This is an inequitable outcome for taxpayers who may be potentially subject to audit for up to 7 years on matters which they may reasonably regard as having been finalised. The enactment of these retrospective changes may also damage the international reputation of Australia as a jurisdiction in which key foreign investors can invest and trade with certainty and confidence.

And these guys opposite wonder why there is a lack of business confidence in Australia and why there is a lack of consumer confidence in Australia! Here it is, before the House—retrospective legislation. People who believed, in good faith, that they were complying with the law as it stood now find that they are going to have back audits for seven years and back penalties, potentially, for seven years, and whatever transactions they entered into in good faith must now be unwound with potential back losses to the organisation.

Those opposite cannot understand why there is a negative sentiment out there in the commercial world, a negative sentiment that involved some five different versions of a mining tax and four different positions on a carbon tax—let alone what they are doing on the interest withholding tax. And there are a range of other measures from employee share buyback schemes—which they promised they would not touch and they completely muddled—right through to an overinvestment in an NBN with no business case. How is it that those opposite cannot understand how confused the Australian business community would be about their incompetence?

Now before this House we have retrospective tax legislation going back seven years, and we have a Commissioner of Taxation who, when asked about what the revenue implications are, just dismissed them as insubstantial. If they are not that substantial, why are we putting our reputation on the line for increased sovereign risk for international investors? Why would you do that? Since 1788 we have needed to import money into this country. The risk that is being posed by retrospective tax legislation is an even greater reason that
people should be concerned about investing in Australia.

This mob opposite keep referring to a 'pipeline of investment'. Well I can tell you that a pipeline of investment can soon dry up in the wake of a government that creates uncertainty. It was Ivan Glasenberg who wrote the speech he made in London where he said that he could get greater sovereign certainty out of the Congo than he can get out of Australia—and he is one of the largest investors in Australia. The coalition did not write that speech. The coalition did not write the speech of Jac Nasser, the Chairman of BHP, or that of Marius Kloppers, the Chief Executive of BHP, when they flagged their intention to hold back on investment in Australia, citing the cost of doing business in Australia as one of the great challenges.

We did not write the press releases and press statements for Gerry Harvey, the head of Harvey Norman, or John Singleton or John Symond or the conga line of businesspeople out there who have been putting their reputations on the line to come out and warn about sovereign risk in Australia and the dangers of an incompetent government. We did not write those words; they are writing those words. If you want evidence of the very actions that cause these people to warn of the risks of doing business in Australia, look at what is before the parliament now—retrospective tax legislation, going back seven years.

A fundamental question is: how can taxpayers be expected to have complied with laws they did not know existed at the time but which they were supposedly expected to comply with? They were expected to comply with laws that did not exist. How is that fair? How is that stable? How is that inviting a confident and reliable stream of investment? This bill is the very evidence of why business and investors are so nervous about dealing with this government.

The changes contained within this bill will confirm that the transfer pricing rules contained in Australia’s tax treaties provide a power, through express incorporation into Australia’s domestic law, to make transfer pricing adjustments independently of division 13. The coalition further questions whether the government has consulted with any tax treaty partner countries. If so—and no-one has given us an answer—did those countries raise any concerns as to the perceived impacts that this will have on the negotiated tax agreement as well as any flow-on consequences to trade and investment? In the context of investment with the United States, in its submission on this bill, the American Chamber of Commerce said:

It is clear, therefore, that the US interprets the treaty as limiting its right to increase US taxation on an Australian-owned entity. It is our understanding that the US would expect Australia to interpret the Double Tax Agreement similarly. Based upon this, it is ill-founded for the Assistant Treasurer to allege that the amendments proposed are consistent with Australia’s Double Tax Treaties, without including an exception for the United States.

Another anomaly arising from this bill is that it applies to countries that Australia has a tax treaty with, ignoring entities who are transacting with parties in tax havens such as the Cayman Islands. So this applies to the guys we have treaties with, but for anyone operating out of the Cayman Islands it is, 'You're fair game—go for it, guys.' Such taxpayers will be subject to transfer pricing under division 13 only, whereas taxpayers conducting business with an associated enterprise—say, in Japan, a treaty country—will be subject to potential adjustments under this bill and its wider powers. Does the government seriously believe this is good
policy? The member for Chifley is about to stand up. Does he seriously believe this is good government where, if you operate out of a tax treaty country that in good faith negotiated a tax treaty with Australia, you are subjected to the pain associated with this but, if you are operating out of a tax haven, you do not have that same application and you are subject only to division 13? It is an unusual policy outcome, isn't it? We call on the government to explain this anomaly.

Then there is the issue raised by PricewaterhouseCoopers that would see taxpayers being tied up in complex discussions under the mutual agreements procedure in most treaties, which would be aimed at mitigating potential double taxation outcomes from the bill. As PwC said:

We acknowledge that the risk of double taxation is present under the existing provisions and that the ATO may contend that the MAP process has traditionally worked effectively … However, in our experience, the process can take years and there is no compulsion under Australia’s treaties for the competent authorities to reach agreement.

And so on. So the coalition will actively pursue the matters that I have raised in respect of this bill today through the Senate Economics Legislation Committee inquiry into the bill. In the meantime, the coalition believes the government has failed to make a strong enough public justification for retrospectivity in this bill. Therefore, I am foreshadowing that the coalition will seek to move an amendment to give only prospective effect to this bill. If our amendment is unsuccessful, the coalition will not support the passage of this retrospective legislation. Enough is enough.

Mr HUSIC (Chifley—Government Whip) (18:47): There were a number of things in that contribution, but it basically boiled down to this: in the course of over 20 minutes, the greatest weight was placed on the issue of retrospectivity, and the other issue was—you would almost believe that this has been an alien concept—tackling business profit shifting or transfer pricing. The reality is that it is something that, in 1982, then Treasurer and later Prime Minister John Howard was trying to deal with. Governments have been dealing with the concept itself. On the international level, guidelines established by the OECD to deal with this issue have been present for many years. On top of that, there is the issue of retrospectivity. If those opposite were on this side of the House and there were a threat or an issue potentially affecting taxation revenue, they would be here basically lecturing us and saying that protecting government revenue is the most important thing and that every effort should be made to deal with it. What we have had is basically a railing against retrospectivity but not necessarily against the concept per se, because transfer pricing has been dealt with in one way, shape or form for decades.

I want to remark on something else. The shadow Treasurer referred to the American Chamber of Commerce in Australia. In fact, transfer pricing has attracted the attention of the Obama administration in the US as well, as far back as 2009. In particular, in my contribution on this issue I want to touch on a sector that I have a particular interest in, the tech sector, looking at transfer pricing amongst multinational technology companies. I refer to an article written by Julian Lee in the Sydney Morning Herald back in 2009, when the issue of the profits of, for example, companies such as Google and Yahoo was in the frame. For example, Google was billing out of Ireland; eBay was billing out of Switzerland; Yahoo's search marketing was billing out of Ireland, as was Facebook; and Microsoft was using an Irish
subsidiary. The way in which they transfer price was attracting the attention of the US administration. In fact, US President Barack Obama was calling back in May of 2009 for an end to transfer pricing and had set a target as to when that would be dealt with. That was the US administration. The American Chamber of Commerce in Australia was quoted here today, but the US administration is taking this issue seriously.

The Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012 is an important bill. Many would not appreciate that from reading the title of the bill, but it deals with an emerging reality potentially affecting revenues raised by governments here and the world over. It is not a new concept, as I have said, but acknowledging it and dealing with it becomes more important, particularly as the reach of the internet spreads, opening up business opportunity and acknowledging what almost seems to be the dissolution of borders as businesses are able to reach and operate across all corners of the globe. As the Assistant Treasurer indicated in his second reading speech, transfer pricing rules are critical to the integrity of the taxation system.

This bill will help ensure that the Australian operations of a multinational group pay their fair share of taxation, because trade within multinational groups is a big deal. In fact, in 2009 cross-border trade within multinational groups was valued as $270 billion. To put that into perspective, that is about half of Australia's total trade flows. Our transfer pricing rules govern the prices at which related entities—companies within large multinational groups, for example, in different countries—buy and sell the goods and services to each other. These rules aim to clamp down on profit shifting where, for example, artificially excessive fees are levied for services rendered between entities, ultimately aiding in the transfer of money from one company to another within a group but with the ambition to reduce tax liability within Australia. Last November, as has already been referenced, the government launched a review of our transfer pricing rules, indicating that we would move to end the uncertainty around whether or not transfer pricing rules contained in our tax treaties could apply independently of unilateral rules in division 13 of the Income Tax Assessment Act 1936. That is what this bill in part deals with. As the Assistant Treasurer told the House, the OECD work that covers this area reflects the best international thinking on transfer pricing and shaped pricing regimes across the world. Guidelines used across regimes and observed by multinational enterprises themselves also ensure there is a clear legal pathway to the use of the OECD guidance. While the issue of transfer pricing has been around for a while it has become more complex, particularly when you consider how it operates in the case of tech companies.

When you step back and look at the overall issue, you will see the online economy itself is 'the biggest regulatory challenge in a generation'. That was not my observation but the words of ACCC Chairman Rod Sims, made following the decision of the ACCC to investigate arrangements by local retailers to deter overseas counterparts or wholesalers selling the same goods online at cheaper prices. While I can certainly appreciate the motivation of local retailers engaging in this, the corrosive nature of this practice is designed to weaken competition and work against consumer interests. It also betrays a double standard insofar as retailers are preventing the consumer from doing what they do themselves—that is, search for a preferred supplier at a cost commercially attractive to the retailer. If local consumers feel they are being disadvantaged or being
denied an advantage accessed by companies then that is going to draw ire and understandably so. It is this sentiment which propelled a case for an investigation into price discrimination as it affects the IT sector.

I wholeheartedly welcome Minister Conroy's decision to establish the pricing discrimination inquiry to be held by the House of Representatives Standing Committee on Infrastructure and Communications. I mention the committee's work because of its relevance to the legislation currently being considered by the House. In particular, the inquiry will look at pricing differentials as they exist and will also look at the pricing frameworks employed by major tech companies. I imagine through the inquiry it will be determined what impact transfer pricing has on the way these companies do business here in Australia. It is obvious that transfer pricing will be easier to identify in the pricing of physical product—in this case, hardware. But, with the transformative impact of technology, physical product morphs into something that is digital—in this case, software. Regulators and governments know that this intangible presents a massive challenge to global taxation regimes.

I was surprised when I witnessed a few weeks ago the emergence of an unlikely taxation advocate who argued that tech companies should be paying their way more. I am talking of course about the member for Wentworth—and I note his presence here today—who, in late May, demonstrated that not only is technology accelerating business processes but it is also helping speed up the pace of backflips. On Monday, 21 May he argued in the Financial Review that tech companies should be paying more tax. By Wednesday he was arguing that he was not arguing that. He said:

I am not proposing any specific change to the existing tax laws or flagging a shift in coalition policy. By the time we advised that this bill on transfer pricing would be around to help, in part, buttress taxation revenues from the impact of pricing intangibles he had sniffed that that was not good enough, without spelling out what he would actually do, which I am surprised about because he has, in the past, been able to devise a range of alternative taxation measures. It got me thinking: what made the member for Wentworth rip open his shirt to reveal his inner taxation avenger? It is worth bearing in mind that his comments were in response to the claim that Google had paid $74,176 in tax on search engine and directory revenue, equating to around $1 billion. Google said it had paid $781,000 and their accounts, ending 31 December, suggested they had made a $3.9 million loss on revenue of $201 million. Again, on 21 May the member for Wentworth remarked:

Over time, the erosion of the tax base will become material. You’ve got X billion dollars of revenue … being earned by Google paying very little tax in Australia.

So Google was placed right in the frame by the member for Wentworth. For a company to be singled out like that, to be put in the public space like that, attracting the ire of the member for Wentworth would have raised eyebrows. But it certainly did not with me because I recall some pretty sharp comments he directed towards Google back in September last year where he said:

Let me tell you who the conspirators are. They are the vendors, who want to sell lots of kit for the NBN. They’ll tell you privately they think it’s bonkers, but they want to sell the kit. There are the over-the-top people like Google and Yahoo and media companies …

He went on to say:
Google has got a massive interest in building these networks and that’s why they’re a supporter of the NBN. If I was to build a 10-lane freeway all around my country and only allowed the trucking companies to use it. Then all the trucking operators would say to me, Malcolm, you are a visionary.

What was their crime to make the member so animated? Google had the temerity to commission firms to establish the value of the internet to the Australian economy and community. They pointed out the bleeding obvious that investment in the NBN would ramp up the value of the net to the economy—outrageous. For the record and from my own perspective I have found Google’s commissioned research, conducted by Deloitte Access Economics and Boston Consulting, to be valuable. They are doing the right thing advancing the interests of their sector—one that is vital to our future economic prospects. It is worth pointing out to decision-makers and the general public the relative worth of other sectors drawing attention to themselves, such as mining. By the way, while the member did not acknowledge the ICT sector’s value, he was effusive about the mining sector. In May 2010, he said:

I could recite a longer list of statistics on the importance of the industry, but suffice it to say the resources sector is of absolutely vital importance to our economic security. And any major changes to the way in which it is taxed need to be examined and considered with that in mind.

So two years ago we needed to exercise due care when taxing a valuable sector of the economy but now that has gone out the window. After reading the spirited defence of the mining sector, I had the gall to suggest that maybe we could stand up for a sector that is doing a great deal for Australia and not undermine the work of the sector in rightly promoting its own benefit because we are seeing terrific investment by that sector in Australia.

I had the pleasure last week of attending the opening of the HP Aurora data centre at Eastern Creek, a $200 million investment in the region and in our nation’s ICT future, an investment that will facilitate the growth of cloud computing. That builds on investments by another firm, Macquarie Telecom, a local trailblazer which invested in its own data centre in Sydney and is a passionate advocate of cloud computing which is set within months to open another centre. These developments will help the construction and strengthening of our digital economy. It is the government’s aim that by 2020 our country will be among the world’s leading digital economies. Speaking favourably about the sector’s value in Australia does not mean I am not interested in exploring ways of ensuring that the tech sector pays its fair share of tax and that is what this legislation is aiming to do. I would actually argue that it is in their own interests too. For example, I do not think it is right that you operate a firm within the sector, be concerned about, for instance, skills shortages, expect government to play a part in addressing these shortages and then argue against moves to ensure the sector is paying its fair share of taxation. It is fair to point out that you cannot champion the phenomenally important investment in renewing this nation’s broadband infrastructure and then rail against moves to protect our revenue base that will, among other things, help fund this investment.

Government action that will in part address issues adversely affecting business operations and provide a beneficial operating environment obviously need to be funded. General revenue is absolutely critical, which is why this legislation of itself is critical. As much as transfer pricing will deal in part with some of these issues that emerge as a result of the internet opening up trade across
borders, the other thing that will obviously need to occur in time is for the OECD to take a greater role in necessarily advancing or reviewing and further examining this area. As I indicated earlier in this contribution, there is interest within the US to deal with the issue of transfer pricing but particularly the way in which multinational companies are operating such that they would be perceived to not necessarily be paying their fair share in taxation.

As much as it has been around for many years, the area itself is exceptionally complex, but that does not necessarily mean it is something we can give up on. As the ACCC said, as much as this presents the biggest regulatory challenge of a generation, it is still something that will gain increasing interest as the years progress.

Mr TURNBULL (Wentworth) (19:01): As the House knows, the opposition opposes this bill, the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012, on the basis that it is retrospective. I could not improve on nor add to the powerful arguments advanced by the shadow Treasurer on that score, although I endorse and adopt all of them. I want to turn to some matters that the member for Chifley touched on, including the question of transfer pricing in the digital age. Regrettably, this bill, whatever its merits, even having regard to its prospective merits, really does nothing about the critical problems faced in Australia and in many other countries as a consequence of globalisation of commerce and the way in which so many transactions nowadays are occurring in the cloud, the internet, in a way that, perfectly legitimately and without a hint of evasion or skullduggery or anything of that kind, is beyond the reach of the laws, including this law, for transfer-pricing arrangements that we have.

A few years ago the OECD said in its report on transfer pricing—it is an apposite point:

Not long ago, transfer pricing was a subject for tax administrators and one or two other specialists. But recently, politicians, economists and businesspeople, as well as NGOs, have been waking up to the importance of who pays tax on what in international business transactions—

with more than 60 per cent of world trade taking place within multinational enterprises. The transfer-pricing regimes, globally and certainly within Australia, depend really on two possible circumstances. One is the multinational company having a subsidiary in Australia or having what is called a permanent establishment. The vice of transfer pricing that legislation has sought to address is the circumstance where the multinational, no doubt from a tax haven, is selling its products to its local subsidiary in Australia at a very high price so that there is very little profit made in Australia, perhaps just enough to pay the overheads here, and such profit is racked up in the tax haven.

Of course, a similar arrangement can take place. You do not need to have a subsidiary corporation here; you could have a permanent establishment and, if that permanent establishment has under the tax treaties an effective connection with the transactions in Australia, similar principles can be brought to bear. The principle, of course, which is easy to state but very hard to define and assess is the arms-length principle. What is the arms-length price? There are plenty of simple examples one can imagine. If a subsidiary in Hong Kong is selling aluminium ingots to its associate in Australia at a price that is above the LME price, then obviously the ATO will say it is over the odds and look to apply the transfer-pricing rules. But none of this is really relevant to the transfer-pricing issue, or the issue that we are dealing with at the moment,
which is not, strictly speaking, a transfer-pricing issue at all.

The honourable member for Chifley mentioned Google and he suggested that I had been unfair to Google. Far be it from me to take on such a leviathan, but the fact remains that Google, a great multinational company and a very innovative one indeed which the government often quotes in its support for the NBN, pays virtually no tax in Australia. The Australian division of Google recently released accounts showing that in 2011 it paid $74,000 in tax. It is widely estimated to be generating somewhere between $1½ billion and $2 billion of revenue out of this market. And, if you look at its global accounts, it is a very, very high-margin business. There are literally hundreds and hundreds of millions of dollars of profit being accrued by Google on those sales in Australia, but there is no tax being paid in this country. There are some cynical souls, such as me, who just make the observation that it is all very well for Google, paying $74,000 of tax in Australia, to be encouraging the Australian taxpayer to spend $50 billion on an NBN, of which Google will be an enormous beneficiary, but it is not contributing anything to the tax base here to enable that investment to be made. Google would be more credible if it actually put its money where its mouth was.

I am not suggesting that Google is breaking the law—far from it. But the fact is that what Google is able to do, and this applies to many other companies in the digital realm, is to sell advertising to Australians online from an entity—until very recently it was an entity located in Ireland which, I might say, was generating well over €11 billion of revenue out of Ireland, just in that entity alone; obviously, that plainly was not coming out of the Irish market. And it can transact directly with customers in Australia, from Ireland, over the web. It arranges its affairs so that its business in Australia, its permanent establishment in Australia, has no effective connection with that transaction and, therefore, there is no basis for the transfer-pricing rules to apply. Of course the same thing can be said about Amazon. You go onto the web, you order some books or whatever you want from Amazon or another online vendor, and again there is no local connection.

What we are seeing is a very substantial diminution in and erosion of the Australian tax base. You can say, 'Taxes are bad; nobody should pay tax; we are all in favour of no taxes.' But, at the end of the day, somebody has to pay for the schools and the hospitals and the Army—the defence minister was here a moment ago—and the more that commerce is taken out of Australia and into the internet cloud, the less revenue is available in this country and the heavier the burden that has to be carried by those entities that cannot avoid paying tax in Australia.

This is a very big challenge. I have raised this not in the sense of having an instant solution to it, because there is no instant solution. This is a problem that the United States faces. There are large multinational technology companies which have literally tens of billions of dollars of retained earnings stashed up in tax havens, or low-tax jurisdictions, around the world, which they do not want to repatriate to the United States because they would have to pay tax in the US, and they have had the chutzpah to go to the US Congress and say, 'If you give us a tax break we will bring the money back into the country.' So you can imagine how affronted the US legislators are.

This is a very big issue. Senator Conroy, when I raised this, gave his usual flip, instant response and said that this legislation would deal with it. This legislation has got nothing
to do with it. I wish it did. It does not. It is not pertinent. The transfer-pricing arrangements that we have, and other developed countries, other OECD countries, have, are really inadequate to deal with the globalisation of commerce. I just raise that as a very important matter for the House.

There is one way, of course, that it can be addressed, to some extent, and that is through levying a VAT or, in Australia, a goods and services tax—a GST. There is no restriction on the jurisdiction whereby the Australian government could levy GST on these internet transactions if they result in a sale to an Australian customer, and the international online businesses have the perfect capacity to do that. In fact, if you go onto an online retailing site and order some goods and you nominate an address in Australia, you will see a price for the goods and a price for the freight and the total. If you then were to nominate an address in a state of the United States—take New York—you would then have a price for the goods, a price for freight, and some New York taxes. So it is perfectly feasible for them to collect GST for Australia.

This matter has been raised in the past by Australian retailers on the basis that the fact that these transactions are not paying GST exposes them to a competitive disadvantage. I suppose it does, though I think it is literally a rounding error in terms of the disadvantage that they face. But it is a very significant factor in terms of the erosion of our tax base.

The point I want to make to the House tonight and to honourable members is that we have to address the challenges of the erosion of the tax base.

It is a huge issue within the United States, because they do not have a national goods and services tax; the various states and cities have different sales taxes and, of course, companies like Amazon are able to locate themselves in a way that effectively forum-shops and can, in a very material way, pull retail activity, retail sales, out of one jurisdiction into another and deprive not only the local retailers of that business but the community of the tax revenues that they need to pay for all of their services.

So, with respect to the member for Chifley: like him, I admire Google; nonetheless, I think that everybody should pay their tax. There is a real issue. This is not—

Mr Husic interjecting—

Mr Turnbull: The honourable member mentions the miners. I am really glad he did that. I will tell you, in the few minutes left to me, about the counsel of despair. This is what the weak-minded and the gutless will do: put the taxation of international transactions into the too-hard basket and simply focus taxation on immovable property such as resources and real estate. Before too long you will have a Labor government wanting to have a national land tax so residential householders would have to pay tax.

The honourable member opposite me here, the member for Oxley, shakes his head. He is very wise to shake his head. But I say to my honourable friend across the table that that is where you end up if you are not prepared to recognise that the nature of commerce is changing and that taxation and regulation has to change in line with it. Otherwise you end up with a situation where your tax base narrows to only those assets and activities that cannot move. They are
real estate, resources and PAYE taxpayers. That is too narrow a tax base. This is a big challenge for this government. It has not addressed it. Instead of pretending that this law deals with the matter, they should come up with some responsible answers that deal with this very significant erosion of Australia's tax base.

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (19:16): We are almost in fierce agreement across the chamber—almost. Certainly on a lot of matters there is a fair bit of agreement, such as wanting things like a fair taxation system; international companies and transfer pricing to interact in a proper way with the integrity of our tax system; a tax system that works effectively when people are paying tax; a wider taxation base; and ways to deal with the challenges that this and other countries face in terms of how international multinational organisations—such as Google and those that interact over the web—actually pay a fair share of their tax in Australia. So I would say that on all those matters there is a fair bit of agreement.

It was great listening to the member for Wentworth. He raises some really good issues. It was certainly more interesting than listening to the member for North Sydney. But, unfortunately, the issues that the member for Wentworth raised had very little or nothing to do with the bill that is before us, the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012. If the opposition were genuine about the matters raised in their contribution, they would accept that this bill actually takes us in that right direction. It actually does make clear the intent of this parliament for many a decade and ensures the integrity of our taxation system.

A number of other issues were raised. The member for Wentworth said that there was no instant solution. I would probably agree with him. He is right. There is no instant solution. There ought to be a broader debate in this place about what we do to make sure that we have proper transfer pricing arrangements for organisations such as Google and others and that they pay a fair share of tax. But this is no reason to oppose, as the opposition is doing, the cross-border transfer pricing bill that we have before us. If in fact the only reason, as they say, for not supporting this bill is that it is retrospective, it is a fairly weak and shallow argument. It does not go to the core of what this bill will do when passed by the parliament.

Transfer pricing rules are an integral part of our tax system. This bill will make sure that is the case. When we look at what transfer pricing represents in terms of the Australian taxation system—as we have heard, it is valued at around $270 billion, around half of Australia's total trade flows—we see that it is important that we get this right. The government in November of last year announced that it would reform Australia's transfer pricing rules and that it would move to end the uncertainty that existed around whether or not the transfer pricing rules contained in our tax treaties could actually apply independently of the rules in division 13 of the Income Tax Assessment Act. That is exactly what this bill does. That on its own is worthy of support from the opposition. I find it strange and odd that clarifying a very important part of the integrity of our taxation system cannot possibly find support from the opposition. I find that very odd and very strange indeed.

These changes are extremely important and have been necessary for some time. They go back a long way. As we have heard from other speakers, there is a clear legislative intent by this parliament of how the law should be operating in this particular manner. This bill makes that clear. From
time to time that necessity arises. When it does, this parliament—I believe as a whole—should be supporting that.

This bill will ensure that the integrity of our tax system is not compromised by leaving some doubt as to how the system actually operates. What we are doing is absolutely consistent. It is consistent with what are internationally accepted as transfer pricing rules. In the absence of any other further contribution from the opposition, if they want to make a contribution in this area, they should support what we are doing. Again, the government is clarifying the operation of the law.

The government has not come to this view on its own. This is not something that we have done without being mindful of a range of different views. It is certainly something that we have taken as an important step in formulating this amendment bill. In fact, Australia's current unilateral transfer pricing rules were first introduced in 1982 in the form of division 13, so they date back a long way. In fact, the explanatory memorandum circulated by the former Prime Minister and then Treasurer John Howard explained even back then that specific amendments would operate that way. That is consistent with what is being done today to clarify. The government has been absolutely clear in its intent. It is contained in the explanatory memorandum, which sets out multiple examples of parliaments where this is the case. The tax office has been abundantly clear on how this should work and on its intent. Even major accounting firms have supported this as well.

This has been a matter, across different parliaments of different political persuasions, which has always had clear bipartisan support. It is interesting that something has changed now, which means that there is no longer support from the opposition. It begs the question: what has changed? I certainly do not believe that the change is to the integrity of systems of taxation in this country; perhaps the change is to the integrity of the opposition. Perhaps it is that the political imperative now has a higher priority than the national interest. I find that curious and strange in this particular case, as well.

Certainly this amendment is entirely consistent with the commissioner's long-held and publicly expressed view of the current law. We need to be absolutely clear that these amendments constitute a mere confirmation of what the rules are, to the extent that there is any uncertainty. I think this is something that the opposition should support. If their only basis for not supporting this is some view about retrospectivity in terms of how the law applies then I think they should have a closer look at what the intent is—the clarification—and what this means in terms of Australia's taxation system.

This is a good, sound amendment. It is an amendment that, if the parliament were constructed in a different manner, would perhaps have the support of the opposition. Perhaps in this case there is a different political imperative for the opposition. It is not a case of whether it is good policy or bad policy but whether it suits their agenda. I commend the bill to the House. I commend the minister for bringing these amendments forward. The House should support this bill as presented.

**Mr BUCHHOLZ (Wright) (19:24):** I rise to associate myself with the comments of the shadow Treasurer and the member for Wentworth on their support for the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012. As with all tax law amendment bills that this government has tabled, this bill is one which the coalition will scrutinise for its intentions and for its...
consequences for businesses here in Australia.

This bill will seek to provide consequential amendments to the Income Tax Assessment Act 1936 and the Income Tax ( Transitional Provisions) Act 1997. The government seeks to legislate to clarify the transfer pricing rules after a decision in the Federal Court in 2011. The Commissioner of Taxation's understanding and application of treaty rules for transfer pricing adjustments was challenged in this case.

Even though this piece of legislation seeks to clarify the transfer pricing rules in tax treaties, there is always a sting in the tail with this government when it comes to taxing business in Australia. Although it has been stated by the government that no impact will result to the budget with the passing of this bill, it is hard to believe that a taxing windfall for the government has not already been apportioned to the recently tabled budget.

So let me revisit that. Here we have a comment from the so-called experts in Treasury. The Prime Minister in this House on many occasions has referred to the expert advice that we get from Treasury. We do not have to look too far back to find expert advice from Treasury in terms of its forecasts of this year's enormous deficit. In protecting the $1.5 billion surplus as we move forward, we see that this will have no impact on our budget! But why is it that the retrospectivity of this bill is so important that we have to go back to 2004 or 2006 and start taxing these bodies? It will be a liability that will be brought about by this bill.

As an opposition we fundamentally oppose retrospectivity. It is the right of any business in this nation to do business, pay their tax bills in good faith and know that when they start trading in the next financial period they start with a clean slate. This bill refers to liability. It is a contingent liability and maybe those businesses have been applying for it. The Treasury is saying that this will have no impact on budget revenue but that can only mean one thing: that the tax office has already accumulated the contingent liability and brought it into their forward estimates to be expended and received in this financial year to help save a wafer-thin surplus.

I refer to the retrospectivity of this bill, which goes back to 1 July 2004. The coalition opposes retrospective taxation in principle, and opposes the retrospectivity of this bill. The coalition will seek to amend this bill to give prospective effect to the bill, because that is fundamentally what we believe in. We reckon that if you pay your tax when it is due then that should be that—it is imperative to the security and sovereign risk of our nation. The government should not be able to go back and have another crack.

If the opposition amendment is unsuccessful we will oppose the bill. You would have contemplated the fact, Deputy Speaker Adams, that over the last eight years business taxpayers have operated on the existing tax laws of the day.

In the current global economic uncertainty, business should not have to forecast or mitigate the financial imposesthat expose them to penalties and retrospective charges from 1 July 2004. We are in a pretty difficult time from a manufacturing perspective, a tourism perspective and a construction perspective. Yet, with our two-speed economy, our mining sector is going gang busters and we do have a lot of things as a nation that we could celebrate. But, with the current global financial crisis and the lack of market confidence that exists, not only in this nation but also across a lot of our European partners who are suffering at the moment, you do not have to go too far—pick up any of the local
papers—to know that jobs are at risk. Fairfax is putting off 1,900 staff, Macquarie Bank put off a heap the other day and Qantas are making announcements to that effect. The top end of town is doing it tough. Not all, but some, of those companies may be picked up in these retrospective clauses.

Perhaps it is a position that this government, in its attempt to deliver a surplus next year, does not understand. Perhaps they do not understand what this new measure will do to foreign investment prospects for this nation—that changing a taxpayer's tax profile and obligations retrospectively may impact and result in financial and investment decisions being compromised or, worse, abandoned in Australia.

At the end of the day we thrive, we rely, as a nation on foreign investment. That is how we have managed to maintain the quality of life that we have. It is fundamentally underpinned by foreign investment. This government, as we all probably well know, the other day—with no announcement or lead-in time—doubled the foreign investment trust tax bracket from seven per cent to 15 per cent. Admittedly, under the Howard regime, it was 30 per cent. But, when we started to drop that foreign investment trust tax bracket, we gave the market notice. This government did not. Foreign investment companies, making conscious decisions as to where they are going to park their funds—bang!—woke up on Tuesday morning to hear the government saying, 'Righto, your foreign investment trust tax bracket has been raised from seven per cent to 15 per cent, and you may even be up for a tax bill that goes as far back as 2004.' That is something that I do not think we as a nation can afford if any more of the industry and manufacturing sectors suffer further financial pressures within this country and from abroad. You can imagine some of Australia's largest companies getting a penalty notice adjusting tax obligations covering the last eight years. The figure could run into the hundreds of millions of dollars.

When will this government learn that we cannot tax this nation into prosperity? I think we are now up to nearly 30 new taxes. We need to create a fiscal environment where we have businesses making profits, because, when they make profits, they pay taxes. I believe these measures in this bill are solely for the purpose of trying to secure and protect the wafer-thin surplus that this government so critically needs to hang on to political credibility.

The transfer pricing rules exist to ensure that taxation is collected on the contribution of profits from Australian operations to multinational companies and to ensure that profits are not shifted between related parties across borders without appropriate taxation. I actually support that in principle. It is not in our nation's interest to have businesses making genuine profits from the resources, banking or financial sector here in Australia and then, through complex international holding bodies that they may have offshore, being able to offset expenditure to reduce their tax liability in Australia. I support in principle that we as a nation are duty bound to secure tax that is generated here in this country for the benefit of our nation. But, as a coalitionist, I cannot support the retrospectivity of this bill—going back nearly eight years.

Transfer pricing rules are contained within division 13 of the Income Tax Assessment Act 1936. Australia has also incorporated international tax treaties into Australian law. During the Federal Court case in 2011, the Commissioner of Taxation considered these treaty transfer pricing rules contained in treaties as an alternative basis for transfer
pricing adjustments in parallel with the relevant provisions of the Income Tax Assessment Act 1936. In 2011 the full Federal Court cast doubt on the second basis for transfer pricing adjustments, in Commissioner for Taxation v SNF (Australia) Pty Ltd. While this case was argued only on the basis of division 13, the government believes that, as a result of this case, division 13 does not always adequately reflect the contributions of profits from Australian operations to multinational groups and, as such, in some cases treaty transfer pricing rules may produce a higher level of taxation.

Whilst that may well be so, to retrospectively assess the tax liability through a change in playing field is hardly conducive to strengthening businesses positioning in global markets or the contribution they make to the employment of Australians and the tax they already contribute. The government has already stated during Senate estimates that it has no idea of the size of the retrospective tax impost and that it has no impact on the budget, but I beg to differ—of course they know. They will have brought it into account to assist in backing up their surplus claims for next year. Again I make the point that the government continually claims that we get expert advice from the taxation department and the Treasury, yet it beggars belief that in this particular case—with a court case that has been going since 2004, and hearings that went down in 2011—that we have no idea of the size of the retrospective tax impost it is going to have on business. I suggest that they do know because, I tell you what, the businesses who are lining up to pay that tax liability know to the very cent how much they are going to be in for. I suspect that the government have already made provision for that, to protect their wafer-thin surplus. The coalition will not support an amendment that forces on taxpayers retrospective obligations that did not exist one year ago, let alone eight years ago.

I do not believe for one moment that this government has given any thought to the perceived increase in the sovereign risk of this nation. That argument was quite diligently laid out earlier on by the shadow Treasurer in his opening remarks, in which he spoke extensively about the sovereign risk issues. Sovereign risk is one of the most critical measures of our position in global economics and the harm caused due to uncertainty to ongoing developments and investments in Australia.

Certainty and confidence in the business marketplace are already at lows that we have not seen for years, outside of our resources sector, where we have a one in 140-year spike in capital investment. But when you take that sector out and you look at our manufacturing sector—for example, our car manufacturers and some of our financiers—it will be affected by this bill. Transfer-pricing arrangements in this bill do not adequately address the real issues facing the nation at the moment. The member for Wentworth spoke briefly about the impact of Amazon and Google trading substantial amounts of money and business through Australia and paying relatively low amounts of tax to the nation.

The coalition will oppose the retrospective taxation in principle. The coalition will seek to amend the bill to give prospective effect to the bill. If the coalition amendment is unsuccessful then we will oppose this bill.

Mr Van Manen (Forde) (19:39): Once again we stand here in this chamber to discuss a piece of legislation that sees the government changing the playing field for corporates and business in this country at the very time when business confidence is at very low levels and business certainty about

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the direction this government is taking the country is at heightened levels. While we might have a robust economy in certain sectors, in my electorate of Forde and in the greater area of South-East Queensland the economy is not that great.

Tonight we are discussing the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012. This bill comes out of the 2011 full Federal Court case which cast doubt on the second basis for transfer-pricing adjustments, the Commissioner for Taxation v SNF Australia Pty Ltd. While this case was argued only on the basis of division 13 of the tax act, the government believes that as a result of this case division 13 does not always adequately reflect the contributions of profits from Australian operations to multinational groups and as such, in some cases, treaty transfer pricing rules may produce a high level of taxation. I have no issue with that. I fully support the notion that our multinational corporations and international groups that operate in this country should pay their fair share of taxation.

On 1 November 2011 the government announced a review into the relevant division of the Income Tax Assessment Act 1936 and said it would legislate to clarify that the transfer-pricing rules in tax treaties are valid transfer-pricing adjustments independent of the Income Tax Assessment Act. The fly in the ointment for this bill is the fact that this change is retrospective from 1 July 2004. How on earth can our large companies, our multinationals, operate in an environment where the tax structure of the country is uncertain by virtue of the fact that the government decide to change tax laws—which is fine; they are well within their rights to do that—but then make it retrospective? In this case, it is for up to eight years.

This is essentially a large retrospective tax change and, as a matter of principle, we will oppose this bill in its current form for a number of reasons. Firstly, the proposed changes can change the substance of bargains struck between taxpayers who have made every effort to comply with the prevailing law as at the time the agreement was entered into. They can expose taxpayers to penalties in circumstances where taxpayers could not possibly have taken steps at the earlier time to mitigate the potential for penalties. They may change the taxpayer's tax profile, which in turn can materially impact the financial viability of investment decisions and the pricing of those decisions, and they can increase Australia's level of perceived foreign risk. I think that the perception of sovereign risk these days, with this government, is no longer perceived but real and actual.

The coalition will seek to amend this bill to give prospective effect to the bill or to provisions in the bill only. If this amendment is unsuccessful, the bill will be opposed by the coalition, as we do not believe the government has made a strong enough public justification for the retrospective component and application in this bill. By way of background, transfer-pricing rules exist to ensure that taxation is collected on the contribution of profits from Australian operations to multinational companies to ensure that profits are not shifted between related parties across borders without appropriate taxation.

We have no issue with that, as I have already touched on, and the transfer-pricing rules contained in division 13 of the Income Tax Assessment Act deal with this. They are also incorporated in a number of international tax treaties which are incorporated into Australian law. The Commissioner of Taxation has considered these treaty transfer pricing rules contained
in the treaties as an alternative basis for transfer-pricing adjustments in parallel with the relevant provisions of the Income Tax Assessment Act. In order to promote stability for business it is important that there be consistency of taxation and other regulatory impositions on business. In the bill the government provides no detail of the size of the retrospective tax impost, so how does business know what the impost on them is going to be? How would we like it if we had been paying our bills or our mortgage or our tax—let us focus on the tax here—and the government decided to change the tax laws and say: 'We're going back to 2004. We want to audit all of your tax returns for the last eight years, and, as a consequence, you might have a large tax bill.' That is exactly what is being proposed. Imagine the outcry if that was done to ordinary Australian mums and dads. But it seems that it is okay to do it to multinational companies, which, for the last eight years have tried to do the right thing by the Australian tax law—and nobody has proved that over the last eight years they have done anything outside the law. The government has just decided, on the basis of the decision in the court case, that it did not like the decision of the court so it will introduce a change to tax regulation to get the outcome it wants. As the member for Wright quite rightly pointed out, this change—which the government wants to make through this bill—will contribute to the government coffers, but the government cannot tell us what the amount will be. Maybe it is an attempt to achieve the mythical $1.5 billion surplus that I doubt we will see in September 2013.

The government claims that the change will have no impact on the budget, as it is a revenue protection measure. If the change is not going to have any impact on the budget, why does it need to be retrospective? Why can't it just be prospective, as proposed in the amendment put up by the coalition? The Assistant Treasurer's office is not even able to fully quantify the cost of not passing this bill, so it is another example of the government saying, 'We'll just put this out into the wind and see what happens.' The bill provides no certainty and no understanding of the difficulties faced by anyone who is affected by it. Unfortunately, that seems to be the mode of operation of this government: 'That's a good idea; let's float it out there and see what happens.' The question must be asked: why is the retrospectivity required when the government makes the claim that the bill will have no impact on the budget and that it is purely a revenue protection measure? Is it because of this government's prolific spending over the past 4½ years that it needs every little bit of revenue it can get from every corner of our economy to try to make ends meet and cover up its profligate waste of money?

The coalition will be moving an amendment to make this bill prospective rather than retrospective. This amendment will ensure that taxpayers will not be forced retrospectively comply with a tax regime that did not exist at the time they made business and investment decisions. We cannot expect our business community to have confidence in our tax system and our regulatory system if governments are just going to change things at their whim and make the changes not only prospective and for the future but also retrospective and for the past by saying, 'Now you have to go back and fix this, because we decided that that is what we want.' That does not engender confidence. In particular, in a global marketplace it does not create confidence for foreign investors who want to invest in this nation. The government talks readily about the $500 million pipeline of foreign investment that is supposedly coming over the next few years, but, if you were a foreign
investor looking at this bill and thinking of investing $100 million in a mining project, would you do it? You would not know what the position will be for your business in four or five years time and whether the government will make another decision in four or five years time which will affect what you have already done. This bill provides no confidence whatsoever to our business and trading community. I commend to the House the amendment which we will move.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (19:50): I thank those members who have contributed to this debate on the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012. This bill ensures that Australia has effective and internationally consistent transfer-pricing models. It confirms that transfer-pricing rules contained in Australia's tax treaties and incorporated into domestic law provide assessment authority in treaty cases. The changes in the bill will apply to income years commencing on or after 1 July 2004. That was the first income year which followed parliament's last statement demonstrating its long-held understanding that the law operates in this way. We have discussed the considerable evidence across the decades that parliament understood that treaty transfer-pricing rules have operated in addition to our unilateral transfer-pricing rules since at least 1982. The amendments contained in this bill are also entirely consistent with the Commissioner of Taxation's long-held and publicly expressed view of the law.

I emphasise that the potential impact on taxpayers has been carefully considered. Importantly, the measures in the bill can only apply where a tax treaty is applicable, and therefore a party affected by the measures will be able to access the treaty mechanisms designed to relieve any double taxation that could arise. Settled cases will not be reopened as a result of the measures in the bill, and penalties will only apply in relation to prior years to the extent that they can arise under the current law. The government has engaged extensively with the business community on this bill. The measures in the bill are not wholly supported by multinationals and their advisers—and, given that they are robust integrity measures, this was not altogether unexpected. That said, the bill has greatly benefited from the inclusion of some important features following consultation. In particular, the bill clarifies the interaction between the transfer-pricing and the thin capitalisation rules. The bill also provides direct access to OECD guidance material in interpreting rules, avoiding the need to get costly expert advice on whether such guidance may be used. This reflects the best international thinking on transfer pricing. Other provisions of the bill support these key features and ensure the provisions work and interact appropriately with the rest of the income tax law. I commend the bill to the House.

The DEPUTY SPEAKER (Ms K Livermore): The question is that this bill be now read a second time. There being more than one voice calling for a division, in accordance with standing order 133 the division is deferred until after 8 pm. Debate adjourned.

STATEMENTS ON INDULGENCE

Business of the House

Mr HOCKEY (North Sydney) (19:56): Madam Deputy Speaker, the speaking list has now been changed three times. We have been advised of different bills coming up for debate in this House. We still do not know what bill is on next, because the government keeps chopping and changing. This is not the proper way to run this place. We are waiting
to find out what the next bill is before the House.

Walker, Hon. Francis (Frank) John, QC

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:58): On indulgence, today I had the honour of representing the Prime Minister at the funeral of Frank Walker. It was an extraordinary occasion, with speeches from former High Court Judge Mary Gaudron about Frank's legal legacy; from Frank's brother Robert; from Michael Knight, who spoke about Frank Walker's early years; from Michael Deegan, who spoke about Frank's achievements as a state and federal minister; and Michael Gallagher, who represented the New South Wales government and who was also the candidate against Frank for the seat of Robertson in 1993. He gave a very generous and humorous speech. He indicated that Frank would understand the humour of a former police officer speaking at his funeral, given the opposition that was there from the police to reforms such as removal of the Summary Offences Act and to other important progressive legislation that was championed by Frank Walker. It was a great occasion. I gave a very generous and humorous speech. He indicated that Frank would understand the humour of a former police officer speaking at his funeral, given the opposition that was there from the police to reforms such as removal of the Summary Offences Act and to other important progressive legislation that was championed by Frank Walker. It was a great occasion.

This was a great celebration of a great Australian. It was one in which there was a very positive spirit and it was an honour to be there today to represent the Prime Minister. In her absence, I thank her for bestowing that honour upon me.

BILLS

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

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

The DEPUTY SPEAKER (Ms Livermore) (20:01): I thank the minister, and I am sure members present would be pleased to have been here to hear that tribute to the Hon. Frank Walker. In accordance with standing order 133(b) I shall now proceed to put the question on the motion moved earlier by the honourable Assistant Treasurer on which a division was called for and deferred in accordance with the standing order. No further debate is allowed. The question is that the bill be read a second time.

The House divided. [20:06]

(The Deputy Speaker—Ms Livermore)
| Ayes | ............................... | 73 |
| Noes | ............................... | 71 |
| Majority | .................... | 2 |

### AYES
- Adams, DGH
- Albanese, AN
- Bird, SL
- Bowen, CE
- Bradbury, DJ
- Burke, AE
- Butler, MC
- Byrne, AM
- Champion, ND
- Cheeseman, DL
- Clare, JD
- Collins, JM
- Combet, GI
- Crean, SF
- Dreyfus, MA
- Eliot, MJ
- Ferguson, LDT
- Garrett, PR
- Gibbons, SW
- Griffen, AP
- Hall, JG (teller)
- Hayes, CP
- Gobron, SJ
- Jenkins, HA
- James, SP
- King, CF
- Leigh, AK
- Marles, RD
- McClelland, RB
- Melham, D
- Mitchell, RG
- Murphy, JP
- Neumann, SK
- Owens, J
- O’Neill, DM
- Parke, M
- Perrett, GD
- Plibersek, TJ
- Ripoll, BF
- Rishworth, AL
- Rudd, KM
- Saffin, JA
- Shorten, WR
- Sidebottom, PS
- Smith, SF
- Smyth, L
- Snowden, WE
- Swan, WM
- Symon, MS
- Thomson, CR
- Vamvakinos, M
- Wilkie, AD
- Windsor, AHC
- Zappia, A

### NOES
- Frydenberg, JA
- Gash, J
- Haase, BW
- Hawke, AG
- Hunt, GA
- Jensen, DG
- Keenan, M
- Laming, A
- Macfarlane, IE
- Markus, LE
- McCormack, MF
- Morrison, SJ
- Neville, PC
- O’Dowd, KD
- Prentice, J
- Ramsey, RE
- Robb, AJ
- Roy, WB
- Schultz, AJ
- Secker, PD (teller)
- Smith, ADH
- Stone, SN
- Truss, WE
- Turnbull, MB
- Vasta, RX
- Wyatt, KG
- Gambaro, T
- Griggs, NL
- Hartsuyker, L
- Hockey, JB
- Irons, SJ
- Jones, ET
- Kelly, C
- Ley, SP
- Marino, NB
- Matheson, RG
- Mirabella, S
- Moylan, JE
- Oakeshott, RJM
- O’Dwyer, KM
- Pyne, CM
- Randall, DJ
- Robert, SR
- Ruddock, PM
- Scott, BC
- Simpkins, LXL
- Southcott, AJ
- Tehan, DT
- Tudge, AE
- Van Manen, AJ
- Washer, MJ

### PAIRS
- Gillard, JE
- Abbott, AJ
- Rowland, MA
- Somlyay, AM

Question agreed to.

Bill read a second time.

**Consideration in Detail**

Bill—by leave—taken as a whole.

**Mr HOCKEY** (North Sydney) (20:11): by leave—I move amendments (1) to (3) together:

1. Schedule 1, page 13 (line 15), omit the heading.
2. Schedule 1, item 12, page 13 (line 16) to page 14 (line 29), omit the item.
3. Schedule 1, item 14, page 15 (lines 6 to 8), omit the item, substitute:
14 Application

The amendments made by this Schedule apply to income years starting on or after the day this Act commences.

As I have previously outlined, the coalition are opposed to the retrospective application of this bill and we do not believe that the government has a strong enough justification for its implementation.

The coalition are opposed to retrospective tax changes as a matter of principle. I would have thought that members such as the member for Kennedy and the member for New England would have been opposed to retrospective tax going back seven years. That sort of uncertainty just adds to the sovereign risk the nation is facing under a Treasurer that is addicted to sovereign risk.

The coalition understand that it can change the substance of bargains struck between taxpayers who have made every effort to comply with the prevailing law as at the time the agreement was entered into. Retrospectivity can expose taxpayers to penalties in circumstances where taxpayers could not possibly have taken steps at the earlier time to mitigate the potential for penalties to be imposed. It may change a taxpayer's profile, which in turn can materially impact the financial viability of investment decisions and the pricing of those decisions. Most importantly, the retrospective application of the change will heighten Australia's level of perceived sovereign risk. Therefore, the coalition will not support any attempt by the government to create further sovereign risk in this environment. We do not support going back seven years to obtain tax in agreements that people entered into in good faith at the time that they were entered into.

Our amendments give the bill prospective effect from the date the act commences. The Commissioner for Taxation and the government have refused to identify how much revenue is going to be claimed by this bill. I would like to know from the Assistant Treasurer how much revenue is at stake. The Commissioner for Taxation did not have the number before him and he said it was insignificant, but you tell us: how much revenue is at stake that would justify breaking a core element of policy principle, that is, that the law should be prospective, not retrospective?

Mr BRADBURY: The shadow Treasurer has come forward and said that as a matter of principle those opposite do not support retrospective laws. The first point to make is that these laws are not retrospective; they are about confirming the application of laws in the way in which they have been understood, in terms of both the way the law has been expounded and administrative practice.

The second point that I would make and that I draw to the attention of the member for North Sydney is: so much for his suggestion that they do not support retrospective tax laws! I just want to name a handful of them: the Tax Laws Amendment (2006 Measures No. 3) Act 2006, the Taxation Laws Amendment Act (No. 3) 2002 and the Franchise Fees Windfall Tax (Collection) Act 1997. They say they do not support retrospectivity, but do not look at what they say; look at what they did in government.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! I remind members that this is still a debate, and it will occur in silence.

Mr BRADBURY: I also just point out one simple fact. The shadow minister indicates that seven years is an outrageous period to go back. I simply make the point
that in relation to the Tax Laws Amendment (2006 Measures No. 3) Act passed in 2006, the commencement of that act was 1 July 2000. So six years was okay on that occasion.

The case has been very strongly put in relation to these measures. We are opposed to this amendment and we wish to commend the bill in an unamended form to the House.

The DEPUTY SPEAKER: The question is that the amendments be agreed to.

The House divided. [21:20]

(The Deputy Speaker—Ms Livermore)

Ayes.......................71
Noes.......................72
Majority...................1

AYES

Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Adams, DGH
Bandh, AP
Bown, CE
Broadbmann, 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 (teller)
Jones, SP
King, CF
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
Vamvakou, M
Windsor, AHC

AYES

Van Manen, AJ
Washer, MJ

NOES

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Dunby, M
Dreyfus, MA
Ellis, KM
Ferguson, LTD
Fitzgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Neill, DM
Parke, M
Pibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

PAIRS

Abbott, AJ
Somlyay, AM
Gillard, JE
Rowland, MA

Question negatived.
Bill agreed to.
Third Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (20:25): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

PERSONAL EXPLANATIONS

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (20:26): I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms K Livermore): Does the honourable member claim to have been misrepresented?

Ms JULIE BISHOP: Yes, I do, in a couple of respects.

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

Ms JULIE BISHOP: In question time today the Minister for Sustainability, Environment, Water, Population and Communities stated that I had deleted a link to an article about my support for marine parks and somehow I was trying to hide that fact. Firstly, I have supported community engagement in the process of determining marine parks since the Howard government began the process in 2006 and I specifically called for a formulation that balances the interests of all stakeholders. Secondly, I have not deleted the article. It has been on my website since 2009. It is still there—one click away from my homepage. The minister's detective skills are not up to those of Inspector Clouseau.

The DEPUTY SPEAKER: The member has shown where she has been misrepresented.

BILLS

Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011

Second Reading

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

Mr KEENAN (Stirling) (20:27): I am very pleased to rise in this House to support this piece of legislation, which is a direct result of the private member's bill put forward by the Leader of the Opposition. The Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 is designed to support and assist Australian victims of overseas terrorist acts. These are people who have suffered because they have been deliberately targeted by terrorist groups by virtue of being Australian and by virtue of being Westerners. Merely by being in the wrong place at the wrong time, over 300 Australians have lost their lives in the past decade to acts of terrorism in New York, Washington, Bali, London, Jakarta and Mumbai.

The word 'terrorism' has its roots in Latin and it means 'to frighten'. The aim of terrorists is to terrify us into submission. In this aim they have comprehensively failed. But this is what the perpetrators of the Bali bombings in 2002 and 2005 had in mind when they killed 202 people in the first Bali bombing, including 88 Australians, in what was the deadliest terrorist act in Indonesian history. A further 240 people were injured in the 2002 attacks. The 2005 Bali terrorist attack claimed the lives of a further 20 people and injured more than 100 others.

It is a tragic reality that Australians are sometimes specifically targeted in overseas terrorist acts. The news last year that Osama bin Laden had been killed did bring a degree of comfort to some victims of terrorist
attacks, including Paul Anicich, who was a survivor of the 2005 Bali bombing. Upon hearing the news, Paul said, ‘I don’t feel joyous about it but I am pleased it’s eventuated.’ I think that sums up the feeling very well: we do not celebrate the death of Osama bin Laden, but there is a sense that justice has been served by his demise. I hope that that news last year will bring a sense that justice has been served to families of the victims of these atrocities carried out by al-Qaeda and their extended terror network and allies.

The death of bin Laden is a strike at the heart of international terrorism and a great achievement for America in particular, who led the raid, but also for those who have joined the Western allies in what is a long struggle to defeat al-Qaeda, including, of course, Australia and in particular the ADF—and the ADF still remains engaged in Afghanistan, fighting bravely to ensure that that country will not be used as a safe haven to launch terrorist attacks at any time in the future. The world is certainly a better place without Osama bin Laden commanding or inciting acts of terror around the world. While al-Qaeda suffered a serious blow when they lost their leader, they still remain a potent threat and we still need to continue to be vigilant against the atrocities that they commit.

When we talk about victims of terrorism, it is important to remember that we are talking directly not just about those who were killed or severely injured but also about their families and the communities which they belonged to. A tragic example of the effects of terrorist attacks is the Western Australian football club based in Kingsley, just north of my electorate. They lost seven team members and had two other members severely burnt during the 2002 Bali bombings. The team had flown to Bali as an end-of-year celebration for making it into the grand final, and for some it was their first trip overseas. Of the 20 who went, only 13 returned. The Kingsley Amateur Football Club were left devastated at the loss of their sons, brothers, fathers, husbands, family and friends. What unfolded in the following weeks and months was an outpouring of grief and support from the wider Western Australian community. This bill will directly assist victims and their families, like those of the Kingsley football club, to rebuild their lives after the horrifying experience of a terrorist attack.

Another victim of the 2002 bombings was Nicole McLean, who was 24 years old at the time. Nicole was a retail manager from Montrose who had been in Bali for only six hours when the bomb went off. She told her story a year later. It makes for quite harrowing reading:

Everyone else was around the bar area. I was on the dance floor and I was the only person there left alive. The bomb went off and I think it’s done a big circle of the place—like the fireball just went round—then something heavy hit me on the arm. It was probably a plank of wood; who knows? It was hot, on fire, and damn heavy and it hit me on the arm. I went to try to shake it off but the force of it had just sent me flying. I thought ‘what the hell is that?’ I had no idea. … … …

I’ve woken up and seen my arm on the ground. It was still attached—but only by skin—but it was lying in a strange position. I’ve picked it up and held it across me and tried to get up but my leg was damaged and I couldn’t get up so I just had to lie down again. I just thought ‘someone’s going to come and get me’. I didn’t know who it would be but I knew I wasn’t going to die in there.

… … …

I got back to Melbourne on the Hercules and I was still dozing on and off and still very blase. I was okay for a week then my body just wanted to finish up, I think. The infection that was in my arm was going into my bloodstream and my
temperature went up into the high 40s so they raced me down to ICU and I spent three days on life support.

They told me that the arm would have to come off. I think when it comes to a limb on your body, it’s your life or your arm, there’s no question, it’s got to be your life.

…I went back to work after six months. I only work three days a week now. I don’t want to work a full week. I get tired.

I fought for my life for two months. That takes a lot out of you. I do get customers who ask about my arm. Sometimes I just say ‘I was in Bali’.

It is important that victims such as Nicole are able to rebuild their lives and will be eligible for assistance to do so. Terrorism is a crime that is tragically life changing for not only those who are directly attacked but also their families and the wider community.

For Perth mother June Corteen, death struck twice. Her twin daughters, Jane and Jenny, were just outside the Sari Club when a terrorist detonated the bombs that killed those 202 people, including her two daughters, who were 39 years old. Ms Corteen said her daughters were always close. They had grown up together in a small Western Australian town and Jane had two children, Jack and Katie. Her partner, Steve, had taken the children to visit his parents while she and Jenny went to Bali. Ms Corteen said she would always remember the first moments when she heard a radio broadcast about the bombing. Somebody mentioned the hotel where her daughters were staying near the site and she feared the worst. Ms Corteen had to bring dental records and DNA to Bali, then came the emotion of taking her daughters home, knowing their bodies were in coffins in the plane's hull. Ms Corteen said:

They were born together and they died together. If one of them had happened to survive … it would have been terrible for her and it would have been extremely hard for me. It's hard for me now but I'm pleased that they are together.

The Bali attacks in 2002 and 2005 were not the attacks by al-Qaeda and their allies that claimed the most lives. I am sure every Australian and every member of this House remembers where they were when they heard about the attacks of September 11 in New York. Almost 3,000 people died immediately as a result of those attacks; 372 of them were foreign nationals. Ten Australians lost their lives in those attacks on the World Trade Centre. With their families and friends left devastated on the other side of the world, the opposition believes that this parliament should offer them financial support so they do not have to concern themselves with these matters whilst they are dealing with the burden of grieving. This funding will also assist victims in their rehabilitation process, for both physical and psychological injuries.

Stuart Knox, an Adelaide man who was 29 years old at the time, has shared the story of the loss of his twin brother on September 11. His brother, Andrew Knox, was working as an environmental architect on the 103rd floor of the World Trade Centre's north tower when the first of the hijacked planes struck. The American Airlines jet smashed into the tower just below him, between floors 93 and 99. Stuart was alerted his brother was there and had him on speaker phone for a while as his brother huddled near a ledge saying he could not breathe. Andrew Knox's mobile dropped out after that, but his brother does live with some relief that he apparently died before the tower collapsed. Stuart said of his brother Andrew:

…I guess that, over the 10 years, it has been one of the hardest things, because of the fact that you're looking at the fact that, if a loved one died in a car crash, nobody has filmed it, nobody plays it for you repeatedly. But, for something like September 11, you have images of the … time that your loved one was killed.
September 11 and the Bali attacks were of course only two of several attacks that included the attacks in London in 2005, a series of coordinated attacks targeting civilians using public transport during the morning rush hour. On the morning of 7 July 2005, four Islamic home-grown terrorists detonated four bombs, three in quick succession aboard London Underground trains across the city and later a fourth on a double-decker bus in Tavistock Square. Fifty-two people were killed in the attacks, including one Australian, and over 700 were injured. Sam Ly was the only Australian killed in those bombings. He was in the UK with his long-term girlfriend on a working holiday, and they were caught up in the bus blast in Tavistock Square. He was a 28-year-old computer worker. His father and nephew flew to London to be at his hospital bedside, but he died a week later on 14 July. Mandy Ha, his girlfriend of nine years, accompanied his body back to Australia. Other victims of the London bombing include Gillian Hicks from South Australia, who had both her legs amputated, and one can understand the profound effect and the difficult impact on her life, and the costly and ongoing medical treatment that would be required, having suffered an injury as horrific as that.

It is vital as a nation that we do offer the victims of terrorism our support. As well as the few examples that I have mentioned above, 300 Australians have been killed in these atrocious attacks. But the attacks would have directly impacted on thousands of Australians who were the families of the people who were directly affected. Their scars, of course, will be both physical and mental.

It is important to note that this bill is a direct result of the important work done by the Leader of the Opposition when he first raised this issue in his Assisting the Victims of Overseas Terrorism Bill 2010. The opposition leader's private member's bill aimed to provide additional financial support of up to $75,000 to Australians who are affected by terrorism while they are overseas.

The government's bill adopts this approach and will institute a mechanism through the social security system called the Australian victim of terrorism overseas payment. The payment will provide up to $75,000 to individuals who are injured or to a close family member of a person killed as a result of a terrorist act committed overseas. The payments are similar to those available under state victim-of-crime compensation legislation.

As has been noted in the bill's explanatory memorandum, in particular this bill will enable Australians who are victims of a declared overseas terrorist incident to claim financial support of up to $75,000. It will enable the Prime Minister to declare that a relevant overseas terrorist incident is one to which the scheme applies. It will establish eligibility criteria so that payments can be made to either long-term Australian residents who are victims of a relevant overseas terrorist act or, in the event of the death of a victim, close family members. It will also ensure that victims are not required to repay or deduct Medicare or other benefits from any payment received under the scheme and it will enable the enactment of legislative instruments to provide further guidance on the amount of assistance that each victim or close family member should receive. Whilst, clearly, these measures will never ease the pain of losing a loved one or erase the memories of those who have been the victims of terrorism, they do go some way to providing real and tangible support for those victims.
I want to foreshadow that the Leader of the Opposition will be moving amendments that address the fact that the bill before the parliament is not necessarily retrospective. It could, potentially, leave victims of the Bali bombings and some of the other past terrorist attacks that I have outlined without any financial support. The opposition certainly does not seek to play politics with the issue, but the Leader of the Opposition has written to the Prime Minister and to the Attorney-General to seek some clarity on this. They have, at this stage, refused to extend the application of the bill, and I would urge them to reconsider that decision. The Leader of the Opposition has consistently said in the past that Australians who were killed or severely injured in the second Bali bombing were the Australians who gave him the inspiration to craft this bill in the first place. So he, as I said, will be moving amendments to ensure that they, absolutely and definitely, have access to this compensation. I think that most members of the House would agree that it would be very disappointing if the victims of the two Bali bombings, the two Jakarta bombings, the London bombing and the attacks of September 11 were not able to access the compensation that will be shortly available.

This is a very important issue and it is an important bill. As I said, the opposition does not seek to score political points or gain any political kudos over this. We simply wish that our parliament, our government and our nation acknowledge Australians who have suffered through terrorist acts and that we grant them additional appropriate measures of recognition. This bill is about providing support to our fellow Australians who, through no fault of their own, have suffered at the hands of merciless terrorists who hate us for who we are and what we are. The payments contained within this bill are not large, but they will appropriately recognise Australian victims of terrorism, who I think most would agree are worthy of our support.

Mr HAYES (Fowler) (20:43): I, too, rise to support the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. The bill demonstrates the government's commitment to ensuring that Australian victims of terrorism overseas and their immediate families are entitled to the same amount of support as any victim of a terrorism act committed here on Australian soil. This bill makes the necessary amendments to the Social Security Act 1991 and the Social Security (Administration) Act 1999 to establish the Australian victim of terrorism overseas payment, and outlines the necessary circumstances under which individuals and their families are entitled to Commonwealth support. In order to be eligible for financial assistance of up to $75,000 in the aftermath of such a tragic incident overseas, the incident would need to be pronounced as a terrorist attack by the Prime Minister of the day, and the victim would need to satisfy specific criteria regarding physical or psychological effects.

Currently, victims of domestic terrorism could be compensated here in Australia through state and territory criminal justice measures compensation schemes. Presently in Australia every state and territory has victims of crime provisions which include terrorism—because, as you are aware, terrorism is included as a crime—and are eligible for lump sum payments under the criminal justice regimes operating in those states and territories. This bill will ensure that there is an adequate compensation scheme available for Australian victims of terrorist acts where they occur overseas. It is also applicable to their immediate families.

Over the years Australians, together with the rest of the world, have been touched by the threat and indeed the reality of the evil of
terrorism. Clearly, when the September 11 attack occurred in the United States, it very much changed the world. The modern world has become far more aware of its own vulnerability and the high prospect of terrorism that lies ahead. It is something that moves all our security agencies to protect our communities against the ravages of such evil events.

Recent terrorist attacks, including that on the World Trade Centre on 11 September 2001, the Bali bombing and the tragic incidents on the London subway, in Madrid, in Mumbai and in many other cities around the world have shown that the grief and suffering go in no way only to the immediate human loss of life. We have seen—and the shadow minister mentioned in a very moving way—the effect that these terrorist events have had on the immediate families back here at home. These devastating effects are left in place for years and years to come.

Despite not having experienced a terrorist attack on Australian soil, Australians have been directly affected by a number of overseas attacks. In fact since September 11 more than 300 Australians have been killed or seriously injured in terrorist incidents overseas. In the past decades Australians have been killed or injured in terrorist attacks in New York, Washington, Bali, London, Jakarta and Mumbai. It is our duty as a nation to protect our citizens from the threat of terrorism and provide assistance to the victims. In this we take that duty very seriously. Ensuring the threat of terrorism does not penetrate our national borders—antiterrorism—is a national priority.

In this I compliment the efforts and commitment of the Australian Federal Police. I know the minister responsible for the AFP, the member for Blaxland, is in fact at the table at the moment. The Australian Federal Police is doing a fantastic job in all quarters of the globe but particularly in our region and in working very closely with our allies in counterpart jurisdictions. I would like to mention its Indonesian counterparts on counterterrorism measures. The AFP, for instance, through the government, established the Jakarta Centre for Law Enforcement Cooperation and provides vital assistance in the aftermath of the Bali bombing in 2002 and other terrorist attacks that followed in Indonesia. I have had the honour of visiting that centre and seeing firsthand the absolutely tremendous work that is being done by the Australian Federal Police in assisting police of the Indonesian policing jurisdictions. We should be very proud of the work the AFP are doing in that part of the world. They are not only protecting Australian citizens but also assisting the development of professional policing skills in our neighbouring police jurisdictions. As I say, the consequence of their actions is not just about protecting Australian citizens; they are providing a vital and integral part of policing development throughout our region.

The Bali bombing was particularly devastating for Australians. It is the closest we have come to being directly attacked in recent years. Bali was one of the most popular tourist destinations for Australians for decades. For years Australians have been probably the main driver of tourism in the Bali island. Retail and hospitality industries all flourished off Australian tourism to Bali. The Aussies were attracted by the surf and night-life there. But it is certainly an area—and having been to Bali, I know this—that is very spiritual, peaceful and tranquil, which is also an attraction for many.

In October we will commemorate the 10th anniversary of the tragic incident that brought many Australians for the very first time face to face with terror. The attack by the militants of Jemaah Islamiah, a network
linked with al-Qaeda, claimed the lives of 202 people from 22 different countries. Eighty-eight of those victims were our fellow Australian citizens. A further 209 people were injured during those attacks. The Bali bombing was one of the most horrific acts of terrorism, and obviously very close to our shore. It was an act that some would refer to as Australia's September 11. That is not only because a large number of Australians were attacked and killed on that night; it is really because Australians were the target of that terrorist attack. All terrorist activities are tragic but the tragedy goes beyond the number of lives lost. I think we have all been touched in some way by the effect on the immediate families and close friends of the horrific act of the Bali bombings. Personally, I will always remember the words of Brian Deegan, a lawyer and former magistrate from Adelaide who tragically lost his son, Josh, in the Bali bombing. I had a lot to do with Brian when I was involved with the Bali 9—a number of Australian citizens who, through activities in drug trafficking, were sentenced to death and were on death row in Kerobokan Prison.

Over that period, Brian expressed to me his immeasurable grief over the loss of his son who was only 22 years old at the time. He actually reduced this to an essay and published it as Remembering Joshua. I was very moved by Brian's words of grief, but in my discussions with him I was particularly touched by his conviction not to seek revenge on the men responsible for his son's death. He was, and remains, against capital punishment. I certainly saw firsthand the impact that the loss of his son had on his life.

The Bali bombing is something that this country will never forget. The Howard government needs to be complimented on the way they handled the aftermath of the tragedy, providing vital assistance to the victims and their families affected by that tragedy. The 88 Australians who tragically lost their lives on that dreadful night died because they were Australian. It was an attack on the freedom and democracy that our nation stands for.

Terrorism is a crime directed not at individuals but at the state, even though individuals are the immediate means of harming the state. Nevertheless, there are direct victims. Therefore in that context, the burden of the attack should not be borne just by the victims. They have suffered enough. It is the duty of a federal government on behalf of the Australian people to provide the necessary support to those affected. The federal government has assisted Australian victims of terrorism in the past, providing them with medical and evacuation support, consular assistance and assistance with funeral costs and other expenses on an ex gratia basis. As I understand it, the value of that assistance to date exceeds $12 million.

There is, however, more that can be done to ease the suffering and to provide support to Australian victims. The financial payment of up to $75,000 is an acknowledgement that injuries sustained in terrorist attacks are often grave and have lasting physical or mental effects on individuals. The financial assistance for the families is an acknowledgement of the tremendous effect the death of a loved one during a terrorist attack has on the immediate family.

Looking after the families of the victims of terrorism is also our responsibility and as such it is right that we provide the necessary assistance to families during what must be the most difficult time in their lives. Ex gratia payments to the victims of terrorism and assistance with funeral costs, travel and lost wages occurring as a result of the terrorist act are some of the basic forms of assistance and the least we, as a nation, can do to support families.
Support for the substance of the bill is bipartisan. In fact it builds on the points expressed in the Leader of the Opposition's private member's bill from last year—I remember speaking on that bill as well—including ensuring that victims of terrorism are not required to repay Medicare, workers compensation or any other benefits received from the Commonwealth.

The bill is also consistent with current victims of crime compensation schemes around the country. The payment will also be exempt from taxation. Despite our efforts to ensure the safety and security of all Australians at home and abroad, the ongoing threat of terrorism remains real. Australians should be assured that the Australian government is doing all it can to minimise the threat of terrorism and protect freedom and our way of life. It is what we do because we are Australian.

Mr BALDWIN (Paterson) (20:58): I rise tonight to speak on the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill. It is a very worthwhile bill. It is a bill that has been a long time in coming. It originated because of the tenacity of the Leader of the Opposition, Tony Abbott. Tony Abbott had personal experience with the acts of terrorism when he was in Bali. By coincidence, when Tony Abbott was in Bali the people that he helped after the Bali bombings happened to be personal friends of mine.

I commend the government for bringing this bill forward. It is a little late but it is well recognised. There is one fundamental flaw in this bill. That fundamental flaw is that it is not retrospective for those who have already suffered at the hands of terrorists. It does not matter whether those terrorist acts occurred in New York, Washington, Bali, London, Jakarta or Mumbai if the victims are our fellow Australians. During these acts people's lives were destroyed—they were ended—and family structures were torn apart. Communities were torn apart. I am not saying that the coalition government who was in power at the time of some of these acts and the current government have not provided medical or support services. But this is the payment of a compensatory amount of $75,000 that would enable people to get on with their lives. We are not talking a huge amount of money. Over the past decade about 300 Australians have been killed or injured in acts of terrorism overseas. That is an average of 30 a year. If we apply that average of 30 times $75,000, the estimated cost would be around $2¼ million per annum. It is not a lot of money, so what I cannot understand is why this government is not making it retrospective.

I have made a number of speeches in this parliament on this issue and surrounding the acts of terrorism on Australians. I do get concerned and I would like to point to a couple of incidents. In November 2009, then Prime Minister Rudd gave a commitment to this House that he would push to have this incorporated as part of the National Disability Insurance Scheme. In fact on that day in the parliament Prime Minister Rudd berated me for questioning the integrity of that scheme and how it would apply to people who had been affected by acts of terrorism such as the twin towers attack in September 11, the 12 October 2002 Bali bombings in which 88 Australians were killed, the London bombings in 2005 where one of my constituents, Louise Barry, was affected, and the October 2005 bombings at Jimbaran Beach where four Australians were killed, including three from the Hunter Valley, Jennifer Williamson, and Colin and Fiona Zwolinski.

I have regular dialogue with one of the victims of these bombings, Paul Anicich. Paul Anicich was a leading light, a leading
legal mind, one of the senior partners in Sparke Helmore. These events meant that he could no longer work. His capacity to apply his brilliant legal mind was taken away from him. His wife, Penny, also suffered from the explosions. Their path of recovery has taken a long time. Paul has been one of the strongest advocates for this victims of terrorism compensation fund. The Leader of the Opposition was fair in saying that Paul Anicich is one of the people who has driven our side of parliament into pushing this as an agenda. Paul quite rightly admits that it is not he that needs the money—it is people like Tony Purkiss, a great guy who had a good job but was blinded by the bomb blast and is now not able to work, and like the young boys Isaac and Ben Zwolinski who lost their parents. How do they get on? We are not talking a huge amount of money. I understand the coalition will be moving amendments through the Leader of the Opposition to make this retrospective, to pick up the tab and provide some compensatory funds for those who truly deserve it.

On 13 May 2010, just over two years ago, in question time, then Prime Minister Rudd responded to a question that I asked him in relation to how the victims of terrorism bill was progressing. He said:

… the honourable member for Paterson asked about compensation for victims of international terrorism. I am aware of the private member’s bill that has been put forward by the Leader of the Opposition on this matter—and about which the member for Paterson has spoken. It proposes the establishment of a compensation scheme for victims of terrorism overseas. We appreciate the spirit in which this private member’s bill has been put forward. I am sure I speak on behalf of all members of the House when I say that we support victims of terrorism and appreciate the interest that any member of this House takes in their particular and individual circumstances. We are happy to examine the bill which has been put forward and see what practical things could be done to assist Australians in these circumstances. To that end I have asked the Attorney-General to speak further in the course of the next month with the member for Paterson on its details. We condemn, as I am sure all members of this place do, all acts of terrorism. We stand by all Australian victims of terrorism.

This is the key point. Here was a Prime Minister saying, ‘We stand by all Australian victims of terrorism’. That was on 13 May two years ago, and this bill is only coming to the floor of the parliament today. I think that the time this has taken to actually come to the floor paints in a bad light some of those who have expressed their concern for these victims.

How do you say to someone who has suffered a family member's life ending from an act of terrorism, or to a person whose life has been rendered partially useless because of a senseless act of terrorism because of people attacking what we stand for—freedom and democracy not only in our country but across the world—that they deserve any less than what applies to any victim of crime across the states? If I am not correct someone will correct me, but the amount of money paid across the states to victims of crime is $75,000 a person.

I am very disappointed that this bill is not retrospective. That was the crux of the bill moved by the Leader of the Opposition—to apply to those people who had already suffered. Creating a bill before any terrorist event occurred would have been something we would have all looked at and said, ‘Well, this is never going to happen,’ but these events occurred nearly seven years ago and it is only today that we are here debating this bill on the floor. For seven years people have sat around wondering what the government would do given the promises and the commitments that were made. I sit and think regularly about Paul and Penny, and Tony
Purkiss and how they are getting on with their lives. I think of the young boys Ben and Isaac and how they have grown into fine young men without their parents. As I say, we are not talking a large amount of money. We are talking about an amount of money which will make a difference to the lives of these people. This bill is in line with state and territory victims-of-crime regimes, and we support that. I ask the government, as I have on many occasions before, to actually have a heart. Have a heart; it is not a lot of money. If we compare it to other schemes and expenditure of government—and I am not going to get overtly political on this—the total quantum of money is very little in comparison. I urge the minister and I urge those local members who represent the families or the individuals that have been affected to have a heart and to make sure that they stand up for them in this time of need. I again congratulate the government for finally getting this bill to the floor of the House, but we have been given so many commitments before. We need to see a final resolution of this so that people can get on with their lives, and I look forward to joining in the debate on the amendments to be put forward by the Leader of the Opposition.

Mr NEUMANN (Blair) (21:08): I speak in support of the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. In one of the letters in the New Testament from St Paul of Tarsus, he admonishes some believers in one of the group of churches he established by saying that when he was a child, he thought like a child and when he was a man, he thought like a man. What he meant was that when he was a child he had infantile beliefs and ideas but as he became a man he put away those, grew up and realised about responsibility, cooperation, love, affection and resolving issues without disputation, conflict and warfare. When we are children and things do not go our way, as toddlers, we lash out. It is juvenile, but that is what we do. We pull something away from our brother or sister. But we realise as we grow older that we resolve disputes cooperatively in a democratic, compassionate and understanding way. Our parents teach us that, our teachers teach us that and our friends teach us that.

Most Western countries resolve those things in that way. But, lest we in the West pat ourselves on the back, the Great War from 1914 to 1919, the worst war in the history of humanity, was started by an act of terrorism. It was a war in which most of the Western powers engaged themselves, and we did as well. One wonders how that war started. It was an act of terrorism by a Serbian national who wanted to attack and get rid of the Austro-Hungarian empire, and killing a member of that royal family was how it happened. Many wars are started by acts of terrorism. In the West we cannot understand it, because we believe in concepts like liberal democracy and resolving our disputes. No matter what rancour and disputation we see across the chamber, no-one picks up guns, bombs or knives and starts slashing one another. When governments are defeated in elections, the Prime Minister and the cabinet resign and leave, and a new government comes in.

In the last 40 years in this country we have had 20 years of conservative rule and 20 years of Labor rule. Australians are used to changes of government. We accept the outcomes of elections. We accept that people can live their lives the way they want to. We find it hard to understand the fundamentalism and extremism of religions, of belief systems, that would result in the despair and the destruction of terrorism. But we know, from the last 10 years or so, about 300 Australians have died as victims of terrorism. They have died in the United
States, they have died in Indonesia, they have died in the UK and they have died in India. They have died needlessly and unnecessarily. We find in our community of Australia, in our very civilised country where people resolve their disputes, that we are not without fault. There are criminal acts committed every day, sadly, across the country, but people generally can resolve their disputes in courts, in mediation, in arbitration and in a civilised and dignified way. It is indeed the case that, even when we go to court, 95 per cent of those cases are resolved without going to a final hearing. So we find it hard to accept what we see, and we struggle and strain about it.

This legislation is important. It is important to provide financial assistance. As a politician I have had the benefit of being in Jakarta and talking to the Australian Federal Police about terrorism in Indonesia and what happened in Bali, and talking with Indonesian police as well. I visited the Middle East and saw the hostility and enmity between Jew and Arab, and the viciousness with which their beliefs are held. We are very blessed in this country, but you can see Australians all throughout Asia, the Middle East, Europe and the United States, because Australians travel. You can see them in lifts in Tel Aviv. You can see them in markets in Jakarta. You can see them in shopping centres in Singapore. And whenever they travel they are at risk of terrorism. Fortunately in this country we have been blessed by not having those acts of terrorism that we have witnessed overseas amongst our friends in the UK, the US, Indonesia and India.

The purpose of this legislation is to provide financial assistance to those Australians who have been injured or who have had close family members killed overseas as a result of these wanton acts of unnecessary violence we call terrorism. This bill was introduced a while ago and there are amendments. There are important amendments to our law and they provide a system of payment which we are familiar with in this country—that is, through the victims of crime type of legislation and compensation. This is very much based on the WorkCover type of legislation. We will take into consideration the nature, duration and impact of the injury or disease, the future loss of earnings, the kinds of special injury or damage that people suffer and the circumstances in which that injury occurred or that disease was picked up. So we are aware of those things. We also took into consideration in putting together this bill the nature of the relationships between the primary and secondary victims, and I will talk about them shortly.

There are important provisions in this bill to enhance people's financial capacity to get on with their lives. For example, the payment—which goes up to $75,000—will be exempt from GST. There are provisions in the bill to exempt from the Income Tax Assessment Act the moneys paid in assistance as well as other kinds of payments which are regularly brought back to the Commonwealth or to an insurance company under existing legislation.

In the past there were ex gratia payments and, though they were paid, they were paid in a way that was inconsistent, and they were paid to past victims to assist them. The payments were complex and spontaneous. They were not always made with a sound basis, and they were not consistent with victims of crime or WorkCover types of compensation. So we are putting in place with this bill some legal rigour and a consistency of policy and assistance which is commensurate with the injuries suffered. Such concepts are familiar to lawyers and to many Australians around the country who are involved in workers compensation or
victims of crime situations. It is hard: we will never be able to compensate Australians for the grief, the suffering, the agony and the loss that they go through, and my heart goes out to them. Many Australians will remember where they were when they saw what happened in Bali or on 9/11. We are also establishing through this bill some eligibility criteria, and we are making sure that Medicare payments do not have to be refunded.

In the minutes I have remaining, I turn to the matter of who is going to get the compensation. As I said, the compensation is paid up to a maximum of $75,000, though nothing will compensate people in real terms for what they go through. The legislation makes plain in section 1061PAA the qualifications for an Australian victim of terrorism overseas payment. The person has to be a primary or secondary victim of a declared overseas terrorist act. The person or the person's close family members must not have been involved in the commission of the terrorist act—in other words, they must not have been involved in aiding, abetting, counselling or procuring in connection with the terrorist act or involved in it in any other way, including the conspiracy. The person has to have been an Australian resident or a person resident in Australia on the day that the terrorist act occurred. There is a legal basis to determine whether a person is a resident of Australia—they have to be an Australian citizen or an Australian resident. Both categories are covered by the definition. A person is defined as a primary victim if they were in the place where the terrorist act occurred and were harmed, within the meaning of the Criminal Code, as a direct result of the terrorist act. The definition is pretty clear: the person had to be injured in a bomb explosion where they lost an arm or a leg or received lacerations or another injury.

The eligibility for compensation of secondary victims is important because it is not just the person who is injured but also their close relatives who are often victims. Because they survive, it is the close relatives of the injured person who feel the pain. The definition says that a person is a secondary victim of a declared overseas terrorist act if they are a close member of the primary victim's family, and the primary victim must have been in the place where the terrorist act occurred and have died as a direct result of the terrorist act before the end of two years from the date that the terrorist act occurred.

Close family members are defined—and I applaud the government for this definition—as the person's partner, the person's child, the person's parent, the person's sibling or the person's legal guardian. It is important to extend eligibility for compensation to make sure that the family of the person who died is given assistance. There are often expenses associated with a person's dying. Any person who has been involved in civil litigation involving the loss of a person in, say, a car accident or an accident at work knows that this is the case. The damages specified in the bill make some reference to the Veterans' Entitlements Act. As I explained, there is also a definition of what it means to be involved in the commission of a declared overseas terrorist act.

This bill is important. It is a just bill. It brings some legal rigour and some consistency of policy and administration to the subject. It is important that we provide the assistance specified by the bill, and it surprises me that Australian governments of both political persuasions did not think about introducing a bill such as this a long time ago. I am pleased to support this bill, whose provisions for assistance will—I hope—never have to be called on by any Australian family suffering as so many Australian families have suffered in the past.

CHAMBER
Mr HAWKE (Mitchell) (21:21): It is a privilege again to rise in this House to speak on this matter as I did on 28 February 2011 in response to the Leader of the Opposition's fine private member's bill. It is very important to acknowledge the role of the Leader of the Opposition in bringing forward this legislation today because, without his inspiration in understanding that this gap was there in Australian society and in the legislative framework in dealing with the victims of terrorism, we would not be here in this chamber today. I do commend the government for finally moving on this but, as I remarked in February 2011, there are still some significant concerns with how this will apply to the existing victims of terrorism that have been so tragically affected by those awful and terrible acts we have seen in many parts of the world in the past few years.

We know that 300 Australians have died and their families are still here in Australia suffering. The Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 is designed to help those people who are victims of events that the member for Blair outlined in speaking on the provisions of this bill. One of the concerns that we have as a coalition is the fact that this is not necessarily retrospective. That is of fundamental concern and ought to be of concern to the member for Blair, who indicated his surprise that no government—of any flavour, as he put it—had brought forward this kind of legislation before. I am surprised that we have this legislation before us today and the government is still not understanding the fundamental proposition that this is about dealing with those victims of terrorism that already exist in our society today. This is what we have identified. The Leader of the Opposition identified the suffering of those people and put forward the idea that we arrange for their circumstances to be better after suffering, through no fault of their own, these terrible acts.

I do think there is a disconnect here between the government and the opposition on what this means. We, of course, want to see future terrorist acts covered, and this legislation will be a big improvement on the situation. But we do need to consider very carefully that if we do not make it retrospective or we are not clear on the retrospectivity of this legislation then it will not cover the people who have been the impetus for this very legislation coming to the House. I am a proponent of, in general, not passing retrospective law in this place where it is to somebody's detriment. But this is not about detrimentally affecting any of these people; it is about ensuring they receive and access the benefits we are providing if we pass this legislation in the House. In February 2011 the Leader of the Opposition was very clear in highlighting all of the tragic circumstances—the people remaining after the Bali incident, the communities and families that were affected—and that this legislation was coming about and his private member's bill was in relation to these people's circumstances.

The disconnect goes a little further sometimes. The member for Blair understands the law very well and was speaking about legal eagles and lawyers. But I do not really accept that this bill is essentially the same as a workers compensation proposition. I do not think it is a helpful comparison. I know he did not intend to make it, but I do not feel that that sort of assertions, that this is somehow related to workers compensation matters, is useful in this debate. In a genuine fashion I am saying that to him. This is an extraordinary piece of legislation to cover an extraordinary gap arising from an era that most Australians would not have been able
to predict and that we are unable to deal with very effectively. Even with all the instrumentalities of government and even with all of the absolute right of the state to use force, we still struggle in dealing with terrorism all around the world. While our soldiers are fighting a very brave fight overseas, terrorism is a very difficult problem to solve and dealing with its consequences is a very difficult problem for us to deal with.

That is why the Leader of the Opposition proposed a private member's bill that was deliberately vague in its provisions to allow the government scope to ensure that there would be maximum flexibility in its design of legislation and maximum adaptability to ensure that the benefits were received by the victims without the rigmarole or the legal approach of government. I understand in the complex world that we live in, with all of the laws that we have passed—and there are too many of them covering too many topics—that we do have to look into every provision of every different social security bill and other arrangements to ensure that people are not penalised. But, equally, the intention of our legislation must also be clear—and that is to avoid turning this into a style of workers compensation or other matter. It is just simply to assist those people and their families who are victims of terrorism.

We have heard about the amounts of money that this bill deals with. They are negligible. There is really no substantial serious impact. And while I am never lenient with taxpayers' dollars, and I never ask this place to be, this topic and the reasons and the impetus for this legislation are such that we can, I think, excuse $75,000 payments. I think they are appropriate and go some way to assisting with the very serious situation that people find themselves in. We have seen the horrific impact that terrorism does have on our citizens abroad and the ongoing horrific effect on the lives of the families here.

I spoke on 28 February 2011 about this legislation and the government has now got this bill before us. While at the time I made a point about the government criticising the private member's bill for not being technically accurate, I am still not sure why it would take that period of time to make this bill technically accurate and yet still not cover the topic of retrospectivity to cover the very victims that we are all so concerned about and that we all on both sides of this chamber want to assist. I am speaking here tonight to urge the government to continue to improve the quality of what it is doing in relation to this as quickly as humanly possible.

I understand that the Leader of the Opposition will be moving amendments to this legislation. They are considered amendments with a very positive intent to improve this legislation, to ensure that the very people that are the reason for this legislation are covered by it. The government in good faith should consider carefully its approach to amendments when an opposition does come up with good ideas. This is not the kind of topic where the opposition will say: 'We got one over you. We thought of something you didn't.' This is the kind of topic where we are genuine, where the Leader of the Opposition's intention is genuine, in trying to do something about a very serious gap and a capability gap.

The member for Blair spoke about his surprise about any government not doing anything. It is surprising, given the fact that terrorism came up, that no government has moved to do this and it is time for us to do it. I would urge the government to think very carefully about their approach to the amendments to ensure that we do have a very bipartisan approach to these matters and
to ensure that we do accept worthy ideas for improvement. We must clarify the retrospectivity concerns and we must look at what is going to happen to these very badly affected victims who have provided the impetus for this legislation. Without too much further ado I would simply say that the original design of this was vague to allow the government scope to do it. There is nothing wrong with getting the opposition's assistance in this case and ensuring that we have a high-quality bill.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke) (21:30): Order! I propose the question:

That the House do now adjourn.

British Pensions

Mr SIMPKINS (Cowan) (21:30): Today I wish to raise an issue of great injustice that affects a number of people who live in the electorate of Cowan. There are around 555,000 British pensioners worldwide, half of whom live in Australia, whose British pensions are frozen. Throughout their working lives these people paid into the compulsory national insurance pension scheme. They served in Britain's armed forces during World War II, risking their lives to protect and provide security for their government, for their country and for its citizens. In return they hoped only to be entitled to secure support in their retirement when they were no longer able to provide for themselves. The injustice of which I speak is of course the policy introduced in the mid-1940s by the Attlee socialist government and continued by successive British governments. These pensions are frozen and were not indexed when these Britons left the UK to spend their retirement elsewhere. Often the reason for their relocation was to join their children, grandchildren and other immediate family. Incredibly, the policy lacks equality; it is selective and it is discriminatory towards those living in countries such as Australia as opposed to those who moved to the EU, the United States and other nations where British pensions are indexed.

In Australia 190,000 British pensioners who are permanent residents here receive a means-tested Australian age pension to top up their unindexed British pension at an additional cost of $100 million a year to Australian taxpayers. This would not be required if the British government applied the same indexation that it has in place for Europe and the United States. The British pension is permanently frozen at the date when a person retires, or arrives in Australia; it will never be increased by the British government. This means Australia is required to increase its own rates according to the cost of living, which is affected by not only domestic factors but also international factors.

Of the approximately 250,000 British age pensioners in Australia, some 190,000 are permanent residents and therefore able to access Australian support. This means that more than 60,000 British citizens who are not permanent residents in Australia are not able to receive any support at all and are left with the feeling of belonging nowhere. The lower value of the pound and the constantly increasing cost of living, all without indexation, means that around 60,000 British pensioners are struggling, with many in dire straits. This was made clear to me when I met with British pensioner Shirley De Andrade, who talked of others whose children in Australia are obliged to help pay for their medical and pharmaceutical costs. This represents the real human outcome that the British government's policy has on families in Australia and it is an absolute outrage. I also take this opportunity to thank
Don and Erica Beach for raising this issue with me, as well as those other constituents who have brought this significant problem to my attention in the past.

It is true to say that there is very broad, if not unanimous, support in the Australian parliament for a change to the policy of the United Kingdom. Unfortunately, none of the comments or requests had positive outcomes in the past. Recently an argument was put forward stating that the United Kingdom cannot afford to fund a re-indexation of the frozen pensions. We know, however, that even in the past there was no attempt to do the right thing and compensate British seniors justly, which is why the current economic circumstances should not be the easy way out for the current British government.

British Pensions in Australia group president, Jim Tilley, and Mrs Shirley De Andrade provided me with a copy of the group’s Fair Play newsletter for autumn 2012. As stated in the newsletter, the British government benefits from not having to pay the support costs for those pensioners who leave the UK, including the costs of the National Health Service and other concessions. It has been estimated that the UK budget is some £3.1 billion better off in 2012 as a result of so many expatriate pensioners living elsewhere, which the British Pensions in Australia group lists as an offset to the cost of re-indexing their British pensions. The trouble is that the British Treasury already takes that benefit, resulting in their perception of re-indexation as being a cost to them. This is about justice and fairness. It is wrong that the level of the support that your homeland provides to you is influenced by where you live. It is unfair on the individual and it is unfair on Australian taxpayers who end up subsidising the UK’s failure to carry out its responsibilities.

I note that the British Pensions in Australia group has suggested the re-indexation begin with those over the age of 85—those who have been hit hardest by this terrible policy and were a part of the war effort in World War II. This suggestion really puts the situation into focus by showing the sorts of people who are affected by this policy. We are talking about people who faced the most difficult situation during the war years but nevertheless made a contribution to ensure that the following generations are not forced to endure the same. They suffered then and they are suffering now, which highlights the injustice of this policy.

In the Fair Play newsletter Jim Tilley makes the point that, if the pensions had been unfrozen over the last 15 years, more pensioners would have left Britain or would not have been forced to return, saving the British government some £30 billion pounds. The situation is clear. The British government should acknowledge the contributions that these people made to their country and index their pensions rather than let the taxpayers of Australia and other countries pick up the load for its intransigence. The situation is not just. The UK government should right this wrong now.

**Education Funding**

Mr NEUMANN (Blair) (21:35) With approximately a doubling of funding for education in this country, with new and improved school infrastructure, with new libraries and halls, with more computers in schools than ever before, with extra funding to assist national partnership arrangements and with numeracy and literacy and the like, this federal Labor government has done more to assist schools in this country and the lot of school children than any other government has ever done before. But we
did ask Mr David Gonski AC and his group of experts to lead the first national review into school funding in almost 40 years. His report was very clear. He said funding in relation to our schools is illogical, lacks transparency and is not focused on achieving the best results.

Recent results show that Australia has slipped from second to seventh internationally in reading and from fifth to 13th in maths, and one in seven Australian students is at risk of not achieving the levels they need to participate in the 21st-century workforce. That is why the Minister for School Education, the Hon. Peter Garrett, has commissioned Mr Gonski to go ahead with further modelling. But what Mr Gonski has already come up with does assist schools in my electorate. The modelling he has come up with recommends the introduction of a schooling resource standard with a set investment per student and with additional top-up on a needs basis for disadvantaged students, low-SES students, students with disabilities and Indigenous school students. The government has said it wants to legislate a model that will assist in the future. I urge the government to implement Gonski lock, stock and barrel. Three-quarters of the underfunding in this country is in state schools. Recently I attended the combined meeting of the Queensland Teachers Union covering from Brisbane through Ipswich and into the Lockyer and Brisbane valleys, at Brothers Leagues Club in Ipswich, at the request of Steve Leese, the Queensland Teachers Union organiser. I talked with the teachers about Gonski and the impact and what they can do to agitate and irritate government at all levels in relation to this particular issue.

I urged the people of Ipswich and Somerset in March 2012, when the Parliamentary Secretary for School Education, Senator Jacinta Collins, came to Ipswich, to get on board and made sure that parents, staff and teachers got behind the Gonski review. Senator Collins attended my old primary school, Ipswich East State School and Staines Memorial College, an independent Christian school in Redbank Plains.

Information I have received from the Queensland Teachers Union and the Australian Education Union indicates that my electorate would receive about $1,500 extra per student with enrolment figures taken from the 2011 MySchool website. Toogoolawah State School, in my electorate, would therefore receive an extra $269,000; Rosewood State High School, another $829,500; Ipswich State High, $1.6 million; my old high school, Bundamba State Secondary College, about $1.27 million; Bundamba State School, nearly $900,000; Redbank Plains State School, about $1.145 million; and Redbank Plains State High School—where the Ipswich and Western Corridor community cabinet will take place—about $1.85 million. I am not quite sure that those figures are exactly accurate, but that is what the Australian Education Union and the Queensland Teachers Union tell me in relation to the approach that Mr Gonski and his review committee of experts have taken. If that is the case, my electorate would receive considerable assistance via the implementation of the Gonski review.

I have received information from Llew Paulger, the principal at Redbank Plains State High School, who said to me:

The impact Gonski would have on our community would be truly transformational for our students, our local community and, if this was replicated across Australia, for our country in the world economy.

The same thing is said by Mr Lee Gerchow, the principal of Leichhardt State School, who made the point that the provision of continued additional funding under the
Gonski recommendations would not only enable the continuation and sustainability of proven programs of improvement and success but also enable further things to develop. Both these respected school principals in this community are to be listened to. I urge the government to implement Gonski. (Time expired)

Agriculture

Mr HAASE (Durack) (21:40): I stand here this evening to bring some news to this House, and that is in relation to agriculture in Western Australia. Many members of this House that are informed about the nature and wealth of agriculture in Australia would believe that the state of agriculture is dependent upon the weather and if it rains all will be well and agriculturalists, broadacre farmers in particular, will be well rewarded with a reduction of their indebtedness to banks. I rise this evening to squash that illusion.

Especially in the seat of Durack in Western Australia—and I speak specifically about the broadacre farming area of the midwest and the Central Wheat Belt—as the seasons go by, currently we see a reduction of population, we see an increase of acreage owned by one entity and we see, because of pessimism about the outlook for agriculture in Western Australia, a reduction in value of hectare of agricultural land. Each year that goes by regardless of whether the seasons are average or good, because of the assessment of the value of properties, the encroachment of the entity on the indebtedness to the banks is reduced. For instance, from last year to this year we have had a reduction from about $900 per hectare in the Central Wheat Belt to a mere $600 per hectare. Farmers work hard, they plan well and they do the right thing, and yet their equity in their property is reduced because they cannot get ahead due to the pessimism in the agricultural industry.

I do not know how we turn this around, but I bring to the attention of the House the fact that, even if seasons are good, agriculturalists and broadacre farmers in Western Australia are falling behind. It would be a surprise to the House, I believe, to know that the enrolments in UWA, the University of Western Australia, in agricultural science this year were a mere 15 bodies. In law, by contrast, there were 800. I put it to you, Madam Deputy Speaker, that Australia—which survived on agriculture and rode on the sheep's back—is heading for a fall if we keep believing that agriculture is going to continue to be our salvation. It is not.

As properties amalgamate, as the population reduces, as children are forced to the city because of a lack of infrastructure in the bush, and as they decide to take up city jobs and not return to rural areas to become farmers and take over from their fathers, so the whole environment suffers. Sporting clubs suffer. The education system suffers, because schools are invariably closed as the population reduces and children have to travel more miles to get to a centre for a satisfactory education especially in secondary education. We have moved now to a year 7 start for secondary education. This is unacceptable. We have children now, authorised under the state government system, to travel an hour and a half each way each day for secondary education. It is unsatisfactory. We have reduction in the whole community environment. We have reduction in volunteerism—and, Madam Deputy Speaker Burke, you would know full well that volunteers are the glue that keeps communities together.

I bring to the attention of the House this evening that agriculture is not going to be sustained in this country unless central government realises that agriculture needs a lift. I do not want charity, but those in
agriculture need to be recognised for the value that they have in looking after the land of this great nation and being the best rural land managers that we could ever have. We cannot afford to ignore them. I suggest that the government ought to be more considerate of— (Time expired)

Housing Affordability

Mr HAYES (Fowler) (21:45): I rise tonight to express my bitter disappointment in the New South Wales Liberal government's recent decision to raise the cost of public housing for local pensioners. New South Wales Premier Barry O'Farrell has used the federal government's decision to compensate pensioners for the predicted rise in the cost of living as an excuse to raise rents for public housing tenants. As a result, from March next year pensioners will be paying significantly more in public housing rents.

We all know that pensioners are one of the groups in our community that need support and financial assistance the most. This is why we have implemented the historic increases in pensions, starting with the first pension increase in 12 years, in 2009. Since then, pensions have steadily increased, with pensioners receiving an extra $338 a year. In addition, more than 27,600 pensioners in my electorate alone recently received an advance payment of $250. This payment was intended to assist pensioners with the costs of living resulting from the Clean Energy Initiative and to ensure that pensioners are adequately compensated as we make the transition to a less carbon-reliant and more sustainable economy. With an expected $204 increase to the cost of living, Fowler pensioners would be $134 a year better off as a result of the recent cost-of-living pension supplement.

Pensioners have the least room to move when it comes to managing their costs. These pension increases were intended to give pensioners a little extra breathing space. The federal government encouraged all state and territory governments not to include pension increases in public housing rent calculations. That is why we distributed the recent increase in the form of a separate supplement and wrote to each state premier asking them to leave pensioners alone. The O'Farrell government is now the only government in Australia that has decided to ignore the reasons for the adjustment and disregard the needs of its own pensioners living in public housing. Barry O'Farrell is simply trying to claw back money from pensioners into his state coffers, and this selfish move will certainly be felt by those in our community who are struggling to make ends meet. There are 3,500 pensioners in Fowler living in public housing, one of the highest numbers in New South Wales. My electorate will therefore be one of the most affected by the New South Wales Liberal government's decision to once again siphon off pension increases into the state government's revenue.

This is not the first time the Liberal government has betrayed New South Wales pensioners living in public housing. When the federal government increased pensions for the first time in 12 years back in 2009, it took the incoming Liberal government only six months to renege on the agreement with the Commonwealth not to increase the public housing tenancy rents. As a result of the state government's decision, more than 20,000 pensioners in New South Wales, including more than 1,720 war veterans and war widows, are now paying an extra $618 per year. The most recent decision to raise public housing costs will add another $84.50 a year to the rents of people living in public housing. This is money our pensioners can least afford to pay. Pensioners in public
housing in New South Wales already pay 25 per cent of their pensions as rent.

Barry O'Farrell needs to explain himself. He needs to explain to the pensioners of New South Wales why he has decided it is necessary to take away extra money that they so desperately need—pensioners such as Mrs Eileen Strickland of Cabramatta, who spoke to me only last week, asking how this could happen, because the Commonwealth increase was a non-taxable cost-of-living supplement. They are important payments to support pensioners as part of our clean energy housing assistance package. These payments will support public housing tenants in their adjustments to the cost-of-living impact from a carbon price. The increased payments were intended to assist pensioners in New South Wales. They are not there to assist Barry O'Farrell in furthering the interests of his state Liberal government.

Grandparents

Mr CROOK (O'Connor) (21:50): I rise today to speak about some very special people in Australia who deserve the respect, commitment and support of our government and community—people who I believe are being continually let down by the buck-passing of successive state and federal governments. The special people I am referring to are those grandparents who have assumed the role of primary caregiver for their grandchildren, also referred to as 'grandcarers'. Over the last year and a half, I have met with many grandcarers in my electorate. These grandcarers have come to be primary caregivers for a range of complex family reasons, including death, mental illness, substance abuse, incarceration or neglect. Despite a varied family background, these grandparents have one thing in common: an unwavering dedication and commitment to and love for their grandchildren, which exists notwithstanding the lack of proper financial support from the government.

One such inspirational family lives in Albany, in my electorate of O'Connor. This constituent is a proud grandmother of 23 grandchildren and great-grandmother of four great-grandchildren. Sadly, one of the constituent's daughters has a serious substance abuse problem and was no longer capable of looking after her son. When my constituent heard that her grandson was being left in a room with marijuana smoke and being fed painkillers to be kept quiet, she went directly to the house and rescued him. On the day she arrived, her eight-month-old grandson's nappy had not been changed for a lengthy period of time. The child was underweight and suffered from serious malnutrition. He is now four years old. My constituent, who is on a disability pension, lives in a one-bedroom house with her husband. In recent years, they have been forced to use their lounge room as the bedroom for their grandson. These grandparents manage the various behavioural difficulties which stem from his challenging childhood, which include a severe case of separation anxiety. Despite the grandfather being well due for retirement, he continues to work to financially provide for the young child. This income negatively affects my constituent's disability pension; however, they have no other option. These grandcarers point out that if their grandson was being cared for by foster parents, those carers would receive regular payments. Family tax benefits A and B amount to $170 per week for this family, and this is simply not enough. Many other grandcarers are unable to get either legal guardianship, or formal consent orders from their children, leaving them without any Centrelink support at all.

Since meeting with many other families who are part of the vibrant network of grandcarers in Western Australia, I have
been lobbying both state and federal governments to improve support for grandcarers. I have written to state and federal ministers, as well as to the Premier of Western Australia. Sadly, all responses have been empty and have been indicative of the buck-passing that continues to leave grandcarers unsupported. For example, in response to my most recent letter to the responsible federal minister, the minister stated:

Primary responsibility for supporting children, who cannot live with their birth parents, including grandparent care, lies with the state and territory governments.

In response to my most recent letter to the responsible state minister, the minister referred to my request for proper financial support to grandcarers and said, 'Such decisions are the responsibility of the Commonwealth government.' These responses showed warm words of concern but no commitment to policy change.

I note the member for Canning’s statement in this place on this topic in March last year. However, no progress has been made since that time. Government has done very little to address the significant financial as well as non-financial challenges grandcarers face, despite the federal minister calling this issue a 'national priority'. There are various aspects of the current system which should be improved. For example, the current framework distinguishes between informal and formal care arrangements, to the detriment of unique grandcaring roles. The current rules do not acknowledge the difficulties grandparents may face in establishing their eligibility for traditional benefit payments. Many grandparents are beyond working age and are simply unaware of the entitlements.

I note that in late 2010 six grandparent advisers were established through Centrelink. However, given there are 16,000 families identified by the Australian Bureau of Statistics as having grandcarers, this is unlikely to have any real impact. Thankfully, some community organisations, like the WA based Wanslea Grandcare program, work hard to fill the role that our government should be filling, and I thank them. I also wish to send my deepest thanks to the many grandcarers who have shared their personal stories with me. I believe these grandcarers should be held in at least the same financial category as foster carers. They should not have to spend their hard-earned retirement funds on raising their grandchildren. It must be a joint effort to ensure appropriate assistance to these grandcarers, and the funding models must be flexible enough to deliver these results. Our grandcarers must be supported. (Time expired)

Child Beauty Pageants

Ms HALL (Shortland—Government Whip) (21:55): Earlier this year I moved a private member’s motion in relation to children’s beauty pageants. I note, Madam Deputy Speaker Burke, you also spoke on the motion and feel equally as passionate about this issue as I do. Universal Royalty Beauty Pageant is the organisation that has been holding these pageants both in Melbourne and, more recently, in Sydney. At the weekend, on Saturday, 16 June, Universal Royalty Beauty Pageant snuck into Sydney and held a children’s beauty pageant.

If this is such a wonderful thing, why would they sneak into town and why would they not tell anyone about it?

The US based Universal Royalty Beauty Pageant featured on the US TV show Toddlers and Tiaras. I think most members are aware of it. When it was in Melbourne last year, there was much criticism from the community. It led Darebin City Council to
review their venue hire policy and refuse to host further child beauty pageants. That is what I would like to see throughout Australia: councils and organisations refusing to host these pageants. Despite the outrage last year, the pageant was again held last weekend, in Sydney.

The pageants encourage and require children to make themselves up in an adult manner, requiring make-up and recommending fake tanning and hairpieces. There are two issues here. One is that these pageants teach children to value their appearance above all else from a very young age. Self-worth is intrinsically based on appearance. The pageants distort children's perceptions of themselves. They are celebrated and rewarded for creating a fake and highly stylised image of themselves, often with the photos being retouched. Emphasis on looks and physical attractiveness can lead to negative body image, anxiety, low self-esteem, depression and eating disorders. These effects can last throughout a young person's life.

Secondly, these beauty pageants sexualise and objectify children as they conform to adult perceptions of beauty and behaviour. Fake tanning, waxing, fake eyelashes, hairpieces and make-up are beauty treatments and devices used by grown women and are inappropriate for little girls to use to achieve a narrow, adult, beauty standard. I think it verges on child abuse. It is totally unnatural for a young child. It is natural for young children to dress up in their mother's clothing, put make-up on—with lipstick all over their face—but it is not natural for a young child to be trained to perform in one of these beauty pageants.

Glenn Cupit, senior lecturer in child development at the University of South Australia, believes the young pageant participants are instructed to dress and behave in an adult way. He said:

The title is 'child beauty pageant' but if you look at the way the children are dressed and required to act, it's actually a child sexualisation pageant. The children are put into skimpy clothes, they are taught to do bumps and grinds. It's not looking at children's beauty. It's a particular idea of what beauty is, which is based on a highly sexualised understanding of female beauty.

This is something that as a parliament we should condemn. What is being created here is a generation of young girls who are going to have a plethora of psychological and social problems. We have a chance to say that this is not good enough. There are so many myths around beauty pageants, such as they help young people to develop self-confidence, when in actual fact they have the opposite effect. These beauty pageants stand condemned and all members of this parliament should join together in condemning them. *(Time expired)*

**Victorian Earthquake**

**Dunkley Electorate: Centrelink**

**Australian Paralympic Team**

Mr BILLSON (Dunkley) (22:00): A little over an hour ago a seismic event of 5.2 occurred some 160 kilometres south-east of Melbourne near the Moe community—a significant tremor lasting about 20 seconds and recorded at 10 kilometres below the earth's surface. I know it has been felt in Gippsland, in your community, Madam Deputy Speaker Anna Burke, and in mine, and all the way around to the western suburbs of Melbourne. There have been no reports of injury or damage at this stage but there are plenty of people with shaken nerves wondering what was going on. For the community I represent, with the Selwyn Fault running through South Frankston and part of the geological formation of Olivers Hill, it was certainly of particular interest.
Our thoughts are with all those responding to anxious calls in the hope that there is no injury or substantial damage. Our thoughts are with our fellow citizens of Victoria. It reminded me of the flood events in Victoria. The response which the Commonwealth government provided was quite commendable. It saw a number of Centrelink staff redeployed from around various offices. At that time the Frankston Centrelink office, one of the busiest in the country, had to forgo its pensions, carers and age services on the ground floor of the building with which I am a co-tenant, along with others. We were told that was a temporary measure but it has never come back. The age pension, carer and disability community relied heavily on that more convenient mode of access in that discreet designated area where the Centrelink staff was most attuned to their needs and able to respond to queries of variations in income and the like, and these, which could have been routinely provided in a simple way, have now been bundled in with Centrelink's heavy workload upstairs at the Davey Street Centrelink centre. I would like to see that service returned. I have inquired repeatedly about when it is likely to return but it is looking less temporary as the days go by. I know that the electorate that I represent and the clients that very much valued the team on the ground floor at Davey Street are very keen to see it returned, as am I. I hope I get some answers shortly about the fate of that service.

I also rise to take the opportunity to wish those Paralympians who are heading off to the London games all the very best. I would like to be able to say that all of the Paralympians know who they are, but many teams have not been selected yet and that is causing great distress for the families and those wishing to support their loved ones in what for many is the pinnacle of their success in dealing with the life challenges that disability has presented them with. I know, for instance, that the swimming team participated in the 2012 swimming trials. The Olympic and Paralympic event was held in Adelaide between 15 and 22 March, and by all accounts it was a fabulous occasion. Over 750 swimmers participated and more than 80 swimmers were those with a disability. There was a fitting tribute at the end of that meet where the Olympic team was announced and paraded before the crowd that had assembled but, sadly, the Paralympian team was not afforded that same accommodation. That was emotionally difficult for the Paralympians; they were thrilled to be able to participate in a joint trial but then discouraged from full involvement at the end of that meet when those on the Olympic team were afforded a great deal of attention. The Paralympians just wished that the equality of treatment they had received throughout the meet had extended to the selection of the team.

The team still has not been selected. The games are some four weeks away. They will be in a position of a short window of time in which to make their arrangements and for parents to secure tickets through an authorised ticketing agency which, for the Australian Paralympic team, involves a bundled package of accommodation as well. It seems a shame that the arrangements for an orderly preparation for such a sporting event is quite different for the Olympic and Paralympic teams.

I note that in that qualification meet there were quite a number of records achieved, and I want to put them on the record. They were from Matthew Cowdrey for the 50-metre freestyle, Timothy Antalfy for the 100-metre freestyle, Brenden Hall for the 400-metre freestyle, Timothy Antalfy again for the 50-metre backstroke, Blake Cochrane in both the 50-metre and 100-metre...
breaststrokes, Timothy Antalfy again for the 50-metre and 100-metre butterflies, Jacqueline Freney for the 100-metre women's freestyle and Prue Watt for the 50-metre backstroke. They deserve greater consideration. All of those events where world championship records were broken were undertaken before the broadcast time had commenced. I would like to think the preparations for the broadcasters for the Olympics and Paralympics have a greater balance of coverage.

Mental Health

Ms RISHWORTH (Kingston) (22:05): I rise today to talk about a very important issue that I think all governments need to make sure they are paying attention to: tackling mental health in our community. Before I came into this place I worked as a psychologist, and during that time I saw some very sad stories about the impact that mental health issues have on individuals and their families. That is why I was extremely pleased to join the Minister for Mental Health and Ageing to open the new headspace site at Noarlunga, right in the heart of my electorate. This sits nestled in the middle of a GP superclinic which is providing excellent services to the local area, but the headspace is a new, special space that will be dedicated to helping those young people with a mental health issue.

We know that for a lot of people mental health issues start very young, and I think it is very important that we recognise this and make sure that we have services in the community to tackle this. That is why I have been a very big fan of the headspace centres around the country; I think they provide a very youth-friendly environment for young people not to feel isolated and not to feel like they are walking into something that does not really meet their needs, does not suit them or is not somewhere they feel comfortable. That is why I was so pleased to see the Noarlunga headspace up and running and to see the wonderful, comfortable area that staff and all the consortium partners have done a great job in making very welcoming.

I would like to take this opportunity to particularly thank the youth reference group. Headspace sites, one of the important parts of the model, are ensuring that young people are directly involved. This is not older people telling young people what they need; it is young people really driving the service and determining what they need. I was very pleased to meet some of the very enthusiastic members of the youth reference group in Adelaide and at Noarlunga, and I have to say they really were incredibly commendable. Many of these young people had been through mental health issues and they had got themselves in a position where they wanted to give back. This shows real, impressive courage on the part of these young people to ensure that they are a service that may not have been there for them but is now there for other people.

I would also like to take this opportunity to congratulate the consortium partners, because another model of headspace is not that it is just one organisation delivering services. This is about a number of services getting together because, of course, headspaces do not just look at mental illness in isolation. One of the things I certainly found while I was practising as a psychologist is that there are silos put up on services. That might be clinical services for mental health that will not take people with drug and alcohol issues or people with health issues. People are constantly referred around the place and not dealt with in a very holistic way. I think one of the great things about headspace is that they do deal with a range of different issues, including physical health, mental health and vocational training and
education—helping young people find the right study path, the right education or the right job for them—as well as looking at a whole range of other issues that they might be facing. That is why these models are very exciting, because you have a number of different partners. I would like particularly to congratulate the Southern Adelaide-Fleurieu-Kangaroo Island Medicare Local which is the lead agency. It is joined by the Child and Adolescent Mental Health Service, known as CAMHS, the Women's and Children's Health Network, Southern Second Story Youth Health, CRS Australia, Mind Australia, the Southern Adelaide Local Health Network and Uniting Communities Streetlink Youth Health Service. A number of different organisations are coming together, and this service will be really welcomed in our local area. On the day I opened it there had already been many young people using the service. A lot of people walked in to see what was there, because it is so inviting. I am very, very pleased to have committed this at the 2010 election, and now that it has been delivered in my community.

Fadden Electorate: Seniors Expo

Mr ROBERT (Fadden) (22:10): It is my great pleasure to inform the House that, on 1 August this year, the third annual Fadden Seniors Expo and Forum will be taking place at the Jupiter's Pavilion near Parklands Showground on the corner of Smith Street and Parklands Drive, Parklands. For those who remember the Fadden seniors forum last year, about 1,000 people were in attendance with almost 100 service providers and stands. All of it was free to provide services and information to senior Australians.

This year the legendary Normie Rowe AM, one of Australia's great performers, will MC the entire day. We are very lucky to have my good friend and colleague the Hon. Bronwyn Bishop MP, the shadow minister for seniors, there to speak about the issues confronting seniors and to answer a range of questions. I am very proud to announce that this year's Fadden Seniors Expo and Forum's major sponsor is INOX Supreme Lubricants. INOX is an outstanding company that produces some of the world's finest lubricants and probably the only lubricants that are not petroleum based. Our silver sponsors are Snore Australia, Vision Centre Gold Coast, New Haven Funerals and Bendigo Bank. We will have over $2,000 in lucky door prizes, all donated for the community by great organisations that include Eye Cue Security, the Islander Resort Hotel, our great friends Telstra, the wonderful people of Zaraffa's Coffee—thank you to Kenton and Rachael—and Goldstein's Bakery and Pie Shop. Water will be donated by Wet Fix.

The beauty of putting on massive events like this that are completely and utterly free for the community is that they are sponsored by so many of our partners within the community and that sponsorship allows these events to be free. We will be sending out over 15,000 invitations to the third annual Fadden Seniors Expo and Forum and we expect over 1,500 people to attend. The range of exhibitors providing free information services and stands will include Veterans' Affairs, BreastScreen Queensland, National Seniors Australia, Gold Coast Stroke Support, Citizens Advice Bureau and Gold Coast Legal Service, TransLink, the Lions Club of Helensvale, Men's Sheds, Labrador Carers Queensland, Volunteering Gold Coast, Queensland Aged and Disability Advocacy Incorporated, Multicultural Communities Council Gold Coast, COTA, Blue Care community services, Amputee Advisory Association Inc., Red Cross Nerang, Soroptimist International of Queensland Gold Coast Inc., Probus Club of Hollywell, Alzheimer's Australia, Gold
Coast North Prostate Cancer Support, the Animal Welfare League, St Vincent de Paul, North Gold Coast RSL Sub-branch, community gardens of Coomabah, the Scrapbooking Group, Men's Health Peer Education Moncrieff, U3A, St John's Ambulance, KinCare, Grandparents Raising Grandkids, VIP Transport Able Australia, (Vision in Paradise), Australian Air League, Home Assist Secure, OzCare, Ashmore Day Respite Centre, Cancer Council of Queensland, Relationships Australia, the Lioness Club of Southport, the Rotary Club of Coomera River Midday Ashmore, Anglicare (Spiritus), Independent Retirees, View Club of Runaway Bay, Garden Tools for People with Disabilities, Guide Dogs Queensland, the Coomera CWA, Gold Coast City Council-Active and Healthy Gold Coast, Elan Medical Supplies, Commonwealth Respite and Carelink Centre, VIP District Crime Prevention from the police station, Home and Community Care HACC Program and, of course, Centrelink.

This is an enormous number of services all under one roof on one day, completely and utterly free for the entire northern Gold Coast to come along to. The parking there is simple and it is free; it is at the Gold Coast Parklands. There is enough parking for everyone to attend. There will be morning tea and lunch, again, provided to the community free of charge as a community event to inform, to provide services and to send the message that we care about our seniors and that it is important to get information to them. This is an opportunity in a one-stop shop to come along and see, hear, learn, listen, engage and enjoy. I welcome all senior Australians in the northern Gold Coast community to come along on 1 August 2012 from 9 am to 2.30 pm to the Jupiter's Pavilion, Parkland Showground, on the corner of Smith Street and Parklands Drive, Parklands. At the very least, can I say that it is an amazing treat spending a day with the legendary Normie Rowe, having him sing the national anthem, MC the day and having him available to chat with. It is a real treat and experience. I look forward to welcoming all Gold Coasters there.

**McEwen Electorate: Queen's Birthday Honours**

**Mr MITCHELL** (McEwen) (22:14): I rise to congratulate Peter Weeks from Alexandra, who was awarded an OAM in the General Division for services to communities in the upper Goulburn region, particularly during the 2009 Victorian bushfires.

Peter's long-term dedication and commitment to communities within the region is amply demonstrated by the many volunteer positions he has taken on, especially as a member of the Alexandra unit of the Victoria SES for more than 40 years, including 25 years as its communications officer and duty officer. He has brought extraordinary energy, expertise and effort to emergency service bodies across the municipalities of Murrindindi, Mansfield and Benalla through grassroots organisations such as the Acheron Fire Brigade through to regional bodies.

In working to improve communications for residents and emergency service bodies in roles such as the regional coordinator for the Wireless Institute Civil Emergency Network for 22 years and as technical officer for Mansfield Community Radio for 10 years, combined with outstanding initiative as a founding committee member of Upper Golden Community Radio Incorporated, Peter has helped to provide fantastic new opportunities for information-sharing across many levels for the benefit of many communities.

David McGahy, the Arthurs Creek CFA captain, was awarded an OAM for his
services in the 2009 Victorian bushfires. David's deep-held commitment to his community is evident through his membership of the Arthurs Creek Fire Brigade since 1965—that was before I was born—which has included many executive positions, including captain for 12 years.

David has served the wider region admirably through executive participation in the Whittlesea-Diamond Valley Fire Brigades Group and the Nillumbik Municipal Fire Prevention Committee. This is also recognised and greatly appreciated across the district. Small communities rely heavily on willing, dedicated volunteers such as David, who has given his time and efforts to a number of local organisations such as the Arthurs Creek Mechanics Institute hall for 20 years, including 10 years as president; the Strathewen Oval Committee for five years; the Arthurs Creek Primary School Council for 11 years; the Arthurs Creek Landcare Group; and the Strathewen Tennis Club.

Roger Jones of Gisborne was awarded an OAM in the General Division. Roger's wide-ranging service to the community includes executive roles with many emergency service organisations and shows extraordinary commitment and dedication to the community.

Roger has worked at a high level over many years, including at some extremely difficult times. His involvement has included the South Pacific Geoscience Commission High-Level Advocacy Team and the Royal Humane Society of Australasia, as well as local bodies such as the Macedon Ranges Further Education Centre, the Mount Macedon Memorial Cross Committee of Management and Macedon Ranges Shire Council.

Jane Hayward from Kinglake was awarded an AM in the General Division of the Order of Australia for services to the community of the Strathewen area, particularly to the school kids and their families in the aftermath of the Victorian bushfires. As principal of Strathewen Primary School, which was destroyed in the Black Saturday bushfires—and the community totally devastated—Jane played a central role in all aspects of the relocation, rebuilding and reopening of the school.

Jane showed extraordinary dedication, compassion and courage in assisting the highly traumatised community in its efforts to recover and rebuild from a seemingly impossible situation. From personal experience I know that the wider community is very pleased to have Jane working with them, and is also extremely proud of her and her work. Jane has made an enormous effort to help the Strathewen community through the most distressing times.

I also want to congratulate Kevin and Rhonda Butler—they are husband and wife—who each received an OAM for their assistance as founders of BlazeAid in the aftermath of the 2009 bushfires. They got together 3,200 volunteers to do over 500 kilometres of fencing for farmers and landowners affected by the bushfires. Their contribution to communities across Victoria then extended to communities in Queensland and Western Australia during 2011-12 after the devastating floods. It was fantastic to see that the nature of assistance BlazeAid provided widened to match the community's needs including repair of structures and clearing debris and fallen trees.

I also want to acknowledge Cameron Caine. He was the Liberal candidate for McEwen at the last election. He received an OAM because of the work he had done in the Kinglake community during the bushfires. His courageous and selfless efforts to help residents find a path through the bushfires to
a safe refuge were truly worthy of recognition. His continuing efforts to assist those in the most traumatic and difficult of tasks, including identifying many friends who had perished, showed an unfathomable fortitude. By helping to revive his beloved Kinglake Football Club and lift it to grand final level, Cameron helped provide his community with the opportunity for strong emotional bonds through healthy activity at a time when they needed it most.

I also want to congratulate Russell Bate from Jamieson. He was awarded an OAM in the General Division. It is an honour to acknowledge the service Russell has given to the community through extensive roles in a range of sporting and arts organisations and to local government. (Time expired)

Education

Mr TUDGE (Aston) (22:21): I rise tonight to speak on raising the bar in education. In this Olympic year as we see countries vie to be the best in sport I want to say: why not in education? Our country has been prosperous, free and harmonious for such a long time that our children should be at the top. Unfortunately, while we excel in sport, in education we are one of only a few countries that has declined in standards in recent years both in an absolute sense as well as relative to other countries.

We are no longer in the top band of performers but have been overtaken by our Asian neighbours, four of which are now in the top five of the world's best performing school systems: Hong Kong, Shanghai, Korea and Singapore. Students from those systems are considerably ahead in some key areas. For example, in Shanghai the average 15-year-old mathematics student is performing at a level two to three years, on average, above his or her counterpart in Australia. In science the average 15-year-old is 15 months ahead of Australian students and in reading is about 13 months ahead. Similarly in Hong Kong, Singapore and Korea 15-year-old students are now a year in advance of Australian students in mathematics and about half a year in front in science and reading.

As the Prime Minister reminds us, we are entering the Asian century yet we are not keeping up with their education standards. Australia is not alone in this regard, although this should not give us comfort. The UK and the US are in a similar position to us. The difference, however, is how these countries are approaching the challenge, particularly the United Kingdom. The UK has deliberately set out to match the best performing school systems, particularly in relation to curriculum standards. Through the draft curriculum the British Conservatives led by education secretary, Michael Gove, and Minister of State for Schools, Nick Gibb, have explicitly set the standards to be taught by reference to the best performing school systems in the world. They also reintroduced back-to-basics principles such as learning times tables and a narrative approach to history.

For example, in maths their draft curriculum document, which was released last week, states that pupils will be expected to add, subtract, multiply and divide fractions at a similar standard to what is expected in Singapore and Hong Kong. By the age of nine pupils should know their times tables up to 12 times 12. It is currently only to 10 times 10, but the higher level is in keeping with the high-performing jurisdiction in Massachusetts.

In English, students will be taught to read fluently through systemic phonics with a stronger emphasis on reading for pleasure. There will be a focus on spelling, which includes a list of words that all children should be able to spell by the end of primary
school. There will be a stronger emphasis on grammar and the learning of poetry once again.

The UK is changing the look of history classes as well. Children will be expected to learn significant dates, events and the names of important historical figures. Instead of forcing cultural relativism on schools, teachers will also be expected to introduce children to the grand narrative that distinguishes the UK from other countries and cultures. Key institutions and the importance of Western civilisation and the nation's Judeo-Christian heritage are emphasised, as is the need to instil civic responsibility and to teach values like reciprocity and a commitment to the common good. These are all positive developments and indicate a strong desire to ensure that UK students can perform as well as students from other countries. We should be taking a similar approach in relation to our curriculum. Importantly, we should be benchmarking our national curriculum against the curriculum of our near neighbours to ensure that our standards are not falling behind. We should also be learning from what the UK is doing so that universities and employers can have confidence that grammar, spelling and basic maths concepts are well understood upon leaving school.

I have written about our history curriculum in the past and about how earlier drafts failed to mention basic institutions which have made Australia prosperous and free or acknowledge our western Judeo-Christian heritage. Without glossing over past mistakes, our Westminster system of government affords us a proud tradition of democracy, individual freedom and human rights. A history curriculum should reflect this.

The Rudd-Gillard government promised an education revolution but it has not delivered. Under ALP governments, state and federal, schools have often been forced to adopt a curriculum based on lower standards and that ignores the basics and preaches a politically correct view of the world. We need to do better. Parents deserve to know that their children are learning at the highest standards. Employers want to know that students are graduating with solid literacy, numeracy and analytical skills, and higher education institutions do not want to have to provide remedial courses. The UK has set its sights to reach the top. We should be doing likewise.

**Melbourne Ports Electorate: Caulfield Village**

Mr DANBY (Melbourne Ports) (22:25): Today's *Financial Review* reports that the $1 billion Caulfield Racecourse development will take up to 10 years to complete. Approved by the Victorian state Liberal Minister for Planning, Matthew Guy, in June 2011, this development, a crass monstrosity, is in the very heart of my electorate. Caulfield, with its various delis, bakeries, schools, bars, restaurants and parks, will be completely engulfed by a skyline not unfamiliar to those venturing into the canyons of the city of Melbourne. These disruptive planning developments impinge on the nature and identity of the quiet residential streets of Caulfield. Frankly, this $1 billion so-called Caulfield Village is over the top, does not have enough open space and will eventually turn the area into a desolate slum like the overdeveloped parts of the Gold Coast.

During the 2010 election, the Liberal candidate for Caulfield, David Southwick, told a Liberal rally at Caulfield Park Pavilion that the proposed development of Caulfield Racecourse and its surrounding areas—in...
developers' newspeak, the Caulfield Village with its 20-storey tower—was a 'monstrosity that would destroy Caulfield's amenities and identity'. But, after the election, Mr Southwick changed his tune, lauding the $1 billion Caulfield development. The member for Caulfield in the Baillieu government should be embarrassed by this reversal. Despite the concerns of local residents and the revelation today that the project will be a building site for 10 years, the state Liberals have approved this project. Many locals have spoken out against it, concerned that the ugly Caulfield Village will fundamentally change the nature of the suburb.

This development will be built on a five-hectare car park adjacent to the racecourse and will attract 2,000 residents and burden the area with 35,000 square metres of office and retail space. Presumably, on race days, even more cars will be pushed onto residential streets due to the lack of the spaces they now use in that car park, which was gifted to the Melbourne Racing Club. This represents a huge loss of open space in the area adjacent to the Caulfield Racecourse. With plans by the Victorian government to cut the number of car spaces allocated to new apartment blocks, this development will cause further traffic chaos for an area already overcrowded with cars. Where will the race crowd park when the parking spaces that are already there are converted into a new precinct? This area is already known for traffic congestion due to the Caulfield train station being directly across from the racecourse and Monash University's Caulfield campus, which houses over 1,300 students, being located mainly on the other side of the train track but nonetheless causing lots of traffic congestion in the area.

Caulfield Racecourse is already under construction with a $1.8 million revamp in its infield parking space. The proposed so-called Caulfield Village, far from being like Elwood Village, which by contrast has low-rise residential buildings, will fundamentally change the suburb. Caulfield will be transformed with the active support of conservative state members and councillors aligned to them and approved by the man agitating to replace the comatose Mr Baillieu, Matthew Guy, the state Liberal Minister for Planning. Mr Guy, along with his offsider, Mr Southwick, in conjunction with the mysterious machinations of the Melbourne Racing Club, have greenlit a project that will be characterised by traffic gridlock and prolonged construction etcetera. Why the Victorian government and the Glen Eira council are continuing the privilege and sweetheart deal with the Melbourne Racing Club is beyond me. Do the quiet streets of Caulfield really need to have a virtual half-casino development with all of the traffic, drunkenness and loutish behaviour that will be attendant to such a development?

The Liberal government has had the habit of giving the green light to various planning developments in my electorate, including several in St Kilda and Albert Park. As the state member for Albert Park, Martin Foley, has stated, the Victorian Liberal government is seeking to turn parts of our electorate into their version of the tawdry Surfers Paradise.

The Liberal government has approved a massive 26-storey, 272-apartment building in St Kilda and took the decision away from the City of Port Phillip against the wishes of the local community. As Mr Foley has said, the Baillieu government has paved the way for developers to plan high-rise buildings in the heart of St Kilda's residential areas. Now Mr Guy, the man who would like to replace Mr Baillieu, and his friend Mr Southwick, who probably will be rewarded with a ministry for his support for Mr Guy, are paving the way for skyrises in Caulfield.
The DEPUTY SPEAKER: Order! It being 10.30 pm, the debate is interrupted.

House adjourned at 22:30

NOTICES

The following notices were given:

Mr Gray to present a bill for an act to repeal certain acts and provisions of acts, 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: Defence Logistics Transformation Program.

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: Development and construction of housing for Defence members and their families at Kellyville, Sydney, NSW.

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: High Voltage Electrical Distribution Upgrade, Liverpool Military Area, NSW.

Ms Parke to move:

That this House:

(1) commends the Government for its four year commitment to provide $50 million to support the global eradication of polio;

(2) notes:

(a) that in February 2012, India was removed from the list of countries where polio remains endemic, proving that eradication strategies are effective when they are fully implemented and that polio can be eradicated even in the toughest circumstances, and there has not been a single reported case of polio in India since January 2011;

(b) that polio eradication should, wherever possible, be part of routine immunisation efforts to improve population immunity for all priority, vaccine preventable childhood illnesses;

(c) that there are now only three countries in the world where polio has never been stopped, namely Afghanistan, Pakistan and Nigeria, and unless the polio program is fully funded and emergency plans are implemented as planned, polio could make a comeback in countries that are currently polio-free;

(d) estimates show that global re-infection over time could result in as many as 200,000 children per year being paralysed;

(e) that the Global Polio Eradication Initiative currently faces a funding shortfall of US$945 million for the full implementation of its 2012-13 Emergency Action Plan, and this has caused immunisation campaigns to be cancelled or scaled back in 33 countries in Africa and Asia, leaving more children vulnerable to the disease and increasing the risk of the international spread of polio; and

(f) the recent landmark resolution by the Sixty-fifth World Health Assembly declaring the completion of polio eradication, a programmatic emergency for global public health, with member states highlighting the feasibility of eradication in the near-term, while expressing concern at the ongoing funding gap threatening success; and

(3) encourages the Government to continue to support efforts to deliver a polio-free world and to encourage other countries to do likewise.

Ms Parke to move:

That this House:

(1) notes that:

(a) the inaugural international parliamentary conference on Parliaments, minorities and Indigenous peoples: effective participation in
politics' was held in Tuxtla Gutierrez, Chiapas, Mexico from 31 October to 3 November 2010;

(b) the conference was organised jointly by the Inter-Parliamentary Union (IPU), the Mexican Congress of the Union and Government of the State of Chiapas, in partnership with the United Nations Development Program, the United Nations Office of the High Commissioner for Human Rights, the United Nations Independent Expert on minority issues and the Minority Rights Group International;

(c) the conference heard that many situations around the world demonstrate that an adequate representation of minorities and Indigenous peoples in policy and decision-making is instrumental in breaking the cycle of discrimination and exclusion suffered by members of these groups, and their ensuing disproportionate levels of poverty and related impediments to the full enjoyment of many civil, cultural, economic, political and social rights, and yet, minorities and Indigenous peoples often remain excluded from effective participation in decision-making, including at the level of the national parliament;

(d) the conference adopted the Chiapas Declaration, which urges every parliament, within the next two years, to inter alia, hold a special debate on the situation of minorities and Indigenous peoples in their country, recognise the diversity in society, and adopt a 'plan of action' to make the right to equal participation and non-discrimination a reality;

(e) the Chiapas Declaration recommended that at a minimum the following elements are contained in the 'plans of action':

(i) ensure that the right to free, prior and informed consent is observed in every step leading to the adoption of legislative and administrative measures affecting minorities and Indigenous peoples, and hold government to account for the implementation of such measures;

(ii) require of government that all submissions to parliament of draft legislation and the national budget include an assessment of their impact on minorities and Indigenous peoples;

(iii) make regular use of plenary sessions in parliament and other parliamentary fora to discuss minority/Indigenous matters in order to raise awareness and combat prejudice in society, organise awareness-raising sessions for all parliamentarians so as to increase their knowledge of minorities and Indigenous peoples and the particular problems they face, and ensure that minority and Indigenous issues are mainstreamed into parliamentary work, especially at the committee level;

(iv) allocate sufficient resources to the task of establishing dialogue between minority/Indigenous peoples and public institutions and to parliamentary committees to allow them to carry out effective outreach activities such as public hearings with minority and Indigenous peoples; and

(v) increase parliaments' familiarity with work being done within the United Nations system so as to equip them better to hold governments to account for their international commitments, including the achievement of the Millennium Development Goals, urge ratification of International Labour Organisation Convention 169 on Indigenous and Tribal Peoples, hold debates in parliament on the conclusions and recommendations made by the United Nations human rights treaty bodies and special mechanisms with regard to minority and Indigenous peoples' rights;

(f) the Chiapas Declaration also affirmed the responsibility of political parties to promote the effective participation of minorities and Indigenous peoples, and address their concerns in their party programs; and

(g) the IPU will facilitate networking among parliaments on this issue, monitor the implementation of the Chiapas Declaration and convene a follow-up meeting within two years to discuss progress and set targets for future action;

(2) urges the Government, parliamentarians, and political parties to familiarise themselves with the Chiapas Declaration; and

(3) calls upon the Government to facilitate a roundtable discussion with representatives of Australian Indigenous communities on issues arising from the Chiapas Declaration.
Dr Leigh to move:

That this House:

(1) notes:

(a) that the 2012 London Olympics will take place from 27 July to 12 August and the Paralympics will take place from 29 August to 9 September, with London becoming the first city to host the modern Olympics on three occasions; and

(b) the diversity of the Australian team, comprising athletes from all parts of Australia;

(2) recognises the dedication and hard work of the extraordinary athletes that make up the Australian Olympic and Paralympic teams, and their coaches, friends and family;

(3) acknowledges the unique role played by the Australian Institute of Sport in preparing athletes for the Olympics and Paralympics; and

(4) wishes our athletes well in London.

Mr Fletcher to move:

That this House:

(1) notes that:

(a) tragically, at the 1972 Munich Olympic Games, 11 members of the Israeli team were murdered in a terrorist attack;

(b) the impact of this event has been seared on world consciousness; and

(c) for 40 years, the families of those murdered have asked the International Olympic Committee to observe a minute of silence, in their memory, at each Olympic Games, and this request is being made with respect to the 2012 Olympic Games to be held in London; and

(2) calls on the International Olympic Committee to observe one minute's silence at the 2012 Olympic Games in honour of the 11 Israeli athletes murdered by terrorists at the 1972 Munich Olympics.

Ms Owens to move:

That this House:

(1) notes that:

(a) after almost 12 long years of inaction by the former Australian Coalition Government, the current Australian Labor Government has delivered historic pension reforms that have provided increases of $154 per fortnight for max-rate single pensioners and $156 per fortnight for max-rate pensioner couples;

(b) the NSW Government increased public housing rents for pensioners in 2011, taking away some of the Australian Government's 2009 pension increase;

(c) the Australian Government is delivering extra assistance to millions of Australian pensioners through the Household Assistance Package;

(d) this new assistance is being delivered as a stand-alone pension supplement, separate from the base pension rate, so that pensioners living in public housing could receive the full benefit of this assistance without it affecting their social housing rents; and

(e) the NSW Government has announced that it will include this assistance when calculating social housing rents from March 2013, meaning pensioners living in public housing will not receive the full benefit of the Australian Government's assistance.

(2) condemns the NSW Government for increasing rents for about 84,000 NSW pensioners and taking away part of their pension increase; and

(3) calls on the Opposition to guarantee it would not take away the pension increases as part of the Household Assistance Package if in government.

Ms Rishworth to move:

That this House:

(1) notes that two thirds of Australian women who have experienced domestic violence with their current partner are in paid employment;

(2) recognises the:

(a) significant impact that domestic violence can have on the employment of women who are subjected to it, including:

(i) lost productivity as a result of anxiety and distraction in the workplace;

(ii) absenteeism due to sustaining physical and psychological injuries;

(iii) disrupted work histories as victims often frequently change jobs;
(iv) lower personal incomes and reduced hours of work; and
(v) risks to personal safety in the workplace as well as to co-workers; and
(b) positive impact of the inclusion of domestic violence clauses in contracts of employment to ensure protections for victims, including:
(i) additional paid leave to enable employees subjected to domestic violence to, for example, attend court hearings and medical appointments without exhausting other forms of personal leave;
(ii) access to flexible working arrangements where possible; and
(iii) assurance that employee details will be treated confidentially and disclosure will not lead to discriminatory treatment;
(3) acknowledges the introduction of domestic violence clauses for public sector employees in both Queensland and NSW, and congratulates organisations in the private sector that have also moved to incorporate these clauses in contracts of employment; and
(4) urges all private companies and public sectors to include domestic violence clauses in their enterprise agreements to provide victims with important protections such as access to leave in addition to existing entitlements.

Mr L. D. T. Ferguson to move:
That this House:
(1) notes that international trade in arms, when undertaken irresponsibly, or diverted to illicit markets, contributes to unlawful armed violence, violations of international human rights law and international humanitarian law, acts of genocide and other crimes against humanity, forced displacement, terrorist attacks, patterns of organized and violent crime and corrupt practices;
(2) affirms that an effective Arms Trade Treaty would strengthen the rule of law, peace and peace-building processes, human security, poverty reduction initiatives and prospects for sustainable socio-economic development;
(3) acknowledges:
(a) that a robust Arms Trade Treaty would assist to reduce the extensive loss of human life and livelihoods caused by illegal weapons while, at the same time, not impeding the operation of the legitimate global arms trade as carried out with full respect for the rule of law and international legal obligations and standards; and
(b) the important role that Australia has played as a co-author of every United Nations resolution on the Arms Trade Treaty since 2006 and can continue to play as a champion of a robust, comprehensive and legally binding instrument;
(4) calls on states to adopt a treaty:
(a) at the United Nations in July 2012, whereby international transfers of arms will not be authorised if there is a substantial risk that the weapons will be used to commit or facilitate serious violations of international human rights law or international humanitarian law, or will seriously impair poverty reduction or socio-economic development;
(b) that covers a comprehensive scope of conventional arms including ammunition, small arms and light weapons as well as a wide range of trade activities including transfers and transhipments; and
(c) that includes mechanisms to ensure full implementation, including transparent reporting, international cooperation, compliance and accountability; and
(5) notes the important contribution of non-government organisations including Amnesty International, Oxfam and the International Committee of the Red Cross, in working towards the achievement of an effective and robust global Arms Trade Treaty.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 16:00.

CONSTITUENCY STATEMENTS

Riverina Electorate: Melanoma

Mr McCORMACK (Riverina) (16:00): Amie St Clair was a confident, happy, strong willed, talented and enormously popular sportswoman with a positive attitude. Born and bred in Wagga Wagga, she loved all sport but had a real passion and talent for softball, playing in many representative sides. Wes Bonny was your average fun-loving Australian. He and his family and friends did what many young Australians do: play sport—he was an exceptional Australian footballer; go to the beach; and just enjoy life. Wes and his brothers, Stuart and Vaughan, packed plenty into each and every day. Raised at Beckom, Wes spent some time on the farm helping his parents, Peter and Jacquie, on their Fairlight property near Ardlethan before moving to Canberra to study accountancy.

Besides both being from the Riverina, there is a devastating factor that Amie and Wes share: both passed away from a melanoma. On 9 November 2009, just a day after her 23rd birthday, Amie passed away in her Walteela Avenue home, close by to the French Fields softball diamonds she treasured. Just a few months later, on 20 March 2012, when Wes was just 26 years young, the melanoma spread to his brain and his will to live was overcome by the disease.

With the help of their dedicated families, both Amie and Wes have certainly not died in vain. Their stories continue to be told, both locally and nationally, to warn all that it is not just the older generations who can succumb to this horrible disease. The Cancer Institute, along with Wes's family and friends, has released a powerful new melanoma campaign: the Wes Bonny Testimonial campaign. The promotion, which features Wes's family and friends, was launched on 23 January 2011—in time to coincide with Australia Day and school holidays—and was run until March 2011. The four television commercials, three 30-second ads and one 90-second radio ad recount the experience with Wes's life, his diagnosis and his untimely death. Many came to know his story and his aggressive and treacherous battle with melanoma. Wes's personal story and the Wes Bonny Testimonial campaign resonated with the broader community. As such, the campaign was run again over the 2011-12 summer months, and it will continue to do so.

In Amie's honour, the Amie St Clair Melanoma Trust was started and registered as a not-for-profit charity, with a board of directors and a dynamic 20-strong fundraising committee. It has a strong vision to increase awareness of melanoma. On 26 May I had the honour of attending the Amie St Clair Pink and Black Ball, a memorial dinner at which 140 people, including Amie's parents, Peter and Annette, and younger brother, Tim, all wore pink, Amie's favourite colour, and black, signifying the colour of the melanoma ribbon. It was the third dinner to be held in honour of Amie and was a fun-filled evening, complete with auctions and charity events, yet was also an emotional night. The goal of getting a registered nurse to try to treat melanoma throughout the Riverina has been achieved thanks to this trust. Currently a registered nurse dedicates one day of her week to this vital cause. I ask all parliamentarians to
do what they can to raise awareness of melanoma and fight against it. It is the least we can do
for Amie, Wes and others whom we treasure. *(Time expired)*

**Petrie Electorate: St John Fisher College**

Mrs D'ATH (Petrie) (16:04): I rise to speak about an important activity that has been
initiated by the BBC leading up to the London Olympics. The BBC is following 26 young
athletes from across the world and connecting the schools they attended. Emily Seebohm is
the young Australian they are following, and as part of the project they have linked St John
Fisher College at Bracken Ridge in my electorate with Highfield School in the Peak District
in England. For the past two years, St John Fisher College has been a twin school with
Highfield School in Matlock, Devonshire, in the UK as part of the BBC British Council
project World Olympic Dreams, World Class. St John Fisher College was invited to take part
because former student Emily Seebohm was the Australian athlete chosen as part of their
world class project. Emily won a gold medal in 2008 while a year 10 student at the college.

There are 25 British schools and 25 other schools from different countries around the world
participating in the project. St John Fisher College, Bracken Ridge, is the only Australian
school. Last year, St John Fisher College hosted a staff member from Highfield, and their
students have been involved in a number of joint projects. The St John Fisher College has
provided footage and commentary for the BBC world class website. They have invited a staff
member from St John Fisher, the deputy principal, Sharee Lane, to go to Highfield from 23 to
27 June 2012, coinciding with the arrival of the Olympic torch at their school. The purpose of
the trip to its promote relations between the schools and to encourage global dialogue of the
students.

A week of activities is planned at the school, and Sharee will be representing St John
Fisher College. This visit is funded by the BBC and will be a wonderful experience for Sharee
as she takes with her messages from the St John Fisher community to the Highfield
community. The BBC also hosted the world's biggest assembly on 8 May this year, with
schools from around the world participating. St John Fisher College was one of three schoo
in Australia to participate in the world's biggest assembly.

I want to take this opportunity to congratulate St John Fisher College, their principal,
Maree Messer and, of course, Sharee Lane, whom I wish well on her trip to the UK to be
there for the arrival of the Olympic torch at Highfield School. I also want to acknowledge the
amazing work that the teachers and staff do at St John Fisher in mentoring the young women
at the school not just in the sport and academic areas but also in providing a holistic approach
to their welfare. So many of them go on to experience and to achieve the goals they have set
for themselves, and they make their families and their school proud.

**Murray-Darling Basin**

Dr STONE (Murray) (16:07): The Monash University's Centre of Policy Studies has just
released a report that I have found so extraordinary that I have to make reference to it. The
study claims that it is in fact a waste of money to invest in infrastructure upgrades which set
about to save irrigation water, which can then be supplied to, for example, the environment
to improve sustainability, particularly in the Murray-Darling Basin. The study is quite
extraordinary because what it argues is that, on a pure cost-benefit analysis—and it is their
analysis—the Commonwealth pays around $2,000 per megalitre to take irrigators' water;
however, if it were to invest in infrastructure, the upgrade costs could be between $5,000 and $10,000 per megalitre.

That is the most extraordinarily crude economics. If you look at the multiplier impact of a megalitre of water, you know that you are creating jobs, that you are growing food and sustaining a food manufacturing industry, a transport sector and over 52 towns and two cities in my electorate alone. However, this report claims that, during the drought, dairy farmers became dryland farmers and still had their cows milked. In fact, those same dairy farmers mostly feedloted their cattle and bought in feed, which either put them hugely into debt or eroded their equity in their properties, in order to maintain production. As soon as the drought was over, they reverted as fast as they could to having irrigated agriculture. So to suggest that the drought had no impact and that continuing to buy irrigators' water has no impact on productivity is, as I say, the crudest of economics and quite extraordinary coming, as it is supposed to, from a university centre of, they would claim, some status.

The report also suggests that, instead of investing in irrigation infrastructure upgrades, funds should be diverted to services such as health, education and aged care in the basin communities. The point is that you do not have basin communities if you do not have production off your farm properties. If you close down irrigated agriculture and your communities have to move away, you will have no need for health, education and aged care services because you will lose your population. Those who are left become welfare dependent and, quite frankly, do not have much call particularly for education services. I find this report quite extraordinary. It is quite irresponsible, with its crude assessments. Quite clearly, whoever produced this report needs to get out more. They need to come to some of the irrigated agricultural areas, look at the productivity, look at the multiplier impacts or effects of the production of food and fibre and also look at the export earnings from that agricultural endeavour. To suggest that the best way to go is to invest in health and education rather than in irrigation infrastructure is to forget the fact that you do not have populations to service if you do not have a viable economy.

Fowler Electorate: Immigration

Mr HAYES (Fowler) (16:10): Last Sunday, together with the member for Banks, I attended the launch of the Immigrant Workers Speak Out campaign, co-hosted by Asian Women at Work and the Immigrant Women's Speakout Association. The goal of this national campaign is to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Asian Women at Work, together with a number of other organisations who are members of the Network of Immigrants and Refugee Women in Australia, are bringing light to many of the challenges faced by migrant workers in Australia and are fighting for the protection of human rights of members of this highly disadvantaged and often exploited group.

Vivi Germanos-Koutsounadis, Chairperson of the Network of Immigrants and Refugee Women in Australia, and Lina Cabaero, Coordinator of Asian Women at Work, are some of the team leaders. They are a dedicated group of individuals who are passionate about providing a vital voice to this group of women whose rights are often sidelined.

There is no doubt that migrant workers are in a vulnerable position, with their human rights often the threat of exploitation. Due to language and cultural barriers, migrant women often face challenges in gaining employment and are often forced to take jobs which exploit their
vulnerabilities. Due to the lack of choice and the lack of knowledge regarding fair and legal working conditions in Australia, many migrants, particularly women, accept employment as outworkers in often appalling conditions. As the Brotherhood of St Laurence found during their investigations, outworkers often work very long hours with delayed wages that tend to be much lower than the average rate of pay.

Asian Women at Work, which has many members living and working in my electorate of Fowler, provides a strong voice for women working in these conditions. The organisation is educating and advocating on behalf of vulnerable migrant women workers who are often isolated from information and support. This nation has come a long way in ensuring the protection of human rights for various groups within our society. Even though much progress has been made in protecting the human rights of migrant workers, this group remains one of the most vulnerable groups in our society. Ratifying the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families would be a positive step forward in ensuring the protection of human rights for all migrant workers because, at the end of the day, migrant rights are human rights.

Mental Health

Mr BRIGGS (Mayo) (16:12): I rise to speak today on an important topic, which, in my almost four years here in parliament, is getting increasing attention and rightly so and that is the issue of mental health service delivery and the mental health challenges in our community. Mr Deputy Speaker Scott, you more than most would know that mental health service delivery, particularly in outer metropolitan and regional areas such as my electorate, is more difficult than what it is in city areas. Of course there are problems in city areas as well. However, it is more difficult to get the services which are needed to rural and remote areas in particular.

In recent times, sadly, there has been a cluster of people taking their own lives in part of the Fleurieu Peninsula. It is unfortunate that at times there can be stigmas associated with this matter and usually it is just pure coincidence. However, it has brought quite a bit of attention to those in the community who knew those people, those who were related to those people and those who are interested in ensuring that these issues are addressed for the long-term benefit of our community.

We have been working in a bipartisan fashion with the state minister. We have brought these issues to his attention and also to the attention of the federal Minister for Mental Health and Ageing, the member for Port Adelaide, who has been responsive. The coalition had a policy at the last election, which was groundbreaking, and it is pleasing that, following the election, the Labor Party followed in part some of that policy in last year's budget. However more needs to be done. I pay tribute to Karly Cousins of Mount Compass who has worked with much vigour to distribute petitions to raise this issue and to bring the service delivery issues to the attention of policymakers such as myself, the minister and others. Her work is to be admired, but also acted upon. She moved her petition around the Fleurieu Peninsula and got an enormous amount of signatures. Unfortunately, it does not meet our requirements so we have gone back to the drawing board and put another one together which she is again working through her networks, Facebook and the community to get as many signatures as possible. I have committed to Karly that I will write to the Minister for Mental Health and Ageing, bringing these signatures to his attention and also urging the minister to consider the
Fleurieu Peninsula—one of the world's most beautiful areas—for a headspace centre because this issue is too important. Addressing mental health in rural areas has to be a priority of this place as you will appreciate, Mr Deputy Speaker. It is something I will be paying a great deal of attention to leading up to this next election and then hopefully in a coalition government after that.

**Same-Sex Marriage**

*Mr GRAY* (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:15): I rise in the chamber to discuss a matter of profound importance; marriage equality. My view on this issue has changed and I want to explain why. We in this House, regardless of political convictions, colour or creed, all enter essentially with the same motivation: to improve the lives of people. For me, this means I work to the best of my ability to ensure every person I represent has an equal opportunity to participate fully in our society. Over the years, both sides of politics have worked to rid our nation of discrimination in all its forms. We do this for a fundamentally important reason; it is a common cause regardless of whatever else may from time to time divide our parliament. Every Australian child should be able to dream and aspire to achieve their full potential. Every Australian child should know that who they are, where they come from, and what their sexual orientation is will not determine their ability to experience love, to live a full life and to prosper. This, I believe, is a fundamental tenet of our society and it is why my view has changed, and why I wish to place my position on the record in this parliament.

Marriage is a union between two persons to the exclusion of all others, voluntarily entered into for life; a decision to make a commitment to one person for the rest of your life. Because it is enshrined in law, it is owned by us—society. All Australians who decide to share their life with one person within the institution of marriage should be able to have that commitment recognised by law. Denying marriage to same-sex couples denies them that choice and I see no good reason to do that. I support removing this discriminatory provision from the statute. However, I also think it important that in making such a change, we protect the important right of religious leaders to conduct marriage ceremonies in accordance with the tenets and beliefs of their own communities.

The evolution of my thoughts on this matter reflect that of many Australians. I have met many groups of good people on both sides of this debate. I have also listened to my family and friends. My wife of 21 years and my three sons have discussed this matter with me on many occasions. My eldest son in particular has spoken to me with a passion and a knowledge that would fill any father with immense pride. His view—a view that I now share—is that this change will improve the lives of people and the lives of future generations. Every Australian should have the right to love whom they want and every Australian should be able to marry who they love. For those reasons, I have changed my view and I thank those people who have helped me come to that conclusion. That conclusion is one that will bind my vote should this parliament determine those matters.

**Baltic States: Commemoration of Mass Deportations**

*Mr CRAIG KELLY* (Hughes) (16:18): Every year on 14 June Baltic communities all over the world commemorate the mass deportations from their homelands by Stalin's Soviet communist forces to Soviet gulags during and after World War II. Last Sunday, I was privileged to attend the commemoration concert at the Latvian theatre in Strathfield to mark
the 71st anniversary of the first of the mass deportations. I was pleased to be in attendance with Mr Craig Laundy, the Liberal candidate for the seat of Reid. I note he was very well received by those in attendance following his very impressive speech. The history of the mass deportations of the Baltic communities from their homelands by Stalin's Soviet Union is well documented. During the years of the Soviet communist occupation of the Baltic states, executions and mass deportations were common as the Soviet occupiers sort to strangle the brave people into submission. More than 200,000 people were deported from their homeland to remote, inhospitable arctic regions of the Soviet Union. In total, 10 per cent of the entire adult Baltic population was deported or sent to labour camps.

The commemoration of these events that occurred under Stalin's communist regime is of the utmost importance, for it is often said that those who fail from history are doomed to repeat it. This is why the supreme commander of the allied forces, General Eisenhower, when he came across the death camps at the end of World War II said:

Get it all on record now. Get the films. Get the witnesses, because somewhere down the road of history some bastard will get up and say this never happened.

It is worth noting what this government is doing to help maintain the history and the memory of those who suffered these unspeakable hardships and deaths, so that down the road of history some bastard will never get up and say, 'This never happened.'

Amongst the $176 billion of combined deficits this government has run up in just four years, they have managed to find a lazy $180,000 to finance a study titled, 'Rethinking the History of Soviet Stalinism.' In the government's own words, 'This study is to provide a sophisticated understanding of the complexities of Stalin's Russia.'

This Labor government's active use of taxpayers' funds to conduct a study to rethink the history of Soviet Stalinism is an affront to Australians of Baltic heritage. However, this type of conduct is something that Labor governments have form with, for it was under the Labor government in July 1974 that Australia shamefully and embarrassingly became the only Western country to recognise the Soviet annexation of Estonia and other Baltic states. It took the election of a coalition government in 1975 for Australian to rightly repudiate this shameful period of our history. We should never forget the horrors that happened to the people of the Baltic states, the mass deportations. It should be something that is part of our curriculum in schools for children to learn from.

**Griffith Electorate: Community Organisations**

Mr Rudd (Griffith) (16:21): Community organisations are the lifeblood of Australian society. They cause us to remember that we are not just individuals, we are not just families; we are part of a wider social fabric upon whom we need to draw from time to time. Across my community on Brisbane's south-side, I have some 62 schools—including 38 primary schools, 20 high schools—all supported by very active P&Cs and P&Fs. There are also more than 450 community groups in my local community, including environmental groups; charities, including cancer support groups; chaplaincy programs; sporting clubs; and many others. Many schools and community organisations need to raise money throughout the year in order to provide updated facilities and services to their students and those who rely upon their services.
Wherever I can, as the local member, I seek to help our local schools and community groups with fundraising activities. One way in which I found to be particularly helpful over the years is through my bicycles for kids program, referred to locally as the Rudd bike program. Over the last 14 years, it has been my privilege and pleasure to have donated hundreds of bicycles to south-side schools and community groups to assist in their fundraising. I am advised that these bikes have helped raise more than $600,000 for schools and community organisations across Brisbane's south-side. The first ever bike was donated to the Gateway refugee support centre. This terrific organisation directly supports newly arrived migrants in our local area by providing food hampers, welcome packs, accommodation and opportunities to participate in local community life.

Back in 2005, I donated my 250th bicycle to Epilepsy Queensland. In 2008, the St James Primary School in Coorparoo received my 500th bicycle in the bicycles for kids program. Last year, Morningside State School was the recipient of the 750th bike and on Sunday, I was proud to donate my 800th bicycle to the St Thomas Primary School annual fete at Camp Hill. Some of the schools tell me that these bikes can raise up to $1,500 each for much-needed projects and resources through raffling et cetera, for the purchase of the things as basic as electronic whiteboards and air conditioning units for classrooms. But it is not just the financial difference that this program can make and has made to some of our local community groups, P&Cs and P&Fs. I recently heard about a young boy called Tom from St Josephs' Primary School at Kangaroo Point. He was the winner of Rudd bike No. 776. He won the bike, then thought for a moment before saying to his family, 'I do not need this bike. I have already got one.' So what did he do? Of his own volition, Tom had his bike delivered to the Romero Centre—a terrific local organisation that supports newly-arrived migrants—so that refugee kids could use the bike and have it as a gift. I am proud of this program.

**Longman Electorate: Small Business**

**WYATT ROY** (Longman) (16:25): Last Friday, I hosted the launch of the Longman Executive Business Branch with 70 key business people from my community. I take the opinions of business owners and managers in my electorate very seriously. As I have always said, I strive not only to be the voice of my community here in this place but also to provide every opportunity for the voices of my electorate to be heard in person by key decision makers. It has always been my aim to bring key decision makers to my electorate to listen to residents themselves, in their own words, about what they believe are the challenges facing them in their lives, and how government can solve these problems—or, better yet, not create new problems.

It was in this vein that I launched the Longman Executive Business Branch, which I hope will be a platform for my community to access key decision makers. The Longman Executive Business Branch will invite individuals who have a direct influence on business policy to address business people in my region, providing local business people with the opportunity to voice their opinions. The Longman Executive Business Branch will be an avenue for business people to share their experiences and provide insight into what is happening at a local level. This insight will be integral in shaping policies and enabling government to perform its role—that is, facilitating businesses so they can be successful contributors to the economy.

I have spoken many times before in this place about the challenges facing small business in my electorate: rising operating costs, the lack of flexibility in the workplace, red tape, green
tape, superannuation contributions. These are all difficulties that the businesses in my electorate are contending with on a day-to-day basis. Many of these challenges have been made worse by this current Labor government. When I am speaking with the owners and managers of small business in my electorate, they are telling me that new taxes are not helping them run their business, that new taxes are not helping them employ people and that new taxes are not making it easier for their business to prosper and contribute to the local economy. If only this government were listening to the engine room of our economy. If they were, they would be hearing small businesses yelling very loud and clear that they need confidence in the market and confidence in the government, that they need government to be in touch with what is going on locally and that they need government to make decisions that will help, not hinder, their ability to run their business.

As policy-makers, it is important that we listen to our constituents and to our local businesses, and understand how our policy translates into practice. This is exactly what the Longman Executive Business Branch seeks to facilitate. I would like to take this opportunity to thank my colleague the shadow minister for communications and broadband, the Hon. Malcolm Turnbull MP, who attended the launch of the Longman Executive Business Branch. Business owners and managers appreciated the discussion about communications and how a coalition government will work to assist small business.

**Richmond Electorate: Development Grants**

**Mrs ELLIOT** (Richmond—Parliamentary Secretary for Trade) (16:28): I am really excited to talk about some major events and announcements in my electorate over the past couple of weeks that really show how much the federal Labor government has been delivering to the North Coast and what a difference it is making in the lives of so many community members. First of all, I was very pleased to announce $5 million under the Regional Development Australia Fund for the Arkinstall Park Regional Sports Centre project. This funding, working in conjunction with Tweed Shire Council, will upgrade the centre there. It will upgrade the existing sports facilities with a high-performance tennis centre and a regional netball facility with upgraded court services and improved lighting. It will really make it international standard. I congratulate Tweed Shire Council on their application for the RDAF funding. It certainly was outstanding. The entire netball community of the North Coast is very excited about this, not just from the perspective of locals being able to use these upgraded facilities but also potentially it is a base for some of the training for the Commonwealth Games, which are coming to the Gold Coast in 2018. We are very proud in the Tweed to have an international standard facility for netball and tennis.

I was also very pleased to open the Murwillumbah Agricultural Trade Training Centre. The federal Labor government delivered $1.5 million for this project. You would recall, prior to the 2007 election, we made a commitment to having trades training centres in high schools, and this particular one is outstanding. It will provide training across a whole variety of industries including qualifications in agriculture, aquaculture and horticulture. It was great to speak with the students first-hand and see the immense benefit they are getting out of it. Congratulations to Murwillumbah High School for this great project and the entire community, who was involved with it. It will provide a very good training basis for many of our local students who really want to get into those areas of agriculture and aquaculture.
I was also very pleased to be at another education opening in my electorate which was fantastic. It was to open the multipurpose centre at Xavier Catholic College at Skennars Head. The federal Labor government contributed $2 million for this project.

Finally, I was very excited to open, with the Deputy Prime Minister, the world's first surfing centre of excellence at Casuarina on the Tweed Coast. The federal Labor government delivered $2 million for this outstanding project. This centre of excellence has state-of-the-art educational facilities and equipment, and accommodation, and is a mentoring facility for young surfers who excel in that sport. It was great to talk to some world champion surfers there on the day, particularly Layne Beachley, Mark Richards and Wayne 'Rabbit' Bartholomew to hear about how committed they are to this surfing centre of excellence. There were some young surfers there who were training, and Layne Beachley told us about the courses she had been taking as well. So congratulations to everyone involved with that project—a world first, and delivered for the Tweed Coast with the assistance of the federal Labor government.

The DEPUTY SPEAKER (Hon. BC Scott): Order! In accordance with standing order 193 the time for members' constituency statements has concluded.

BILLS

Appropriation Bill (No. 1) 2012-2013

Consideration in Detail

Debate resumed.

Broadband, Communications and the Digital Economy Portfolio

Proposed expenditure, $1,820,925,000.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (16:31): Through the 2012-13 appropriation bills the government will provide the Broadband, Communications and the Digital Economy portfolio with $6.7 billion to deliver its priorities. This includes $5.3 billion directly to the Department of Broadband, Communications and the Digital Economy to deliver its priorities, of which $4.8 billion is an equity injection to the NBN Co in 2012-13. It also includes $1.2 billion for the ABC, $250.4 million to the SBS, $108 million to the Australian Communications and Media Authority and $50 million to the Telecommunications Universal Service Management Agency, TUSMA.

The government is providing over $385 million in new funding to the portfolio for a range of measures over the period 2011-12 to 2015-16. This includes $143.2 million over five years to assist free-to-air television broadcasters to relocate their digital television services where necessary, and to support the restack which will enable the digital dividend spectrum to be freed up to deliver next-generation communications. It also includes $158.1 million over five years to the SBS to ensure it remains a vibrant and dynamic broadcaster and continues to provide comprehensive and innovative television, radio and online services, including high-quality programming in their new media landscape.

This is something I am particularly proud of. SBS deliver vital services in our multicultural community and I think it is an important national asset which I know has enjoyed bipartisan support. I think this is a vital improvement—

Wyatt Roy interjecting—
Mr ALBANESE: 'Rubbish,' says one of the coalition members opposite—the member for Longman.

Wyatt Roy: I said, 'We established it.'

Mr ALBANESE: I try to be bipartisan, but sometimes you cannot help people. It is a vital improvement. The funding will also establish a free-to-air national Indigenous television channel in the second half of 2012, to be available through the full reach of SBS's terrestrial network and on the Viewer Access Satellite Television Service. It also provides $53.5 million over four years to the department and the ABC to assist free to air broadcasters to relocate part of their electronic news gathering functions to alternate radio frequency spectrum, to free up spectrum for next generation communications. The budget also includes a six-month extension and a 50 per cent rebate of the broadcast licence fee for the first half of 2012. This will enable the commercial free to air broadcasters to continue to produce and screen Australian content and allow time for the government to consider the recommendations made by the convergence review.

Importantly, the budget provides for $20.1 billion in equity funding to the NBN Co. over the period 2012-13 to 2015-16. The government's investment in the NBN will provide enormous economic and social benefits. The NBN will transform competition in the telecommunications market, delivering lower prices and better services. It will boost Australia's productivity and generate significant employment. It will drive growth in our regions and overcome the tyranny of distance, including by transforming health and education services in regional Australia. Our funding, announced in the 2012-13 budget, for the department, the ABC, the SBS, the ACMA and TUSMA will encourage a vibrant, sustainable and internationally competitive digital economy in Australia. I commend the appropriation to the House.

Mr TURNBULL (Wentworth) (16:36): On Friday, the NBN Co. uploaded a detailed rollout schedule which includes 'the date that NBN Co. expects to be ready to connect end users from access seekers within this rollout region'. Although we note the schedule acknowledges the rollout plan to reflect NBN Co.'s position as at 15 June 2012 and according to the NBN Co. should not be relied upon as representing NBN Co.'s final position on this subject matter except as stated otherwise, there is at least a 12-month timeline from the state of construction to completion of the network in specific areas, so commonsense indicates the numbers are unlikely to be revised upwards. Those numbers state that the NBN Co. will be able to get to 236,900 brownfields households by June 2013 and 20,995 greenfields households. On our calculation, that comes to a total of 257,895 households passed as of May. Again, on our calculation, that comes to 276,095 premises passed by June 2013. I ask the minister if that is accurate.

Mrs D'ATH (Petrie) (16:38): I rise to raise with the minister representing the Minister for Broadband, Communication and the Digital Economy issues in relation to infrastructure and particularly the NBN. Last night I spoke in the chamber about the importance of investing in infrastructure in communities like mine across the country and, importantly, the investment of the National Broadband Network. I talked about other important initiatives which of course the minister in his own portfolio is well aware of, such as the Moreton Bay rail link, the causeway project which we just announced with the Regional Development Authority and the new North Lakes Youth Space, but I also talked about the announcement of the National
Broadband Network and that last year we saw the commencement of the rollout for the National Broadband Network in areas such as Aspley which covers the electorate of Lilley and also Petrie. Just earlier this year we heard the announcement of the three-year plan which included suburbs of Aspley, Bridgeman Downs, Carseldine, Fitzgibbon, Griffin, Mango Hill and North Lakes in my electorate and also other suburbs in the outer northern area which I understand also fall within the electorates of Dickson and Longman. This announcement of the three-year rollout plan includes particularly areas like North Lakes. It is a new estate, it is only 10 years old, and it has still got about four to five years of development ahead of it. It has got a lot of black spots even though it is a new development and there is a desperate need for fast broadband, in fact any broadband, in this area. I am interested to hear from the minister what benefit he thinks there is for my community, not just a lot of the new households in the area but benefits to the community for business, for health and for education. For example, the new Metro North Brisbane Medicare Local has just established its office at North Lakes and is promoting e-health, so I am very keen to hear from the minister what sort of benefits can flow in my electorate of Petrie in these areas as a consequence of the NBN rollout.

Mr LAURIE FERGUSON (Werriwa) (16:40): I want to briefly touch on the point raised by the minister some moments ago, which is the additional funding for SBS, a figure of $158 million over five years to ensure SBS remains a vibrant, dynamic national broadcaster. There is a group in the parliament around the member for Hindmarsh, and someone on the coalition side I apologise I do not recall, supportive of SBS. Recently we had the opportunity to hear a collection of directors, producers and performers, and one of the important points is the leading role that SBS plays in nurturing national talent, undertaking areas that are a bit critical, a bit questioning, a bit difficult that the commercial sector will not undertake. I am very pleased to see that this funding, which includes a move towards a free-to-air national Indigenous television channel, has been funded in this budget.

It is crucial that we maintain a very strong multicultural television sector and radio sector in this country. One of the developments in recent years has been the sophistication of some foreign productions in this country, some of which do not have the nuances of our culture. I have had the opportunity to see some productions from Iran, for instance, which one would say are very effective and really can make an impact. If you go into any household in suburban Sydney these days you will see a variety of overseas television networks broadcasting into people's living rooms. This can have on some occasions a very negative impact upon attitudes. It is 'all right' to have an attitude which puts people in a corner, marginalises them, alienates them and denigrates them as supposedly terrorists et cetera, but a really effective way of doing something about this is having a national broadcaster, and for that matter community television and community radio, in the ethnic sectors. These people are very much affected by the nuances of our culture. They understand the democracy of this country, its legal processes et cetera. I congratulate the government on this initiative.

It is important that people have a medium to preserve their culture, to know what is occurring in their homeland. On occasions we have some controversy about the partnerships that SBS has in regard to Vietnam. That was a good example where there was a significant controversy about utilising the Vietnam national broadcaster's actual feed. But broadly we have an institution which is respected internationally which is there to make sure that the nation-building process this country has accomplished through migration continues, that
people are bound together, respect national institutions and at the same time know about developments in their home country and can inform us about what is occurring there. There is also the ability to see cinema that is not mainstream which because of the market realities of American dominance of the industry does not gain much traction outside of a few cinemas in Melbourne and Sydney.

The member for Longman commented that the coalition established this body, and no-one disputes the historic role of the coalition with regard to multiculturalism and diversity. I heard the member for Wentworth last week very fulsome in regard to these measures at Sydney University. Despite what has occurred from some prime ministers, no matter what has occurred historically over the last few years, ministers preoccupied with the use of the word multiculturalism, changing the names of departments on occasion because they so abhor this title, broadly we know that there is support for initiatives such as this. As I say, I strongly commend the government making this initiative.

The other thing that is hitting SBS is a fall in advertising revenues of $19 million. There has been a global financial crisis. Some people do not seem to recognise that. They seem to think that government revenues are the same that they were and they do not see a need to protect jobs in this country, but SBS is one example of an impact of advertising revenue falls. I again congratulate the government on this initiative.

Mr Turnbull (Wentworth) (16:45): The minister nearly leapt to his feet so I hope he has got an answer to my question. I have a second question for him. Would the minister explain to us why the corporate plan that the government released for the NBN in December 2010 has been proved to be so terribly wrong? For instance, it is worth comparing the December 2010 forecasts with the current forecasts in two respects. I draw the minister's attention to this. The 2010 corporate plan at page 15 forecasts passing 950,000 brownfields households—that is, households in built-up areas—by June 2013. Including the latest figures from the third progress report with the latest roll-out schedule, on our calculation—and I asked the minister to confirm this earlier—we get 255,143 brownfields houses passed, or 26.9 per cent of the original forecast. I ask him whether that is correct?

The 2010 corporate plan at page 15 also forecast passing 319,000 greenfields households by June 2013. Including the latest figures from the third progress report with the roll-out schedule, we get 21,946 greenfields houses being passed by that date, or 6.9 per cent of the original forecast. I ask the minister whether it is in fact correct that the 2010 corporate plan is so far out, and out of date, that currently they are expecting by June 2013 to pass only 26.9 per cent of the brownfields households forecast in 2010, and a miserable 6.9 per cent of the greenfields households forecast?

Mr Albanese (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (16:47): I am pleased to respond, firstly, to the member for Petrie. I acknowledge that the member for Petrie is a big supporter of the NBN. I acknowledge also that fibre construction will start by 30 June 2015 for thousands of homes and businesses in the following suburbs: Aspley, Bridgeman Downs, Carseldine, Fitzgibbon, Dakabin, Griffin, Mango Hill and Northlakes. Construction work began in Aspley in November last year—we are already there—and the remaining suburbs listed should see the 12-month construction process starting within the next year. You can see on the ground in the electorate of Petrie the
government's commitment to the National Broadband Network that will indeed overcome the tyranny of distance.

With regard to the timing of rollouts, I had the honour to be with the Prime Minister and Minister Conroy at NICTA in Eveleigh—the old Eveleigh railway workshops in Sydney—when the NBN announced their rollout plan of three years for the National Broadband Network. When they did that there could be certainty that suburbs in my electorate, such as St Peters, would benefit from the National Broadband Network. I know that electorates right around the country are going to benefit, with suburbs, homes and businesses benefitting from what the National Broadband Network will provide.

I can also say as the transport minister that the NBN will make a big difference. NBN should be seen as a transport replacement vehicle because it will enable people to work from home. It will take pressure off urban congestion in our cities by allowing someone to operate a business just as effectively in Port Macquarie or Gympie or Dubbo as they would in the CBD of Sydney. That makes a big difference in the way that our economy functions and it will make a big difference particularly to those people who live in communities where they do not have access to the best technology at the moment.

The shadow minister asked about the corporate plan. He knows full well that the negotiations with Telstra took additional time to what was anticipated at the beginning of the process. That was in order to achieve an outcome—the structural separation of Telstra, which I remind the shadow minister that he said was vital, and I believe he knows it was—and dealing with these issues was absolutely in the national interest but could not be accomplished by the former government. The former government took what was a public sector company, turned it into a private monopoly and called it reform. That was the previous government's delivery on these issues. We are building a network, with competition on top of the network, to deliver world-class services for people regardless of where they live in a way that is affordable, in a way that will transform the Australian economy.

The shadow minister knows full well what the answer to his second question is. It took time for the ACCC to work through these issues, but that was so that it be got right. That certainly did occur. (Extension of time granted) Indeed, throughout the process there was considerable cynicism about whether it would be able to be achieved or not. At the moment the NBN's new corporate plan is being considered by the government and it will be released in a transparent way.

People can log on—people in Tasmania and other places where it is being rolled out already log on using the NBN—and get information now on the rollout of the NBN. One thing that we do know—I do not think the shadow minister is on board with this—is that if the opposition are elected they say that they will wreck the NBN. They will wreck this proposal that has such enormous support. The opposition want to rely on copper—

Mr Turnbull: Mr Deputy Speaker, I raise a point of order. The minister is just waffling. It is completely irrelevant. He has been asked a very specific question about some specific numbers and he is refusing, because he is not prepared to own up to what a colossal failure this project is.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Wentworth has made his point of order. The standing orders do not allow me to intervene on an answer. The standing
orders in this chamber are probably not working as well as perhaps was originally envisaged, but the standing orders do not allow me to judge whether a question is being answered or otherwise. I now call the Minister for Infrastructure and Transport.

Mr ALBANESE: How do you filibuster in your own time?

Mr Turnbull: Mr Deputy Speaker, I do apologise for raising the matter with you. I was attempting to appeal to the minister's sense of shame. I really thought the minister would be ashamed of his disgraceful evasion of the question. I do apologise for raising the matter.

The DEPUTY SPEAKER: The member for Wentworth has made his point. The Minister for Infrastructure and Transport has the call.

Mr ALBANESE: I am not surprised that the shadow minister is embarrassed, because we know he does not support his own party's policy. We know his heart is not in the brief he has been given of wrecking the National Broadband Network and going back to the old copper network of the past. Having had 19 failed plans themselves, they want to trash this government's innovative, visionary plan for the National Broadband Network, and that is why they are so negative. Wherever we go, they are negative about the rollout but at the same time they whinge if it is not rolled out in their electorate or if it is not done quickly enough. They cannot have it both ways. The truth is that this is—

Honourable members interjecting—

The DEPUTY SPEAKER: Order! The minister has the call and he will be relevant to the portfolio.

Mr ALBANESE: I am speaking about the National Broadband Network. I know they do not like to hear it, but I am speaking about the National Broadband Network and how effective it has been and how much support it has out there in the community, which is why those opposite, while complaining about it, say, 'You are not giving it to us quickly enough'. I am pointing out that contradiction, which has been added to today by the questions that have been put forward by the shadow minister.

The fact is we are being transparent. You have a three-year rollout that will be updated annually. In areas such as the Illawarra, one of the first communities in New South Wales to receive this technology, it is being received extremely well.

Mr CHEESEMAN (Corangamite) (16:57): I am pleased today to rise to speak about the Broadband, Communications and the Digital Economy portfolio. I particularly want to highlight the importance of the National Broadband Network to my electorate. People right across the nation, but particularly in Geelong and the Western District, fully appreciate the importance of having a high-speed national broadband network. The reality is that when the Labor government was first elected to government there were telecommunications black holes right throughout this nation. The National Broadband Network is our policy response to those telecommunications black spots. Indeed, time and time again, small businesses come and see me and want to know more about the National Broadband Network. They recognise that the old copper network is no longer able to provide the telecommunications needed to sustain their businesses.

I was very pleased that last week I was able to announce that some of the Colac Otway shire will be receiving some of the fixed wireless network in 2014. The Colac Otway shire has the Great Ocean Road and the Otways, which are very important to the economy. For
decades, those communities have constantly been requesting access to high-speed networks to enable them to compete on the world stage, particularly in tourism. I look forward to working closely with the ministers in this portfolio area and to continue to talk to them.

I also want to particularly talk about the digital switchover, which is a very important reform that will provide Australians with new technologies to be able to watch TV. It is fantastic to be able to see many regional Australians being able to have access to multiple channels and to be able to see them on their high-definition TVs. The reality is that without government investment in this area the digital switchover would not take place. I am very pleased that we are working in this particular area.

In the short time I have left, I say that there is no doubt that telecommunications is a critical issue to my electorate. It is important that we are able to give regional Victorians the same opportunity as those in the cities. It is important that we put in place a program to enable people to watch digital TV in their homes and to have a diversity of TV opportunities. I want to commend the government for the efforts that the ministers have been putting into not only delivering the National Broadband Network but also the critical nature of making sure that we meet the digital switchover, which we will do.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:02): I wish to respond quickly on digital switchover so that it does get some recognition as part of this process. I can inform the member that more than 1.6 million households have made the switch to digital only TV. Over 550,000 households across southern New South Wales and the ACT and the MIA successfully switched to digital only free-to-air TV on 5 June 2012. Following the success of Mildura, regional South Australia, regional Victoria and regional Queensland, southern New South Wales and the ACT became the fifth and largest region to switch to digital only free-to-air TV on 5 June. I remember the member for Mallee raising issues in this chamber either last year or the year before about these very matters. This has been an extremely successful program which means that people who live in regional communities can have the same access as people who live in our cities.

I see the member for Corangamite here. I am very familiar with his electorate, which has urban communities around the Geelong area but also rural communities. It is a very large electorate compared with those of the member for Grayndler and the member for Wentworth, and it is great that whether you live in Colac or around the Great Ocean Road in those fantastic communities or in Geelong you will have access which is the same. That is part of this government's legacy, the way we are delivering for people in regional Australia. I commend the work that the minister and the department have done and indeed the communities have done themselves in ensuring that this has been such a success.

Mr VAN MANEN (Forde) (17:04): I thank the minister for this opportunity. It is wonderful to hear him wax lyrical about everyone that is getting the NBN rollout in the next three years, but unfortunately Forde misses out.

Mr Husic: Oh!

Mr VAN MANEN: Given the concerns raised by constituents about services that Telstra is providing, the question then becomes: what pressure is being put on Telstra to mainstream and continue to upgrade its services so that our constituents can get good telephony and broadband services in the community until such time—
Mr Husic: All will be revealed.

The DEPUTY SPEAKER (Ms Grierson): Order! Members should direct their remarks through the chair.

Mr VAN MANEN: They have been told by Telstra that they are not upgrading exchanges or doing any other works because the NBN is coming out at some point down the track. That is impacting the provision of services today. I have even got a letter here from a constituent about a complaint that he has been trying to get fixed with Telstra for 18 months, but he has not got anywhere with it. My question is: what is being done to ensure that services continue to be supported whilst we are waiting to roll out three years down the track? Further, I have had a representation from a local broadband business that has been shut out of the NBN work. They are quite capable of providing the work required for the NBN but they are being excluded from any work opportunities in the tender.

Mr HUSIC (Chifley—Government Whip) (17:06): The minister has probably known me for 20 years or so and knows I have never been shy of—

Mr Albanese: Too long.

Mr HUSIC: Yes, too long indeed—more for me than you!—but I have never been shy in stepping forward where I believe there is something wrong and it needs to be fixed up. In my local area, I have stood up for suburbs that had been perennial broadband black spots because I have been concerned that they have not been getting serviced more quickly, particularly in terms of the NBN. I am glad that, as a result of negotiations and representations on this matter, Woodcroft and Doonside in my area are going to be included in the construction rollout and should see the NBN reach them next year.

To the member for Forde I might add that Telstra, in particular cases, is upgrading its local networks, particularly ADSL networks. It is basically bringing in what it calls a top hat service, which is expanding the capacity of local cabinets that contain ADSL to try and alleviate some of those problems. I refer specifically to the member's claim that Telstra is not, when it actual fact it is. Where the HFC network exists—unfortunately, not necessarily in the member's neck of the woods, but certainly in Melbourne and Sydney—it has opened up in the short term access to cable broadband while people are waiting for the HFC.

Unlike the member for Forde, who does recognise that households do want access to high-speed broadband, I am tired of hearing many of those opposite rail against our investment in the total renewal of our broadband infrastructure in this country. They rail against it. They claim it is wasteful. They claim it should not be done. They claim they should still rely on copper when, hands down, fibre is the best way to deliver that signal. I would like to see a list of every single coalition member who has argued against the NBN. They should tell their local communities that they believe the NBN should not come their way, even though they are on the construction timetable. I would like, for example, for that investment to be reprioritised from those electorates where their local members say the NBN should not be rolled out to other communities—for example, the member for Forde's community or areas where government MPs have been calling for greater broadband investment.

If those opposite argue that the NBN is wasteful, they should tell their communities that they do not want to see an investment in technological infrastructure in your area and let us reprioritise that investment to areas that want it. Everyone knows that the internet itself is
providing huge economic value to this country. Deloitte Access Economics reported that it could add up to $70 billion to the total of economic growth in this country as a result of that investment. It pointed to $26 billion in productivity improvements for business and government as a result of the rollout. That valuable report was derided, I might add, by the shadow minister for communications, who thought it was a self-serving report—and I am happy to stand corrected here if the shadow minister thinks that I am verballing him. Why one sector of the economy should not protect and advance its own interests, namely Google talking about the value of the NBN through the—

Mr TURNBULL (Wentworth) (17:10): It was definitely self-serving, that is right!

Mr HUSIC: Yes, that is right—you quote Deloitte reports when it suits you.

The DEPUTY SPEAKER (Ms Grierson) (17:10): Order! Member for Wentworth!

Mr HUSIC: Look at the economic value that the internet brings to this country. On top of that add the Digital Economy Strategy that the government has put out that seeks to have us in the top five of digital economies in the world. There is huge investment that can be made off it. The NBN will be a huge driver of productivity in this country. If those opposite do not want it, why can't we reprioritise the rollout plans to ensure that the people who do want it, coalition members included, get it quicker than those who are saying to their communities that they do not deserve it?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:11): To the member for Forde, there is no commercial basis for Telstra withholding services to areas that may not get the NBN until later in the rollout. There should certainly be enough time for Telstra to generate a return from investments in ADSL upgrades such as through top hats. This is occurring in a range of areas. I note the member for Forde's support for the NBN and his requests that it be rolled out in his electorate. I note the comments of the member for Chifley. The government's position is not the same as the member for Chifley's. The government's position is that people in communities should not suffer from the fact that they made mistakes when they elected a bad member! They should certainly not be punished and they should be entitled to services. If that were the case then there are some people, particularly in seats held by the National Party, who would get nothing across the board, given their extraordinary opposition to the NBN.

I note that in my portfolio of infrastructure and transport, I am continually hearing demands from National Party members, federal and state, in particular, but also from some Liberal Party members saying, 'You should take the money from the NBN and give it to build a road, a rail line or some other project.' There is a complete economic illiteracy about the difference between an investment that will bring a return to the government on a commercial basis—that is, the National Broadband Network—and the circumstances of a straight investment in a road project that will not deliver a return but is simply a cost to revenue.

With regard to the National Digital Economy Strategy raised by the member, I note that through the release of the National Digital Economy Strategy the government has set a bold vision for Australia to become a leading digital economy by 2020. The strategy sets out eight digital economy goals to help measure our progress towards this vision in key areas of focus. This digital economy will be underpinned by the NBN and will also provide opportunities to help this nation tackle those major policy challenges such as improving service delivery in
health and education, dealing with issues of our ageing population and promoting social inclusion, as well as delivering massive improvements in productivity through infrastructure projects. I have established in my portfolio an infrastructure program called Smart Managed Motorways. The Monash Freeway in Melbourne is an example of how you can get much better utilisation from infrastructure through the use of information technology providing real-time information to motorists and a steady stream in terms of flow of traffic and in terms of entry and exit points from that freeway. And we have through the managed motorways program, recognised by Infrastructure Australia as a priority project and funded in last year's budget. It is being rolled out on projects around the country, including the M4 through to the Great Western Highway in Sydney, the Gateway Motorway project in Queensland and Westgate in Melbourne. You have real benefits being delivered.

That is one of the things about the use of better technology. By using better technology and working smarter you can improve productivity and get much better outcomes. It is cost effective to use world's best technology, and whether it be through the major projects or through the flourishing that we are seeing through small businesses establishing themselves as global businesses, working out of someone's lounge room with nothing but a computer, that possibility is endless. For too long we have suffered from the tyranny of distance from each other and from the world. The National Broadband Network is the key delivery mechanism to overcome that and to improve our national economic performance. (Time expired)

Mr TURNBULL (Wentworth) (17:16): Nothing better underlines the obfuscation and lack of accountability of the government when it comes to the NBN than the minister's persistent failure today to answer some very straightforward questions about the rollout schedule for the NBN.

Mr Albanese: I answered them!

Mr TURNBULL: The minister says he answered them. He has given no answer. The question is, is it a fact that the NBN as of June 2013 will pass only 255,143 houses in brownfield areas, or 26.9 per cent of that forecast in 2010? And is it a fact that it will pass only 21,946 greenfield houses, or only 6.9 per cent of that forecast to be passed by June 2013 in 2010?

The minister, if he deigns to answer that question instead of giving us a long turgid fluff and flannel about the joys of the NBN Co. He talks about—

Mr Albanese: You might learn something!

Mr TURNBULL: while he is trying to talk over the top of me—Mr Quigley's excuse that the Telstra deal held up the rollout of the NBN. While the minister is reflecting on that nonsense, he might have regard to the fact that the definitive agreement signed between NBN and Telstra in June 2011 included, and I quote:

… various interim arrangements to enable NBN Co to obtain immediate access to Telstra infrastructure before the other Definitive Agreements become binding.

The NBN Co. has had access to Telstra's infrastructure pursuant to that agreement for a year now. The excuse that it was all the Telstra deal that caused this shocking failure to meet their targets is just not made out.

But I have one question that this minister may deign to answer, having refused to answer the others. I ask him whether the NBN has targeted geographic locations for its advertising
campaign where the NBN will actually be rolled out in stage 1? And if not, why not? I note that recently on page 4 of the Home Hill Observer of 4 April, 2012, there was an advertisement for the NBN which said, 'Stage 1: To see if you are one of the first, visit nbnco.com.au'. I ask the minister, does he think the NBN Co. might have made the job easier for the residents of Home Hill in Queensland, and easier on the taxpayers of Australia, if it either had not advertised in the Home Hill Observer, or told them straight up that they will not even be in stage 1 of the rollout? Is it not the fact, minister, that these advertisements have been run willy-nilly across the country to create the misleading impression that the NBN Co. is being rolled out in many areas where it is simply not even on the government's plans intended to be rolled out over the next three years? Work will not even commence in Home Hill in the first stage.

But there is an ad. So of course, in the lead-up to the next election, the residents of Home Hill will read their newspaper and they will assume—unless they actually go onto the website—that the NBN is coming. But it is not. But the NBN is advertising. They are using taxpayers' money to mislead Australians about this incompetently managed project.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:20): The shadow minister might or might not be aware that, in regard to the questions and issues that he raised, fixed wireless and satellite services will be rolled out around the country. He might not also be aware, but I think he probably does know, to be fair, that the ACCC process about Telstra with regard to access to sites meant that NBN had access to 100 sites. That is why those sites and projects are being rolled out now. They did not have full access until that occurred. He knows that that is the case. He pretends he does not, but he does know. The opposition are being completely disingenuous about that because they want it to fail. The fact is that this has been an extremely successful program. The fact is that members of the shadow minister's own party have come in here and asked for access, such as the member for Forde. They know that it in fact will be a success.

The shadow minister says that he has an alternative policy to the National Broadband Network. Where is it? There is no policy document. There is no shadow cabinet decision. There is no funding commitment. There is just his leader saying he will scrap it and use the savings elsewhere, even though we know that there are not actually any savings. That is why he is not the shadow Treasurer or the shadow finance minister, because the opposition have an absolute allergy when it comes to getting anywhere near any economic competence. They fear it.

But the final comment of the shadow minister also cannot be allowed to go unaddressed. For the shadow minister to talk about advertising of programs is quite breathtaking, when what we saw from the former government during the Work Choices campaign was completely misleading advertising—the ads, the mouse pads and everything else, whilst people were being done over in the workplace. That was what we saw from the opposition. Indeed, when the shadow minister was a minister we saw a fair bit of advertising about water and the environment, but they did not have a policy to do anything about climate change, but they had advertising. That is all they had—just advertising; they did not have a policy. When they knocked off the shadow minister as the Leader of the Liberal Party, they said that climate change is crap. Then the sceptics took over the show. But before then, they did not mind doing the odd advertising campaign. If they had spent as much on environmental programs
and on programs on water as they spent on advertising then we would have actually had some progress under the former government. But they did not. It is a bit rich for the member for Wentworth to come in here and complain about expenditure on government advertising, when the National Broadband Network advertising is quite rightly informing communities about the opportunities that the National Broadband Network will bring.

Mr HUSIC (Chifley—Government Whip) (17:24): A number of things have been said today by people who are already in possession of the information, they already know the detail, yet they seek to come in here and effectively reinvent history. Obviously, from time to time I get that that is the case in politics—no big shock. But the shadow minister definitely knows about the time that was required for NBN and Telstra to negotiate and the undertakings and the deal that was done there. On top of that we had the other issue of the ACCC moving to increase the number of points of interconnect in this country, not just from the five that were proposed but to over 120 points of interconnect, which required a massive reorganisation of plans that changed the nature of corporate plans as they were once presented to where they are now and needed to be accommodating of that.

It is easy to try and score the cheap political point here today—to try to go back in time, pick at a corporate plan at one point, ignore a ruling by the ACCC at the other and then get your bingo moment that might try and make a media release a bit more saucy now but will not necessarily reflect the reality as it had rolled out over the course of the last few years. On top of this, in terms of having a start up—which in effect is what NBN Co. is—we have had those opposite try and point out that NBN Co. is not rolling out to as many places as it should, even though we are now investing massively in renewing our broadband infrastructure in this country—

Mr Chester interjecting—

Mr HUSIC: Yes, exactly, member for Gippsland, I do not know if you do not like—

Mr Albanese: He never says no to anything!

Mr HUSIC: He doesn't? I do not know if he has taken a position of opposition to the NBN. If he has, we are more than happy to reprioritise investment away. But the other thing is that I have noted a number of times, Minister—and I would actually like you to address this, if you could—that those opposite have claimed that the treatment of the equity injection that you referred to at the start of this session should be expensed on the budget. That is what they have said. They have said that they should do something that they did not do when they were in government that we do not do now. They are saying that when it comes to the NBN it should be expensed in the budget. They said, for example, that we have fudged the books because we do not do this. I would not mind knowing, in the time remaining, when it comes to the expensing of the NBN, why have we not done it in the way that the opposition has proposed, and why are we not expensing in the way that they are suggesting?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:27): I thank the member for Chifley for his contribution and his ongoing role as an advocate of the NBN. Consistent with the government's objective that NBN Co. operates commercially, the ABS has classified NBN Co. as a public non-financial corporation. It is therefore disclosing exactly the same way as a company such as Australia Post, which is also a PNFC. The accounting for NBN Co. as an equity investment is as
prescribed in both of the accounting systems that are used in the budget: government finance statistics and Australian accounting standards. These standards, importantly, are both set independently, at arm's length from the government. As indicated at paragraph 4.38 of System of National Accounts 2008, to operate as a PNFC, NBN Co. must fulfil a number of criteria. One is that it has got to be capable of generating profit or other financial gain for its owners. Secondly, it must be recognised at law as a separate legal entity from its owners, who enjoy a limited liability. Thirdly, it must be set up for purposes of engaging in market production. It fulfils each of those criteria.

We know that NBN was the policy of this government after 19 failed attempts from the former government to do something to progress the issue of modern telecommunications to bring Australia into the 21st century. They tried 19 times and they failed 19 times. This government was determined to deliver Australia into the 21st century for all the benefits that it brings. We still hear talk about watching movies—as if that is what the NBN is about—from some of those opposite. It is as if they do not understand that the NBN will transform the way that services such as education and health care are delivered in this country and that it will overcome the tyranny of distance that occurs in a country such as Australia, a vast island continent where we are separated from each other, and allow us to compete in the fastest growing region of the world. So we make absolutely no apology for the fact that we are delivering world's best practice—a commitment that will bring such benefit not just to our economy but also to our society. The NBN is also a vehicle to achieve equity because it allows people to have access to information in real time. It allows the small business person in Blacktown or Mount Druitt to compete with the big end of town through access to this technology. That is why it is important.

It is absolutely extraordinary that those opposite are determined to tear it down, scrap it and use non-existent savings for other projects. Of course, their fiscal position simply does not add up. They start with a $70 billion black hole and we know that it gets worse. As I go around the country I have noticed that all the commitments they have made to build roads, to build rail lines or to build ports simply do not add up because they do not have the funding available to them. Well, they will be caught out because they will be held to account. That might bring some pleasure to some—

Mr Turnbull: Could not hold you to account. You would not answer a question—

Mr ALBANESE: on that side of the chamber because the member for Wentworth knows deep down—he is a supporter of the NBN; we are in on the joke—that this is better than any of the failed attempts of the government that he was a part of was able to achieve in 19 separate attempts. I will leave my comments there. I thank very much those members who have made such constructive contributions to the debate on this budget—

Opposition members interjecting—

Mr ALBANESE: and indeed I thank the member for Forde, for example, for his acknowledgement that the National Broadband Network is so important. He has demanded it go to his electorate. (Time expired)

Proposed expenditure agreed to.
Dr SOUTHCOTT (Boothby) (17:32): I would like to ask the minister for health several questions on the GP Super Clinics Program. I would like the minister to explain, firstly, where the $44 million of uncommitted funding within the GP Super Clinics Program was found. I would also like the minister to explain why the government has bailed out the Mount Isa GP superclinic for $2.5 million, the Redcliffe GP superclinic for $5 million and then a further $2.5 million, and has provided additional money to the Wallan and Ballan GP superclinics. Given that there was $44 million in the GP Super Clinics Program that could be removed, why did the government decide not to give the Sorell GP superclinic the $1.2 million extra funding they were asking for to ensure that this GP superclinic went ahead? I would like the minister to address whether she thinks the waste of $500,000 on the scrapped, failed, GP superclinic at Sorell represents value for taxpayers money. Would it not have been more prudent to have provided the additional $1.2 million that the Sorell superclinic was asking for than to waste $500,000 completely? I would like the minister to address whether the outstanding $570,000 has been returned to the Commonwealth. I ask the minister if she can confirm that the department actually has no system to process the refund, as has been stated in the media, and I ask the minister whether she thinks that replacing the walls between doctors' treatment rooms with curtains would have provided suitable privacy and treatment spaces for patients seen at the Sorell GP superclinic?

If she thinks that this is not appropriate, is the minister concerned that this was an instruction from her department to the Sorell GP superclinic architect to save costs?

Ms PLIBERSEK (Sydney—Minister for Health) (17:35): I want to make a few general comments about the GP superclinics to begin with. I think it is important to say that 38 out of the over 60 GP superclinics are either open and delivering early services or under construction at the moment, and 1½ million services have been provided through GP superclinics that are in their early stages. I will turn in a moment to the specific questions that the shadow parliamentary secretary has asked. And I do commend him for coming and using this opportunity to question. I know he has a very genuine commitment to health service delivery, and it is wonderful to see him here. I also want to let the shadow parliamentary secretary know that, if he has questions on Indigenous health, we will be losing the more appropriate responder to those questions at a quarter past six, so he might want to re-order any questions to ask them before then.

In relation to GP superclinics, the $44 million saving from the GP Super Clinics Program was from uncommitted funds that were intended for a range of development and reporting activities and will not affect the operation of any of the GP superclinics that are already operating or have been committed to in the future. He has asked about Wallan and Ballan. Some of the funding that I think you are indicating actually came from the Health and Hospitals Fund.

The Ballan GP superclinic, which I went to with the shadow parliamentary secretary, who is here at the moment, is an absolutely magnificent facility in a beautiful old home that used to belong to the hospital administrator in the town of Ballan. They have managed, through the Health and Hospitals Fund, to get funding for a second stage of the development of that excellent facility, which will include things like a hydrotherapy pool as well as the GP
services and allied health services that are already being provided there. Not only is the GP superclinic a fantastic addition to the health services of that town and that region, but it has also boosted the whole economic activity in that town as well, as people no longer bypass it to travel to Ballarat or into Melbourne to get their health services.

The shadow parliamentary secretary asked about Sorell. The good news is that Sorell still will receive a new GP clinic. Brighton and Bridgewater will also receive upgraded facilities. The reason three sites will receive new or upgraded facilities instead of one location in Sorell is that the project proposed for Sorell was not one that stacked up at the end. I was disappointed to see the newspaper reports that the shadow parliamentary secretary was referring to, and I assured myself that it was not the case that that potential operator in Sorell was unable to repay any money that was unexpended. That report was not correct; it confused two items of funding.

Further on the GP superclinics, I think it is very important to note that the GP superclinics have been terrifically popular with members on both sides of the parliament. Obviously my Labor colleagues have been very grateful for the investments in their electorates, but I noticed also that the member for Parkes—

Dr Southcott: I make a brief intervention. Does the minister believe that the waste of $500,000, which is sunk in the Sorell GP superclinic, is good value for taxpayers' money?

The DEPUTY SPEAKER (Ms Grierson): I think the minister was completing her answer, and I think she should be allowed to do that, unless the minister wants to take an intervention. Are you wishing to take an intervention?

Ms PLIBERSEK: No, I will just keep answering the question. Thanks very much. The member for Parkes said of the GP superclinic in Gunnedah, which used to be in his electorate: 'It was a long-held dream. It is an exciting model. It is co-located near the hospital. It will make doctors much more efficient. They will be able to walk in from the hospital back into the medical centre. It will be great for students and it will also help attract more medical professionals. It will be great for the people of Gunnedah—

Dr Southcott interjecting—

The DEPUTY SPEAKER: It is not the usual procedure in consideration in detail for the interventions to apply. You have an opportunity to ask the questions and the minister has an opportunity to reply to those questions. It is not usual practice that interventions are used to keep interrupting the minister. I ask you to resume your seat. Has the minister concluded? The time answering the questions has expired.

Ms VAMVAKINOU (Calwell) (17:40): I want to take the opportunity to ask the minister about the expansion of the bowel cancer program. Bowel cancer, as we all would be very much aware, kills some 4,000 Australians every year and it is one of those cancers that kills more people apart from lung cancer. It is a disease that is prevalent throughout the community and it is one where early detection is critical for long-term survival because it is one of those cancers that can be cured if diagnosed at very early stages. Australia has one of the highest rates of bowel cancer and the overall incidence is expected to increase with the ageing of our population. In my electorate of Calwell I have a very large ageing population which is why this issue is of such importance to me. It is an ageing population which is very multicultural in
nature. It is a community of diversity and first-generation migrants, who are now ageing. Health issues are becoming a major facet of their ageing years.

Bowel cancer generally is a great economic burden to the health system and therefore early detection and a possible cure is much healthier for the community and for the budget itself. The introduction of the national screening program to detect bowel cancer and its early signs was a 2004 election commitment of the Labor government and indeed the Liberal Party as well. Eight years later, the program has been successful. It was a program that was made available to people at the age of 50. I got my first bowel screening kit when I turned 50. I considered it to be a birthday present from the Commonwealth government. I looked at it for some weeks and wondered what I should be doing with it and eventually summoned the courage to open it up and have a look at it. It took me a while to work it out, but eventually I submitted my tests only to find that I was caught up in that batch that was faulty and had to do it again. In any case, this little birthday present is extended to people when they turn 55 and 65. The reality is that there has been a long-term campaign from the community and from Cancer Australia to have that program expanded to be made available to people over 50 free of charge.

Minister, for the benefit of the many people in my electorate who wrote to me who were part of that campaign, I wanted to let the Federation Chamber know that those people found the program to be extremely valuable, useful and important—a life-saving device. But, as Maria Tatti from Roxburgh Park said, 'I would like to see this Australian government take bowel seriously and make a commitment in the next budget to make bowel cancer screening free for all Australians over 50.' She goes on to say that the government has a very real opportunity to prevent the deaths of hundreds of Australians every year if it commits to free bowel cancer screening. Diane, from Greenvale in my electorate, points out that more than 22,000 Australians have already asked the government to get behind the bowel screening campaign. These of course are letters that were sent to me in March of this year. Minister, can you please tell us: how will Australians benefit from the government's expansion of the National Bowel Cancer Screening Program?

Ms PLIBERSEK (Sydney—Minister for Health) (17:45): I thank the member for Calwell for her long-term commitment to the expansion of the Bowel Cancer Screening Program. I know that it is an issue that she is very passionate about. She has campaigned on it in her electorate and she has translated materials into community languages in her electorate. Even though my colleagues here were having a little giggle about your story of your 50th birthday, I think that the approach that you are taking in speaking openly about your experiences is so very important for community leaders. We will all get asked eventually whether we are prepared to put our money where our mouths are.

The 2012-13 budget locks in the government's support for an expanded Bowel Cancer Screening Program. From 1 July 2013 people who are turning 60 will join the program. From 1 July 2015 people turning 70 will be invited to participate. That means around five million Australians will be offered free screening over the next four years. We are moving to five-yearly screenings for the people in that target population group. That is almost $50 million extra investment—$49.7 million extra investment in the program over the next four years.

We have also locked in our commitment to moving progressively to two-yearly screening beyond that. We will implement the National Health and Medical Research Council
guidelines to implement biannual screening. Some people have asked why we cannot do it sooner. We do actually have capacity constraints. When people have something of concern that shows up in their testing, of course, they are often then referred for a colonoscopy. We need to be able to offer those procedures to the population. From 2017 invitations to undergo screening every two years will be progressively extended to all Australians between 50 and 74 years of age starting with 72-year-olds in 2017. Two-yearly screening, as I said, will bring us into line with recommendations from the National Health and Medical Research Council.

Phasing the implementation will ensure appropriate delivery mechanisms are in place and enable an adequate workforce to be built as demand for colonoscopies grow. The Cancer Council has described the bowel cancer screening plan as another milestone in this government's effort to reduce the impact of cancer. Bowel cancer is the second most common cause of cancer related deaths in Australia. Eighty people die of bowel cancer each week and the majority are aged over 50 years. As the member for Calwell said, 3,800 Australian die each year from bowel cancer. In 2000-2001, bowel cancer had the highest health system cost after non-melanoma skin cancer.

During phase two of this testing more than 1,100 suspected or confirmed cancers and more 3,300 pre-cancerous lesions were detected and removed from program participants. Almost 80 per cent of bowel cancers removed were in the two earliest stages of cancer spread. The most important thing to know about bowel cancer is that it is a type of cancer that it is very treatable if discovered early, which of course this screening program is all about. Early detection is the best way of fighting bowel cancer. The extension of the National Bowel Cancer Screening Program will save lives, and early detection of disease will significantly reduce the cost of treatment and the burden, of course, on patients themselves and on their families.

It is estimated that when biannual screening is fully implemented, approximately four million people will be screened and more than 12,000 suspected or confirmed cancers will be detected annually. This will potentially save or prevent 300 to 500 Australian deaths each year. As the program is expanded, the Commonwealth will seek to increase awareness of the potential benefits of early detection through screening and work to increase participation in the program. I have to congratulate the member for Calwell on the campaigning that she has done in her local electorate, including those translations into community languages of materials promoting the screening program. Of course, the government is currently working with our stakeholders to increase the participation rates, particularly in some groups in the community that are not returning the tests. They are being invited to participate and not returning the tests. That particularly applies to younger groups, Indigenous Australians and some people from non-English speaking backgrounds. Also, rural Australians have lower response rates than people living in urban areas. We need not just to offer the screening but to make sure that people are taking up the opportunity of the screening. Population screening is intended to detect cancer and precancerous lesions in asymptomatic people. That is why it is important to get those groups, even when they are not showing symptoms. (Time expired)

Mr LAMING (Bowman) (17:50): My question is to the Minister for Indigenous Health. I am talking about food security issues on the APY Lands in South Australia, and Mai Wiru Regional Stores Council in particular. Minister, could you just clarify with me whether you have made any representations to the minister in charge of family services for the future of
Mai Wiru? Could you confirm that in fact the news from News Limited papers today that there are no plans for future food security in the APY Lands after 30 June are correct, as has been stated? Have you made any personal representations to gain that certainty around food security issues? Can you explain the decision why there is no arrangement for future provision of community stores funding into the APY Lands from 30 June, familiarise yourself with exactly how much money is provided to Mai Wiru and also perform some level of cost-effective analysis of Mai Wiru's performance compared to Outback Stores in the Northern Territory?

Does the minister have some indication of how much money is unexpended within Outback Stores allocations—the two allocations that have been made since their establishment in 2005? Have you been prepared to extend that cost-effective analysis or even an open tender process for that provision of food security and funding to community stores in the APY area, given that Outback Stores focuses predominantly on the Northern Territory? Can you confirm that the view of the government is that there is unspent money with Outback Stores, and that one way to fund APY Stores is to cut off or terminate the funding to Mai Wiru? Finally, has your department facilitated any consultation with community leaders in the APY Lands on the health issues surrounding food security and the continuality of Mai Wiru? Has your department or yourself spoken to Nganampa Health Council, NPY Women's Council or APY Council?

Briefly, on another matter, the Gathering Place in western Melbourne have been seeking meetings with their local members, without success, to talk about issues relating to the future of the Gathering Place. I understand that as recently as today they have been attempting to meet with their local members on issues of the continuity of the Gathering Place. Would you be prepared to direct your local members in that area to meet with their constituents? They are the members for Maribyrnong, Lalor and Jagajaga?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (17:52): I am not responsible for local members, including the Prime Minister. She is able to make her own decisions. But if those people want to talk to me I am more than happy to talk to them—if you want to pass on to them to come and see me, that is not a problem.

Secondly, you have identified a couple of issues with Mai Wiru, none of which are my responsibility, which is a bit of an issue for us being to be able to respond to you in the way in which you require. I am very conscious of Mai Wiru circumstances, however. I was at Uluru a week ago, and I met with one of the staff members from Mai Wiru. We had a discussion about their current predicament. As a result of that discussion, we initiated some discussions with Minister Macklin's office. We are in discussion at the moment about the way forward.

I am very conscious of the role that Mai Wiru has played in the APY Lands. I am particularly conscious of the role that it had in educating people about food security, in particular about appropriate foods. You would be aware of Amata Store, where the store committee took a decision—which was I think probably not supported initially by the store manager—to remove all high-sugar content drinks off the shelf. That actually had the desired impact of taking quite a significant amount of sugar out of the diets of the local community.
Of course you are well aware as the shadow minister and as a medical practitioner of the issues to do with diabetes in that community. That was a very worthwhile thing to do.

The Department of Health of Ageing had previously been responsible for providing some resources to Mai Wiru. Our final engagement with that process was, I think, the last financial year when FaHCSIA took over that responsibility. As I said, can I assure the member that there are discussions going on at the moment with FaHCSIA to decide on the way forward to make sure we can do something for Mai Wiru. How that will pan out I am not in a position to say at this very moment, but I am very keen to try and accommodate the concerns and issues that are involved with Mai Wiru. You have identified food security as an issue of great importance, which it is. Outback Stores provide a service in the Northern Territory, not in South Australia. There has been some talk about Mai Wiru transferring into Outback Stores. Mai Wiru have taken the decision that they do not want to do that. They want to remain independent and they have every right to do that. We need to have a discussion with them about the way forward and we will do that. So it is right on the radar.

Mr SYMON (Deakin) (17:55): My question is to the Minister for Mental Health and Ageing in relation to the reforms in the Living Longer Living Better package that I understand provides $3.7 billion over five years for aged care. It is a 10-year program that creates a system which provides older Australians with more choice, control and easier access to a full range of services where they want it and when they need it. I certainly welcome the fact the reforms give priority to providing more support and care in the home, and that is particularly relevant for my electorate of Deakin which has a very high proportion of older residents. A quick look at the roll as to how many are over the age of 65 shows there are over 22,000. Of course that does not count those who are not on the roll, but it is a very high percentage to have in an electorate. It certainly shows because when I get around the electorate and talk to people I see that we do have a high percentage of older people. Many of these people will either be receiving care and support or thinking about how they will manage it in the future. Deakin in particular has many suburbs in it where a lot of people moved into the electorate, sometimes 50 or 60 years ago, and have lived their whole adult life in the same house and actually never left. It is pretty renowned for that, especially parts of Ringwood East, and even parts of Blackburn.

Increasing funding for home and community care, I am sure, will go a long way to helping match the huge demand that exists for these services. My area—and I know many other areas—are only going to grow in the future, so I welcome the recent round of home and community care funding which was announced on 8 June to expand the number of local places available. This provides older people living in the community with better access to a range of domestic assistance, personal care, social support and respite, and provides help for them to maybe not have to move so soon into residential care. I understand across Victoria that HACC services were boosted by an additional $21.9 million with the latest round of funding. From that, organisations in the electorate of Deakin have received $632,000 in additional funding for HACC services under this round. I know that these funds are going to be used to help keep people in their homes for longer.

I also understand this funding is on top of funding currently in the area and included funds for a number of capital grants. Whilst there are many programs that provide a range of support services in the home, at the moment these programs are often fragmented and
inconsistent, leaving older people and their families confused and not always being treated fairly as their needs change. For some time now there has been a demand for more community care options in my electorate. As I have said, it is a demand that cannot be totally satisfied by the new and welcome investments and increased HACC funding.

Minister, I understand that as part of the Living Longer Living Better aged-care reform, $75.3 million has been invested to establish a new Commonwealth home support program which will bring together existing basic home support services. I also understand that a further $880 million has been provided to increase the number of home care packages across the country by nearly $40,000 to around $100,000. The Living Longer Living Better package would seem to provide an opportunity to many of my senior constituents who wish to live for longer in their own homes. As I said, I have a great number across the electorate, and it is quite similar for that part of Melbourne as well. So obviously that demographic does not stop at the boundaries of the electorate of Deakin. Can the minister please outline the timetable for the improvements contained in this much needed reform?

Mr BUTLER (Port Adelaide—Minister for Social Inclusion, Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform) (17:59): I thank the member for Gippsland for his interest in this question. I thank the member for Deakin for his advocacy for better aged-care services across the country, but particularly in relation to his electorate. He has outlined the importance of that just in demographic terms to the Federation Chamber. The Prime Minister made a commitment before the last election that aged-care reform would be a priority for this term of government, and this budget delivers on that commitment. That commitment by the Prime Minister does not deny the quality of aged-care services and the contribution that our aged-care system has made to the wellbeing of older Australians for many years. We are proud, and should be proud, of the aged-care system that we work with now and have worked with since the mid-1980s, because it has served this country well. It was largely put in place in the mid-1980s by the Hawke government and it was built around the idea of residential care, or nursing homes and hostels then. It was the Keating government that started the system of Community Aged Care Packages, as they are called at the moment.

The Howard government, when the member for Mackellar was the Minister for Aged Care, extended the in-home care system to a high-care system with the introduction of EACH packages. This is a system that has evolved over time, but it seems that, from feedback I receive from the sector—from aged-care providers, consumer groups and, most importantly, from older Australians themselves—it is one that is not serving the needs and preferences of older Australians as well as it should.

After we asked for an inquiry by the Productivity Commission into Australia’s aged-care sector, the report on which was received mid last year, I conducted a series of conversations across the country in capital cities and regional areas—including the parliamentary secretary's electorate in Ballarat, among many others—to hear from older Australians about their expectations of and their experiences with aged care. If there was one message that was repeated in every single conversation, it was that older Australians want a system that supports them to stay in their own homes for as long as possible and if possible, for the whole of their lives. The system we currently work with just does not do that sufficiently. So the central theme of the Living Longer Living Better package is to expand opportunities, expand
support systems for people in their retirement, in their older age, to enable them to stay at home for as long as possible and—as I said—if possible, for the whole of their lives.

As the member for Deakin outlined, there is significant reform proposed for the Home and Community Care Program. Some of that extends from the National Health Reform Agreement, where all the states, except for Victoria and Western Australia, agreed essentially to hand over control of the HACC Program to the Commonwealth for people over the age of 65, and which will be consummated, I guess, in its entirety from 1 July this year. We will be consolidating the HACC Program, along with the National Respite for Carers Program, the Day Therapy Centre Program and others, to form a new home support program that will be flexible, will involve a review of service type for the first time since the mid-1980s and, importantly, will be grown in the forward estimates by six per cent in real terms to ensure that an expansion of these services tracks the expansion in demand that goes with the ageing of the population.

The member for Deakin also talked about home care packages or what we have previously called Community Aged Care Packages and EACH packages. Again, there is a substantial expansion of those packages in this policy, to the tune of around 40,000 additional packages over the coming five years—an expansion by about two-thirds on top of the existing supply, or an expansion of about 110 per cent since we came to government. Not only are we expanding the numbers; we are also introducing two new levels of package. There is one to reflect the fact, as outlined by the Productivity Commission, that the gap between the Community Aged Care Package and the EACH package is too significant and there needs to be a package in between; and there is a lower-level package to smooth the path from the home support program into more complex community care. We have also taken up the learnings from the consumer directed care pilot that was conducted over the last 12 or 18 months, and all new packages from next year and all existing packages from about July 2015 will be transitioned to a consumer directed care model. So there are substantial reforms in the package, particularly for those older Australians who want more options to stay at home for longer.

Mr DUTTON (Dickson) (18:04): My questions are to the Minister for Health. Has any component of the government's $325 million Tasmanian package been previously announced or formed part of any other package or program? Can the minister explain, in relation to the Tasmanian bailout, why the National Health Reform Agreement signed only in August 2011 has been deficient in providing for the Tasmanian health system? Why is there nothing in the health reform agreement which would prevent a jurisdiction withdrawing funding from frontline services sometime in the future? Can the minister please explain why a further $36.8 million was required to be allocated to the rollout of the personally controlled electronic health record system in Tasmania? How will $24 million over four years be used to 'support innovation in clinical services'? What will be the employment arrangements for doctors at the walk-in clinics in Hobart and Launceston? Other than Medicare, how will the funding work, and how will the arrangements otherwise financially operate for these walk-in clinics?

Ms PLIBERSEK (Sydney—Minister for Health) (18:05): I thank the shadow minister for his questions because I am very proud of this $325 million package for Tasmania. The Tasmanian health system has been in trouble for some time. They removed funding in their last budget and they continued that reduced funding in their most recent budget. That has had
a serious impact on patients in Tasmania, particularly in the area of elective surgery. My Labor colleagues and the Independent member for Denison were very clear with me that they felt there was a role for the Commonwealth to play in the Tasmanian health system for these reasons.

Tasmania is a state which has had some budget problems recently. It is also a state that has an older than the national average population, and it has a faster ageing population than the national average. It also has a higher burden of chronic disease than the national average. You see more incidence of diabetes, for example, and obesity related illnesses. The indicators for those illnesses are also higher than the national average. You see more smoking, higher rates of alcohol consumption, greater rates of poverty and social exclusion, which are also linked to reduced health outcomes, and of course higher unemployment than in many other parts of Australia. The preconditions in the Tasmanian health system were ones that concerned me and the reduced funding from the Tasmanian government is, as I have said in the other chamber in the past, something that I have been very concerned about.

At the end of the day it is the welfare of Tasmanian patients that should concern all of us and this $325 million package is designed to improve the welfare and services available to Tasmanian patients. The package has a number of elements to it and the shadow minister has asked about a couple of them in particular. He has asked about the e-health funding. This funding is not specifically for the rollout of the personally controlled e-health record system in the way that he is suggesting. This is an opportunity to test in a closed system the way that we can better use personally controlled e-health records, so that we actually have in a state system the future functionality that we hope for in the national system. Some of the features of the personally controlled e-health record that will make it very valuable to clinicians over time include things like the ability for a range of different health professionals to see hospital discharge summaries and things like pathology tests and diagnostic imaging that have been conducted for a particular patient. Being able to roll out some of those advanced features of e-health in a system like Tasmania gives Tasmanian patients better improvements in their care because where you have more patients with chronic and complex conditions you have more health professionals seeing each patient. Having that integration in health records is much more important where there are more patients with chronic and complex health conditions. It also gives us a good learning opportunity as a nation to see what the future of e-health for the whole of Australia will look like.

The shadow minister also asked about a number of other elements of the package. There is a $31.2 million elective surgery blitz that will provide about 2,600 extra surgeries. There is $22 million to establish the walk-in clinics in Hobart and Launceston, and we will enter into negotiations with potential operators of those clinics. We are happy to do that in partnership with the Tasmanian government, if that is possible. We are yet to examine that.

Mr Dutton interjecting—

Ms PLIBERSEK: No. There were claims by the Tasmanian Liberals that these are re-announcements. These are not re-announcements. This is $325 million of new funding that we will find for the benefits of the patients of Tasmania. We are also investing extra money through Tasmanian Medicare Locals to deal better with preventing and managing chronic diseases, including through team care arrangements. There is almost $75 million for better discharge from hospital and better palliative care in the community. (Time expired)
Ms OWENS (Parramatta) (18:11): I have a question for the minister concerning the $515.3 million investment in dental health. About two years ago, I met a man at Telopea station, who came up quite embarrassed. He was a reasonably attractive man of about 40, very lively, but incredibly embarrassed because he had four front teeth missing. The bridge that he had had for 12 years had broken and he had been without it for nearly a year. It had no doubt affected his life. He was unprepared to invite anyone out on a date, he had not worked in all that time—he was too embarrassed to apply for work—and he was finding it very difficult to eat. Anything that had to be bitten through was not an option for him. We managed to help him. About six months later I bumped into him again and he was in a relationship and he was working. His life had profoundly turned around, simply because he could access something that, for many Australians, is a normal thing—good dental care—but for many others is not.

Since the axing of the Commonwealth dental scheme in the first days of the Howard government, there are more and more people in exactly that circumstance, whose lifestyle, self-image, employment prospects and health are dramatically affected. I have met people in my electorate who, while on waiting lists, have spent unacceptably long periods of time on painkillers while they wait for their emergency dental treatment.

Minister, I was pleased to welcome you on the visit to the Westmead Centre for Oral Health. It is undoubtedly one of the best public dental hospitals in the country. I have to say, compared to the way it was about six years ago, it is good to see it completely refurbished and full of people doing some quite good-quality training. This government, over the last four years, has slowly been building that dental workforce. I noticed when some of the announcements were made in the last couple of budgets that we were preparing, in a sense, for something larger along this line.

There are many challenges, as were raised by some of the people at the Westmead Centre for Oral Health. I am wondering, in your consultation, what challenges you see that we face, and how you expect to be able to address issues such as regional disadvantage and staffing issues.

Ms PLIBERSEK (Sydney—Minister for Health) (18:13): I particularly welcome the member for Parramatta's question. I was very grateful to her for inviting me out to the Westmead Centre for Oral Health. It was a terrific visit and I was very impressed by the work that they are doing out there, not just for the people in the region that they directly service but also in sending some of their graduate dentists out to other locations, providing services in rural and regional locations.

I am very pleased that we were able to put $515 million into the most recent budget for dental health. This is something that I said in my first press conference as the new health minister would be a priority for me. This package is a very good start for a better system of meeting the needs of low-income people who cannot afford to see a dentist in the current state of affairs. About $345.9 million will be spent on increasing the efforts to deliver services to the around 400,000 people around Australia that are on waiting lists for public dental services. The member for Parramatta mentioned the Commonwealth Dental Health Program. That was the last time that we saw a really significant effort made to bring down the dental waiting lists and make a big difference to those people who rely on public dental services. But the member for Parramatta also rightly mentioned some of the challenges around the dental workforce.
We probably have plenty of dentists, but one of the difficulties is that we do not have plenty of dentists in different parts of Australia. We have a reasonable amount of services in city areas, but when you go into outer-suburban, regional and particularly remote communities—and the Minister for Indigenous Health is nodding in agreement—these areas are very significantly underserviced. We will be putting $35.7 million into increasing the number of placements available on the Voluntary Dental Graduate Year Program from 50 to 100 placements each year by 2016. This is a very important workforce measure for those communities. There will be $45.2 million to introduce a similar scheme for oral health therapists offering 50 places per annum from 2014, and $77.7 million over four years for relocation and infrastructure grants to encourage and support dentists who want to relocate and practise in regional, rural or remote areas.

We have allocated $10½ million for national oral health promotion activities. It is very important to remind people that for many years there were decreasing rates of caries amongst young people. In recent times there has been a kick up in some of those statistics. Whether it is sugared soft drinks, a change in diet with more processed foods or busy parents who are not supervising their children brushing their teeth we do not know, but it is a very serious issue and we need to remind people of good oral health habits. We have also allocated $450,000 for a program to pilot the back-office support for the pro bono dental work that many dentists are keen to do and are doing, but they have asked for better support to organise themselves so that they are able to offer free services to homeless people, women and children living in refuges, refugees and others who would otherwise wait or would not be eligible for the public dental scheme.

It is also important that through the Health and Hospitals Fund we have provided $133 million for 11 dental projects delivering 228 new dental chairs. The Health and Hospitals Fund will deliver a further 48 chairs as part of eight new oral health infrastructure projects. That includes things like the recently opened $2.1 million 10-chair teaching dental clinic in the Adelaide Dental Hospital, an extra 52,500 hours of clinical training over the next five years for undergraduate dental and oral health students. That investment in tackling waiting lists, building up our workforce and making sure that that workforce as it is built up is available to practise not only in our city areas. *(Time expired)*

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**Dr SOUTHCOTT** (Boothby) *(18:18)*: Minister, I would like to ask about the electronic health record. It is now just 12 days until the promised start date for the electronic health record. Can the minister confirm that the national IT infrastructure being built by the Accenture Oracle consortium is not yet live? Can the minister advise the parliament and health professionals when it will be live? Is the minister still committed to launching the National Authentication Service for Health or NASH on 26 June? If not, when will the NASH be ready?

Can the minister explain the basis of the interim system provided by Medicare used to cover for the missing NASH? Was there any additional cost involved in providing this interim service and how long does the minister expect this interim service to be in place? A spokesperson for the minister's office has been quoted today as saying, 'The delay in the delivery of the NASH will have no impact on a patient's ability to sign up for a personally controlled e-health record.' Can the minister advise the parliament as to whether this delay in
the delivery of the NASH will have an impact on the ability for a practitioner to upload data to a patient's electronic health record?

Can the minister confirm that people will not be able to register online for an electronic health record on 1 July? Has the upgrade to the Medicare operated healthcare identifiers services been completed to interface with the PCEHR? When will this be complete? Is this project behind schedule and if so why? When will GPs be able to upload material and patient information to a personally controlled electronic health record? When will GPs be able to download material from an electronic health record? If you cannot provide the date can you provide the month? If you cannot provide the month can you provide the year?

Ms PLIBERSEK (Sydney—Minister for Health) (18:21): Starting with the National Authentication Service for Health, the NASH, it is a COAG funded e-health project that is being overseen by the National E-Health Transition Authority, or NEHTA, which is governed by a board that includes representatives of the Commonwealth and of every state and territory. The NASH is designed to do three key things: to authenticate healthcare providers who want to use the personally controlled electronic health record; to make sure that only authorised healthcare providers are able to use the system; and to provide the digital certificates and signatures to support secure messaging capabilities—for example, the electronic referrals from one healthcare professional to another, paperless electronic prescriptions and so on.

NEHTA contracted IBM to build and implement NASH by July this year. That work has not been completed, so there is a new timetable for IBM to deliver that work. Any cost for the revised timetable will not be passed on to taxpayers. A new timetable will have no impact on patient registration for the PCEHR, which is scheduled to begin in July. The Department of Health and Ageing has worked with the Department of Human Services to develop an interim authentication solution that will be available until the NASH is up and running later this year. That solution will leverage off the DHS existing public key infrastructure system—at the GP practice GPs will notice no difference.

As we have said before, we expect patients to begin registering from July and that providers will come on later. We are taking this step by step because this is a large and complex project, and since I took over as minister I have said that this will be done carefully, step by step.

The shadow parliamentary secretary also asked about online registration. We have said from the very beginning that in-person and telephone registration will come before online registration. The 1 July date has been for phone and in-person registration. I have made it as clear as I can in a number of public statements and a number of speeches that we do not expect a flood of people from the beginning of July to start registering themselves for their personally controlled e-health records. What we expect is that patients in wave sites who have GPs who are already participating in one way or another in the e-health project will be the people who are likely to benefit very early on.

Our further expectation is that people to whom this will appeal early on will be people with chronic and complex health conditions who are interacting with a number of different health professionals. They might be seeing a GP, several specialists, allied health professionals and others. For people who go to the doctor once a year it is not going to be on top of their list of
things to do on 1 July, and I understand that. The other thing that will happen over time is that the functionality—

Dr Southcott: When?

Ms PLIBERSEK: When what? When will they register? When will 23 million Australians register? They will do it gradually over time. The next thing I was going to mention is that the functionality of the personally controlled e-health record will become much more appealing for patients, GPs and other health professionals as Medicare data and PBS historic data are downloaded into those systems. We expect that to happen in the second half of this year as well. That will make it, obviously, a much more appealing proposition for both GPs and patients.

I think it is very important to say that this is a project about which Tony Abbott, as health minister in 2003, was saying if it did not happen during the time that he was health minister—and he was health minister for five years—(Time expired)

Mr GEORGANAS (Hindmarsh) (18:26): I was very lucky to have the Minister for Mental Health and Ageing visit my electorate not that long ago, where we held a forum to discuss the Productivity Commission's report on caring for older Australians. Many things were discussed that day. We had over 150 of my constituents turn up at the forum, which was held at Morphettville. As I said, lots of things were discussed that deal with ageing and with aged care—everything from taxation issues to a whole range of other issues. I would like to congratulate the minister for answering each and every question and, of course, for getting back to many of the constituents' questions we had that day.

A major aspect of that particular discussion and dialogue, which people raised and something that was very concerning, was about the current and increasing number of people with dementia—which is increasing at a very fast rate—and what this government is intending to do in this area. My question and the discussion I want to have today is: can the minister provide us with an update on policy and budget measures in this area of responsibility? We know that dementia is increasing; there are figures that are showing that it will more than double in a few years. The early detection of dementia and the care for those who are suffering dementia, as well as their carers, is becoming a very big issue. With an electorate like mine, one of the oldest electorates in the country—I like to call it the electorate with the highest wisdom, but that is another issue—I would certainly like to hear more about what is happening, where we are heading and what we can do about dementia.

Mr BUTLER (Port Adelaide—Minister for Social Inclusion, Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform) (18:28): I thank the member for Hindmarsh for his question. Can I say that, from the government's perspective, the chairpersonship of the member for Hindmarsh on the House of Representatives Standing Committee on Health and Ageing has been extraordinarily valuable for the government. I know that that committee is now conducting an inquiry in dementia, so, not only does the member for Hindmarsh represent the wisest electorate but he is also deeply engaged in some of the issues he alluded to in his question, particularly around the emerging epidemic of dementia. I also know, having been a close friend and supporter of his since he was first a candidate for the seat of Hindmarsh in 1998, that he has been very closely engaged in all of that time with the aged care sector and so understands the issues intimately.
Dementia, as the member for Hindmarsh indicated, is an emerging epidemic in this country. Currently, around 300,000 Australians live with dementia and that number is expected to double every 20 years, to the point of more than a million experiencing or living with dementia by 2050 if we do not make very serious inroads into our capacity to detect it early and to treat it, if not entirely cure it. Dementia is a very significant challenge to the community. It is going to be the leading cause of disability across Australia by 2016. It obviously is already the leading cause of disability for older Australians, but will be, in health terms, the leading cause of disability generally in the Australian population in only four years time. The ABS data that was released recently indicates that the number of deaths caused by dementia over the last decade increased by 140 per cent.

Alzheimer's Australia is the key organisation in this area and has been running a very effective and very valuable campaign called Fight Dementia, that used the opportunity presented by the Productivity Commission's inquiry to raise public consciousness, and frankly consciousness within this building, about issues associated with dementia. I said, at a number of their forums, that a response to the Productivity Commission report and a response to the aged care reform challenge that did not have at its heart a response to the dementia epidemic would not be a decent response. I am very pleased to indicate to the Federation Chamber and to the member for Hindmarsh that dementia is at the centre of the Living Longer, Living Better policy that they Prime Minister and I outlined some time ago—to the tune of $268 million in new initiatives to deal with the dementia epidemic. We have also indicated, the Minister for Health and I, that we will be taking to the August meeting of health ministers, a proposal that dementia be added to the existing list of eight national health priorities. We are very confident that will get the support of all of the state and territory ministers, and for the first time, dementia will be recognised for what it is: a national health priority.

Within the Living Longer, Living Better package, there are a range of elements dealing with the challenge of dementia. Firstly, all home-care packages from July 2013 will attract a dementia supplement of 10 per cent for those recipients of home care who have a dementia diagnosis. Currently, only about six per cent of home-care recipients qualify for the EACHD package, which is a package particularly designed for people living with dementia. Our reforms will mean that 26 per cent of home-care recipients—from six to 26 per cent of home-care recipients—will qualify for a 10 per cent supplement on their entitlement to home care. Additionally, we are introducing a new supplement in residential care to deal with the needs of people with very severe dementia—the behavioural and psychological symptoms of dementia.

We are introducing new elements to the DBMAS scheme, the Dementia Behavioural Management Advisory Scheme, to deal with the particular needs that Indigenous Australians and Australians of a CALD background have when experiencing dementia, particularly language reversion—reversion out of English, even if they have very good adopted English, to their original language—and all the additional challenges that presents in terms of providing them with care and support. There is funding available for more timely diagnosis, dealing with the challenge that more than three years is the average time taken to give a proper diagnosis of dementia—lost years in terms of a family's capacity to get the supports and to make the plans that they need to live life as well as they possibly can with such a very
serious condition. I thank the member for Hindmarsh for his question. I am very proud of the dementia elements in this package.

Mrs BRONWYN BISHOP (Mackellar) (18:33): I refer to page 193 of the Budget Paper No. 1, dealing with the National Bowel Cancer Screening Program, which is particularly of interest to seniors. I notice there is an allocation of $49.7 million over four years to increase the frequency of testing. I also note that this program is not to be fully implemented until 2034. I find those sort of projections amazing when one would expect technology and treatments to improve over that period of time. I would like to ask the minister whether or not—

Mr BUTLER: Which minister?

Mrs BRONWYN BISHOP: Well, I think we will stick with Minister Plibersek. I would like to ask the minister why it will not be implemented until 2034 and how that year of 2034 was derived. How much will full biennial screening cost in 2034? What evidence does the government have that faecal occult blood tests will still be the most appropriate test in 2034?

I would then like to ask about the program relating to personal income tax changes with regard to the net medical expenses tax offset and I would like to know whether the department of health was consulted on the impact of the changes that that would make. I would like to know how many Australians are likely to be affected by the changes. It will impact particularly on self-funded retirees, and this is the change that will means test the net medical expenses tax offset to $84,000 for singles and $168,000 for couples. I would like to know how many Australians of pensionable age will be affected, and given the impact of the carbon tax on the disposal income for those people, I would like to know what compensation, if any, is being planned for the damage you are doing to them.

Ms PLIBERSEK (Sydney—Minister for Health) (18:35): I thank the shadow minister for her question on the National Bowel Cancer Screening Program. I am not sure whether she was here for the earlier answer on bowel cancer screening.

Mrs BRONWYN BISHOP: No.

Ms PLIBERSEK: The Bowel Cancer Screening Program is moving first of all to five-yearly screening for the target population group and then eventually to biennial screening for the target population group. The reason the introduction of the screening and the expansion of the screening has been staged is that when people undertake the tests, as you increase the population group undertaking the test, you increase the number of people who have something of concern that needs further investigation. That something of concern that needs further investigation often results in a person being referred for a colonoscopy. The workforce constraints, the medical equipment constraints and the number of colonoscopies that we can do could not, if we flicked a switch tomorrow, cover all of the people who would be picked up by screening. With the help of our clinical advisers people who will turn 60 on the 1 July 2013 will join the program. From 1 July 2015 people turning 70 will be invited to participate in the screening—so we move to five-yearly screening. About five million Australians will be offered screening over the next four years requiring an investment of around an extra $50 million.

We have locked in our commitment for two-yearly screening for all Australians aged between 50 and 74. The next group that will be added are 72-year-olds. From 2017 invitations
to undergo screening every two years will be progressively extended to all Australians aged between 50 and 74 years of age, as I said, starting with 72-year-olds in 2017. The two-yearly screening is in line with the NHMRC recommendation, but Cancer Australia and other cancer advocacy organisations have welcomed this recommendation and understand the importance of phasing because they understand that it is important to have the facilities and the personnel in place to do the screening.

The member for Mackellar has also asked about whether faecal occult blood testing will be the most appropriate screening available in 2034. It is absolutely impossible to know the answer to that. People will be offered screening and the method of that screening will be something for clinical decision by clinicians and researchers in partnership with the government in 2034. I certainly hope that the member for Mackellar and I are around to have this discussion in 2034. The great thing about medical science and health and medical research is that new treatments, new tests and new preventions are being discovered all the time. I would hope that the member for Mackellar is just as excited as I am about the potential for an easier, less invasive test than colonoscopy somewhere down the track.

Mrs Bronwyn Bishop: Precisely the point I was making.

Ms PLIBERSEK: Then it is a ridiculous point to make. To say that we are unhappy that there will be better tests, perhaps, in 2034 is a ridiculous point to make.

Mrs Bronwyn Bishop interjecting—

Ms PLIBERSEK: This is an invitation to undergo a test. If a better test is invented by 2034, we will all be kicking our heels up. We will be excited; we will happy. That will be a good thing. It will be a good thing for individuals and for our health system. I think the other question was about the net medical expenses tax offset. The means test for the net medical expenses tax offset allows the government to create greater capacity in health, education and other priority areas of spending. We are targeting our tax offsets for net medical expenses to those who most need them. (Time expired)

Mr CHEESEMAN (Corangamite) (18:41): Today I rise to speak about the issue of the Health and Hospitals Fund and the important role it is playing in improving health services across Australia, particularly in regional and rural Australia, which my seat is within. Rural and regional communities have a range of difficulties—which I am sure the minister is aware of—when it comes to accessing high quality healthcare. Corangamite, the federal seat that I represent has two issues—population growth and an ageing population—which are providing a large challenge for the medical infrastructure and the health and hospital infrastructure that we have in place. I was very pleased to have supported the Geelong cancer centre. The minister has been working exceptionally hard to deliver a cancer centre to help support the treatment of cancer, not only, importantly, in the Geelong area but across the whole of western Victoria. If you look at any of the statistics on cancer treatment within the regions, there is absolutely no doubt that regional Australia has in the past suffered. The cancer centres are a hallmark of this government, and the $26 million being delivered to the Geelong region for a new innovative cancer centre is, I think, very, very important.

I also noted—and had a great deal of pleasure in accompanying the Minister for Health to—the announcement that we made in Point Lonsdale about helping to support the Bellarine Community Health service. Labor has had a very long and proud history of supporting
community health services. It was Labor, way back in 1972, that established the first of the community health centres—the Bellarine Community Health centre—so I was very pleased to join with the minister in announcing, with her, the $3 million to upgrade that fantastic service. I know that the Bellarine community is very proud of the role of the Bellarine Community Health service and the role that it plays in that part of my seat.

I was also very pleased to note that this budget delivers $2.8 million towards a hydrotherapy pool to help service the Colac community. Again, I would like to thank the minister for that announcement. Colac is located about an hour's drive west of Geelong. If you are someone who suffers from a workplace injury or from a traffic accident injury, being able to access hydrotherapy services is, I think, critical for you. But the reality is that, up until this announcement, people in Colac had to drive an hour east to Geelong to receive those services. From talking to physiotherapists and other allied health practitioners as well as doctors, I understand that often any benefit that might have come from hydrotherapy was lost on a patient as a consequence of their having to spend a couple of hours in a car.

I would like to acknowledge and thank you, Minister, for that very important funding to the Colac community. When I was down there making the announcement, it was pointed out to me that the Colac community had fought for a very significant number of years to receive that funding. It was through the innovative approach of the Health and Hospitals Fund that enabled us to do that, and so I was very pleased.

My question is: Tony Abbott as the health minister ripped a lot of money out of the budget. I would like you to discuss that.

Ms PLIBERSEK (Sydney—Minister for Health) (18:46): I thank the member for Corangamite for his question. He has certainly been a very keen advocate for his local community and it was a great pleasure to go with him to the Bellarine Community Health Centre and see the excellent work they do and to speak to their staff about the excellent service they provide. I also saw that the environment there is a little bit run-down. It is a longstanding community health service and this funding gives them the opportunity to improve their patient care by upgrading the physical infrastructure of the place. It is a great feeling to be able to support such a great service by helping them out with a little bit of funding for their physical infrastructure.

The Health and Hospitals Fund has been a terrific investment in health infrastructure around Australia. It has contributed to the building and rebuilding of valuable health facilities in capital cities, suburban areas, regional towns and remote locations right across Australia. This is $5 billion which is being put into health infrastructure; it is $5 billion supporting a huge range of different types of projects like the two that the member for Corangamite spoke about. I have had the enormous pleasure of looking at these facilities and projects from Aurukun on Cape York, to the bottom of Tasmania, over to South Australia and the west—

Mr Dutton: Where did the money come from, Minister?

Ms PLIBERSEK: The Health and Hospitals Fund has been a fantastic program.

Mr Dutton: Established by the coalition.

Ms PLIBERSEK: The coalition has taken responsibility for the Health and Hospitals Fund. There is $475 million in the most recent budget which is going into new and upgraded health facilities in regional Australia. The government is fully delivering on that $1.8 billion
commitment that it made to have a regional priority round for the Health and Hospitals Fund. In the most recent budget there are 76 new projects for communities right across Australia, giving patients better access to hospital services in the bush. This infrastructure investment is giving us long-term improvement in health infrastructure as well as providing much needed local jobs during the building and construction phases of these projects.

The patients will benefit from these projects in communities right across Australia, including multipurpose services in regional centres like Broken Hill, Bundaberg, Griffith, Hillston, Kempsey, Lismore, Peak Hill and Warracknabeal. There are new and integrated upgraded facilities to support additional dental services, which I alluded to earlier, to benefit patients in areas like Cranbrook, Murray Bridge, Pilbara, Kimberley and Yamba. I went to the site of the new Yamba community health facility as well. There is fantastic local support for that. They have been campaigning and arguing for that for many years, and we were able to deliver it for the community of Yamba. There are services like the Royal Flying Doctor Service of Australia, with additional funding for aircraft and patient transfer facilities, and mobile oral health facilities and staff accommodation.

One of the supports that this new infrastructure investment gives is the ability to house and train GPs, doctors, nurses and allied health professionals in areas like Broken Hill, Ulverstone and Katherine. We know that if people train in regional or remote locations, they are much more likely to go back and work there in years to come, or to go to communities like the one they trained in. If all of their training happens in the city locations, they are much more likely to end up practising in city locations. So that infrastructure investment is not just in the bricks and mortar for today but in our workforce of the future as well. We have improved accommodation for students and health professionals including locums in communities like Ballarat, South Gippsland, Halls Creek, Mount Isa, Thursday Island, Charleville and Bairnsdale.

The investment that we have made of $5 billion through the Health and Hospitals Fund has been phenomenally important and has included some very large hospital upgrade investments, like at Lismore in New South Wales, and it has been terrifically exciting to see the improvements in patient care. But those small community projects have also been important and very well received.

Mr DUTTON (Dickson) (18:51): My question is to the Minister for Mental Health and Ageing. Has the minister been a party to or is he aware of any discussion regarding a requirement for the Department of Health and Ageing to find savings to offset the $325 million Tasmanian bailout?

Also, can the minister provide some detail in relation to the Living Longer, Living Better program? The government proposes to claw back funding based on changing categories of care. How many aged-care residents will be reclassified under the aged-care categories? For how many of these residents will a change in category result in lower payments to the aged-care provider? How much less funding will the average aged-care resident attract on a daily and annual basis? How much of the supposed increase in aged-care funding under the LLLB program is actually funded by reductions in payments per resident?

Further, Minister, is it true, as stated in the Grant Thornton reform report of June 2012, that the government is now seeking to save an additional $500 million of care subsidy in the 2012-13 year? What impact will this have upon current staffing levels across Australian residential
care homes? Is it true that NACA yesterday requested a one-month delay to the ACFI savings? That relates to the question regarding the Grant Thornton report of this month. Was the minister or the government aware that over $3.5 billion in planned aged-care developments have been shelved, when did the minister first become aware of this potential issue and what has the government done to reassure the industry?

Specifically in relation to the mental health side of the minister's portfolio, of the government's reform package announced last year, what has been implemented? How much has been spent and on what? By way of example, what has opened? What is actually fully operational? Could you detail those services? What has been delayed so far?

Minister, could I also ask you a question in relation to the evaluation of the Mental Health Nurse Incentive Program, which was only commenced late last year. Why was this program not evaluated earlier and when will this evaluation be released? Secondly, with the cap and freeze announced in the budget—seeing as neither the department nor the minister has seen the evaluation of the Mental Health Nurse Incentive Program—on what basis was the decision taken to freeze that program? Without an evaluation, how did the department or government assess the value and effectiveness of the Mental Health Nurse Incentive Program?

What stakeholders were consulted about the change? And, Minister, drawing you back to the original question, could you start with a response to the question of whether or not you have been a party to or are aware of any discussion regarding the requirement for the Department of Health and Ageing to find savings to offset the $325 million committed to the Tasmanian bail-out.

Mr BUTLER (Port Adelaide—Minister for Social Inclusion, Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform) (18:54): I will go superfast to try and deal with those in five minutes, and I can deal with some of them on notice if I cannot make it. In response to the first point that the shadow minister reiterated at the end, around savings for the Tasmanian program, I think the Minister for Health has made it clear that we are going to have to find money for that. As to beyond that, that is the level of discussion I have been involved in about that issue.

I want to deal in some more detail with the changes to the aged-care funding instrument, though. The shadow minister has picked up on some particular speculation by Grant Thornton with a report that had some publicity over the last several days, and this requires a bit of background. Firstly, the government introduced a new aged-care funding instrument in 2008 which we think better reflected particularly high needs of residents but also better reflected those needs than the previous system did. That was the Resident Classification Scale, the RCS, which had been in place for some years. When we did that, after significant clinical trials and engagement with the sector, the budget—the forward estimates—reflected our expectation that there would be significant frailty growth per resident for a period of some years while people were moved from the old RCS system to the ACFI system because of that better reflection of high needs. I think the per-resident growth in real terms—so over and above indexation—in the years following ACFI was in the order of six per cent or a little bit more than six per cent per-resident growth over and above indexation. That compares to the historical trend of around two per cent real growth under the RCS.
There was always the expectation that after a period of a few years the frailty growth, or the growth in care subsidies per resident, in real terms would return to those historical trends of around two per cent plus indexation, so in actual terms somewhere around four to five per cent per-resident growth in subsidies. In the lead-up to MYEFO, as the shadow minister knows, it became apparent that funding for this element of the aged-care program had not started to taper off in the way that was expected when ACFI was introduced. That was made clear in the MYEFO statement with an upward revision of aged-care expenditure for this element of the program of around $2.3 billion over the forward estimates, or around $3.2 billion over the five-year period that we have been using in discussing the Living Longer, Living Better program. The government indicated that that upward revision already assumed that the frailty growth, or the growth in per-resident subsidies, from 2012-13 onward would return to the historical trend of around two per cent. So there was already from MYEFO, in November or December or whenever MYEFO was, a very clear indication to the sector that there was an expectation that frailty growth would return to trend, as was clearly recognised as being the case when ACFI was introduced in 2008. At that time I established an ACFI monitoring group that included provider representatives, the peak groups—many of whom have engaged Grant Thornton in the recent report—consumer representatives and clinicians, to advise on what was happening out there in relation to ACFI to cause the unusual continued growth. That group has been working for some time.

I want to be clear on this, because there has been some speculation publicly about the impact of our changes. The forward estimates, or the five-year period, continue to incorporate about $3.2 billion in additional ACFI funding over that five-year period compared to the case before the MYEFO in December, and $1.6 billion—so half of that additional revenue for aged-care providers—has been redirected under the Living Longer, Living Better package. But funding under ACFI will be higher by $1.6 billion in net terms than it was before December. Now it is very clear on our modelling that per-resident growth will be 2.3 per cent in real terms each year over the next five years, so returning to the historical position before the introduction of the new ACFI. It will be 2.3 per cent in real terms, or 3.3 per cent in real terms if you include the conditional adjustment payment which is funded largely through the ACFI redirection of $1.6 billion. I reject the idea that there is a reduction in funding. There will continue to be substantial real growth in per resident funding. I will have to take the mental health and Mental Health Nurse Incentive Program questions on notice. I am always happy to talk to the shadow minister one-on-one and I welcome his interest in these programs.

Proposed expenditure agreed to.

**Families, Community Services and Indigenous Affairs Portfolio**

Proposed expenditure, $2,380,994,000.

**Mrs BRONWYN BISHOP** (Mackellar) (19:00): I refer first to the phase-out of the personal income tax mature-age worker tax offset. Minister, why did the government decide to phase out this incentive for workers to remain in the workforce? Was it simply cost-cutting? Did it have some philosophical base? It replaced policies that had been put in place by the Howard government, so I would like an answer to that.

Also I ask about the tripling of the tax-free threshold family tax benefit and the Commonwealth seniors health card, where the government claims that over four years Commonwealth seniors health card recipients will no longer have to fill out required
paperwork to access the card. I would like the minister to explain why that is claimed as a benefit when the majority of people who are receiving the Commonwealth seniors health card do not pay tax in the first place, and those that do are in defined benefit schemes. I note that the Treasurer said on the issue of tripling the tax-free threshold:

For me, what’s particularly pleasing is that this tax relief is being delivered through an important reform: the tripling of the tax-free threshold.

Of course, it does not affect those who are paying no tax at all.

I would also like to know why, given that the government is using particularly the carbon tax as well as the MRRT to introduce the new tax-free threshold, you are now dressing this up as a benefit to seniors when their disposable income is being attacked. How many Commonwealth seniors health card recipients does the government actually expect will no longer need to fill out the required paperwork to access that card?

Finally, I turn to changing the Australian working life residency provisions from 25 to 35 years. Was this done merely as a money-saving exercise or is there any underpinning philosophical reason or good public policy reason? Did the government factor in the number of women who may not have worked in Australia but have reared their children during this time? These women may have no superannuation and may not have permanent housing either. How many people will be affected by this change to eligibility? What will the cost be to government to support those who have been left unsupported by the changes?
Mrs BRONWYN BISHOP (Mackellar) (19:06): If we could go back to the question of the tax-free threshold and the fact that it is in the budget papers in your department and you who will be dealing with payments, I would like those questions answered. Otherwise you can explain to me why it is in the budget papers as being your responsibility if in fact it is not.

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (19:07): As I have indicated to the member, these measures about the tax-free threshold are of course the Treasurer's responsibility. I am responsible for the Commonwealth Seniors Health Card, which is quite clear. We have two separate matters, one in relation to families. There is a measure in the budget that goes to families with incomes between $6,000 and $18,200. We are going to require that families in that income range notify the Family Assistance Office of their income at the end of each financial year. They can do that online, over the phone or in person, and the Family Assistance Office will then check that people are eligible for the assistance that they are claiming.

The Department of Human Services will be funded for any increased customer contact required for Commonwealth Seniors Health Card claims and for those claimants who do not any longer have a tax file number because they do not have to lodge a tax return. So there certainly will be a few people who are affected in this way, but we expect the numbers to be quite small.

Mrs Bronwyn Bishop interjecting—

Ms MACKLIN: Yes, I will.

Mr HAYES (Fowler) (19:08): My question is also to the minister. Minister, I know you are very familiar with my electorate. I am very proud of the fact that I represent one of those areas in south-west Sydney which is, according to the ABS, the most culturally diverse electorate in the country. We are very proud that we have diversity in culture and religion and the fact that it works so well out there. It certainly has a very significant contribution to make in the greater Sydney area but also to the nation generally. A great number of the people in my electorate—50 per cent, as a matter of fact—were born overseas, with the vast majority resettled refugees. Regrettably Minister, apart from having that distinction, my electorate is also the second-lowest on the socioeconomic rankings—second only to Lingiari I think—so it means that I represent an area of great need. Like most members—and I know for the member for Blair in particular, because he discusses his street meetings with me—I do get out there on Saturdays and talk to people. Over the last 12 months, I have found a very distinct pattern of people in my electorate who did not know that they were entitled to the education tax refund. I have a high proportion of families but the amount of people that were not aware of what their entitlements were really shocked me.

Having regard to those people who see me at street meetings, I am very fortunate that I have Vietnamese-speaking staff so they can translate for me. One of the constant themes, Minister, was that because many of these people did not have permanent jobs, they were not paying tax. They were on benefits and they did not see that as a consequence they were entitled to the education tax refund, so they were not applying. For me, that was many children who were missing out on what was a very significant Labor initiative in bringing down the education tax refund. I suppose that one of the problems is that whenever I have communicated that through schools and other agencies I have done it in English, but have not
gone through the detail of putting in perspective what the education tax refund actually stood for. Could I ask the minister if she could take a little time to explain to the House the difference between the education tax refund and the application of the schoolkids bonus: how it is going to be applied, how it will be received by members of my community, and the impact that she thinks that the schoolkids bonus will have on working families throughout this nation?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (19:12): I thank the member for Fowler for that question. I do want to take this opportunity to acknowledge the work that he does in his community with a wide range of people from different parts of the world. I was very pleased to meet with him and representatives of the Vietnamese community from his electorate recently, where we did discuss these issues about how we make sure that people from different language backgrounds are better informed about their entitlements. I am glad that we had that opportunity.

To go directly to the point that the member raises, we were aware that there were many families and their children missing out on the education tax refund—an initiative that we did put into place to help families with the costs of their children's education. When we looked at the detail we found that around a million families were missing out on their full entitlements. The reasons that were coming back to us were that people were not keeping their receipts, possibly because they were very busy, as all parents are, or because—and I am sure this would apply in the member for Fowler's electorate—parents did not have the money to pay for things up front and then wait to collect the money at tax time. They did not pay tax, and so therefore did not think that they would get any benefit from the measure.

We are very pleased to be making this change with the new schoolkids bonus. As the member would be aware, the legislation is already through the parliament and the first payments will start tomorrow, so this is really the wrap up of the education tax refund. Parents of primary school-aged children will receive $409 per child. For secondary school-aged children they will receive $818 dollars per child. So for families in the electorate of Fowler, this will be a very real benefit for them. They will know that they will get this money, and they will in fact get it in the next fortnight. They will not have to wait until tax time. They will not have to save up their receipts. Most importantly, next year when the full new scheme starts families will start to get the money in the beginning of term 1. I am sure the member for Fowler is aware that families really need the money at that time, rather than waiting until after tax time. They need it at the start of the school year, when children need a new uniform, when their booklists have to be paid for, and for all the other things the children need at the start of the school year. We will pay half of the new schoolkids bonus at the start of term 1, and the other half of the schoolkids bonus will be paid at the start of term 3. We certainly expect that this will have a significant benefit, especially for the sorts of families that the member for Fowler represents.

Mr VAN MANEN (Forde) (19:15): My question is to the minister and has to do with the recent discussion and publicity around the Healthy Kids Check program, which from 1 January 2013 will start looking for signs of mental illness in three-year-olds. I refer to an email I received from one of my constituents, Deanna Pitchford, a clinical psychologist. She writes to voice her dismay at the proposal for assessing three-year-olds for mental health
disorders, saying, 'Not only is there no evidence to suggest that you can accurately diagnose mental health disorders at an early age, but this process carries significant risks of labelling children with normal developmental difficulties as disorders for the rest of their lives.' She wishes to register her disapproval. My question to the minister is in two parts. Firstly, will three- and four-year-old children be required to undergo psychological assessments under the Healthy Kids Check program? Secondly, if a child is referred by a GP to a psychologist under the program, will the parents have their income support payments suspended if the child does not see the psychologist?

Ms PLIBERSEK (Sydney—Minister for Health) (19:17): I am asking advice because this is actually in the portfolio of the Minister for Mental Health and Ageing. I am sorry that he is not still here to answer the question. Nevertheless, maybe I could go to the broader point, because I think the point the member for Forde is making is a serious one, and I will be happy to talk with the member and with the Minister for Mental Health and Ageing afterwards. We have to deal with these matters carefully.

I inform the member for Forde of the healthy start for school check, which is about to have its impact. From 1 July last year we put in place the healthy start for school check, which is really about making sure that children have the sorts of checks that are a good idea to have before they go to school to make sure that problems with their hearing, sight and any developmental delays are picked up—anything that might mean they are not going to be able to learn as well as they might otherwise. For nearly 12 months now children have been receiving these checks, and this is tied to the end-of-year supplement that is linked to family tax benefit part A. Right now Centrelink and the Department of Human Services are letting parents know that they need to get this check done. It is good for their kids and we want to make sure that it happens.

On the sensitive issue raised by the member, I am happy to make sure we have a three-way conversation with the Minister for Mental Health and Ageing.

Mr VAN MANEN (Forde) (19:19): Just to clarify, if they do not have the check done, is there a risk of their family tax benefit part A maybe being withdrawn?

Ms PLIBERSEK (Sydney—Minister for Health) (19:19): Not the general fortnightly payment of family tax benefit part A but the end of year supplement. It is a requirement for people who have a child turning four that the end of year supplement is tied to getting the Healthy Kids Check. That is certainly what they need to get if they are also on income support. We can talk about the mental health issue with Minister Butler.

Mr NEUMANN (Blair) (19:20): Minister, Ipswich wants to be one of the first sites for the National Disability Insurance Scheme. I thank you for coming to Ipswich on 17 May, where you had a very productive meeting with lots of people who are disability advocates in my community. As you know, it was held in North Ipswich at Focal Extended, a wonderful organisation that provides tremendous assistance not just for very young people but for older people as well. You met with many people on that occasion, including people like Peter and Linda Tully, the Queenslanders with Disability Network facilitators in the Ipswich region. You met also with the Ipswich Special School principal, Ipswich West Special School and people like Carmel James, who was one of the leading teachers and deputy principal at St Edmunds boys college, the daughter of the former deputy mayor of Ipswich. Carmel and her husband Tony have been great disability support advocates in the Ipswich region for a long
time. She wrote something recently which she has asked me to say to you, if I got the opportunity. I thought this was the appropriate time to do it. It is a very short paragraph. She and her husband Tony have three children and the youngest boy, Andrew, is profoundly disabled. If you had met him, you would see he has clear medical and intellectual disabilities. Carmel wrote recently:

When our son, Andrew, entered our lives he opened our eyes to the silent, marginalised lives of those in the disabled league. What his living in our family has done is raise our awareness of the lack of therapy support, access to appropriate preschool options, respite support, the stress of a disabled family member on families and the impact on carers of twenty-four hour care.

Carmel and Tony—and particularly Carmel—have been inspired by their experiences to be great advocates, to tackle those inclusivity issues which people in their circumstances have faced. I know in the budget, Minister, you have provided a billion dollars and announced that there are going to be a number of launch sites, but I have got a few questions to ask you. The first one relates to how current Commonwealth expenditure relates to expenditure in the past—for example, in the 2006-07 year of the Howard coalition government. How do we compare in this budget to the last year of the coalition government?

This budget allocates a significant amount to a National Disability Insurance Scheme. What are you proposing in terms of the proportion between the Commonwealth and the state? What does the budget say about that? You are currently having negotiations with the states and territories. What does the budget say about the Commonwealth's proportion of funding compared to currently? Finally, when can you announce Ipswich as the site for a National Disability Insurance Scheme?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (19:23): I thank the member for Blair for his enthusiasm both for the National Disability Insurance Scheme and probably more importantly for his community, particularly the people of Ipswich. I can say to the chamber that the member for Blair did ask me to come to Ipswich. We did have just one of those great meetings with people at Focal Extended. I take this opportunity to thank everybody who came along, who put the proposal that Ipswich should be one of the launch sites with enthusiasm equal to that of the member for Blair.

As to whether or not Ipswich will be an NDIS launch site, there are a few hurdles. I will answer the member for Blair's questions in the following way. As he knows, the government has put in an extra billion dollars through this budget, and that is over and above the increases that the government has put into the National Disability Agreement since we were elected four years ago. When we first came into government, we did make a very significant addition to our National Disability Agreement funding, but probably just as significant as that increase was the fact that we also increased the level of indexation for funding that we put into that agreement. With our indexing, the money that goes to the states for disability care and support is around six per cent. The previous government were providing less than the rate of inflation. Unfortunately, disability funding under the previous government was not even keeping up with the costs of delivering that care, so disability care and support went backwards.

We have increased the funding, but, of course, we know it is not enough. That is why we asked the Productivity Commission to do the major inquiry into a long-term care and support scheme, now widely known as the National Disability Insurance Scheme. We have put the
billion dollars—it is all new money, extra money—on the table and we are now negotiating with the states and territories on where the launch sites will be. The first round will have 10,000 places. We are open to suggestions about how big the launch sites are to be, and we are talking with states and territories about that. We do have expectations from the states and territories that, if they are behind, they will increase their effort.

It is the case that the Queensland government is not contributing the same level of funding as some of the other states. Queensland is a long, long way behind the state of Victoria, for example, which is contributing the highest level of funding for a person with a disability, while Queensland is one of the lowest. Our view, and the view of all the states in fact, is that it would not be fair for the Commonwealth to make up for those states that really are not pulling their own weight. The message to Queenslanders—which your constituents understood very well when we were together in Ipswich—is that the Queensland government needs to improve its effort to come up to the national benchmark and make sure that they are contributing, helping and supporting people with disabilities, their carers and families. That is an expectation that we have of any state where we might enter into an agreement for a launch site.

We will, of course, continue to work with each of the states and territories. We are doing that in detail right now. I know you are a great advocate and, as I said to you and to your constituents, the job is to keep the pressure on us and to make very clear to the Queensland government that they have to pick up their game.

Mr ANDREWS (Menzies) (19:28): If the minister could give me an undertaking that the questions I have will be answered in writing, then I will just read the questions rather than bothering her to try to answer them now.

Ms Macklin: I might be able to answer them. You never know.

Mr ANDREWS: I am aware of the time, Minister. Firstly, do you have a charter letter for your role as minister for disability reform? Secondly, why did the government choose a different approach to introducing the NDIS than that recommended by the Productivity Commission? Thirdly, why has the government allocated only a quarter of the funding recommended by the Productivity Commission over the forward estimates? Fourthly, has the government at any stage committed to meet the Productivity Commission's target date for the full introduction of the NDIS by 2018-19? Fifthly, the government aims to bring the commencement of NDIS launch sites forward by a year, although seeking to commence the launch sites earlier, is it not true that the government is going low and slow—that is, rolling out launch sites over a longer period of time to fewer people than recommended by the Productivity Commission?

Sixthly, can the minister advise whether the decision by the government to deviate from the Productivity Commission's time line and funding profile compromises the government's capacity to meet the commission's target date of 2018-19 for a full NDIS? Seventhly, has any state or territory yet signed up to host a launch site? Eighthly, will the minister guarantee that launch sites will be fully operational by 1 July 2013? Ninthly, how many people will have services delivered under the auspices of NDIS launch sites on 1 July 2013? Tenthly, will the minister guarantee that there will be no waiting list for aids and equipment, supported accommodation and personal attendant care for eligible people in the launch site catchment areas by 1 July 2013? Eleventhly, if not, by when will waiting lists for these services and
supports be eliminated? Twelfthly, have you taken a decision as to whether the NDIS will cover only people who have or acquire a disability before the age of 65? Thirteenthly, if this threshold decision has not been taken, how can you commence planning the launch sites, which are due to be in operation in little over a year? Fourteenthly, there is a great deal of concern amongst people with sensory impairment and the organisations that represent them that their particular needs may not be covered by an NDIS. These groups are concerned that the stakeholder engagement strategy is opaque and focusing on peak organisations rather than people with disability themselves. How can this problem be addressed? Fifteenthly, will people below the age of 65 have hearing aids funded as equipment under an NDIS? Sixteenthly, will guide dogs for people below the age of 65 be funded under the NDIS? Seventeenthly, will vision and audio equipment for vision impaired people be funded under the NDIS? I will leave eighteen out. Nineteenthly, does this demonstrate closer consultation with the Australians with sensory impairment whose issues I briefly raised earlier? Twentiethly, are rehabilitation services envisaged to be supported for people covered by the NDIS, as is currently the case—for example, by the Victorian Transport Accident Commission? Twenty-firstly, are rehabilitation services going to be supported for people covered by the NDIS who have an acquired disability, as is currently the case—for example, the Victorian Transport Accident Commission? Twenty-secondly, if rehabilitation services are not covered by the NDIS, doesn't this leave a large gap in coverage? Twenty-thirdly, you will be aware that the Leader of the Opposition has written to the Prime Minister opposing the establishment of a joint parliamentary committee to oversee the implementation of the NDIS to be chaired by senior members of both sides of politics. Twenty-fourthly, you would be aware the rationale is that the introduction of the NDIS will span several parliaments and several elections, so there should be a mechanism to elevate the NDIS above partisanship. Why has the Prime Minister rejected Mr Abbott's offer to extend the hand of bipartisanship? Finally, what is wrong with the NDIS being owned in this way by the parliament as a whole? As I indicated, I am happy that the minister has given the undertaking to provide the answers to those questions. I am happy to provide the written questions, or they are available on the Hansard.

Ms Macklin (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (19:33): I thank the member for Menzies for those questions which all do go to the detail of the implementation of the National Disability Insurance Scheme. Of course, the government are very pleased that we are getting on with delivering a National Disability Insurance Scheme. I am happy to take those questions on notice as the member has requested. I might just go to one of the points that the member made—that is, why are we bringing the introduction of the National Disability Insurance Scheme forward and doing it in a slightly different way from that recommended by the Productivity Commission. Fundamentally, we think people with disability have waited long enough. We think they have waited a very, very long time—all of their lives. Many people have not been getting the level of care and support that they need, and we want to get on with it. We are doing exactly that. We are doing it in a slightly different way, nevertheless the vision set out by the Productivity Commission is one that the government have signed up to. We think that many of the recommendations from the Productivity Commission are very important. Even more fundamental is the way the Productivity Commission has set out how the scheme should operate—that it should operate with insurance principles and that it should...
be a scheme which is simple to navigate. The government absolutely endorses many parts of
the Productivity Commission's report. But, fundamentally, the reason we are getting on with it
now rather than in a year's time is that we do not want people to wait. I am happy to go
through all of the other questions the member has asked.

Ms SAFFIN (Page) (19:35): My question is to the Minister for Community Services,
Minister for Indigenous Employment and Economic Development and Minister for the Status
of Women. It relates to the latter portfolio. Before I ask my question, however, I will make a
short statement about gender equality.

When I look at the 'at a glance' section of the Women's Statement 2012—Achievements and
Budget Measures report, I see so many areas covered which demonstrate the good public
policy decisions of the Gillard government and which you, Minister, have been involved with.
There is the Fair Work Act, the pay equity decision, the reforms to the Equal Opportunity for
Women in the Workplace Act 1999, the creation of new opportunities for non-traditional
employment—including in the Defence Force—and the requirement for a minimum
representation of women on Australian government boards of 40 per cent. I often think, 'Why
has it taken so long and why does it seem so hard when it is just such an ordinary thing to do?'
But sometimes we have to make those bold decisions to make sure that women do get access
to those opportunities.

The question is a broad question. It is about what steps have been taken to improve gender
equality in Australia and what measures are in the budget to support this work. I also note that
the statement talks about the National plan to reduce violence against women and their
children 2010-2022. Sometimes people will say, 'What are we talking about, why do we need
to keep doing these things and why do we need to keep drawing attention to inequalities?' In
my lifetime I have had to fight a lot of gender battles. I can remember that in court years ago
it was standard for the judge to give a warning to the jury, 'You do not have to accept the
uncorroborated evidence of women, children or lunatics.'

Mr Neumann: They were not even allowed to wear pants.

Ms SAFFIN: That is right. I could not wear pants when I was in court; otherwise I would
not be seen—as you know.

Mr Neumann: That is exactly right.

Ms SAFFIN: Sometimes we have to look back at some of the history—where we have
been and where we are—to remind ourselves that we still have some work to do. If we do not,
we can often take those things and those battles for granted. We all know the saying 'two-
thirds of a man'. It comes from a book of that title by Edna Ryan. We have not got there yet
but we are getting there—and we are getting there because of things like the Fair Work Act
and the pay equity decision. Beyond the pay equity decision, there is the fact that we are
putting money in. Some governments are anyway—I am not sure the one in New South Wales
is going to.

When I think back on some of that history—the legal history mainly, because that is
largely what I have been involved in—around women, I go back as far as the 'rule of thumb'
that came from an ancient code. You know the one I mean: the one that said a man could beat
his wife so long as the thickness of the rod did not surpass the thickness of his thumb. It was
from the Code of Hammurabi. I am not here to give a history lesson on women's—
Mr Perrett: You are doing very well.

Ms Saffin: When I look at the good things that are happening, it brings to mind some of those battles. That is what I am asking you to comment on—how we are supporting the continued advancement of gender equality through the budget.

Ms Collins (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (19:39): I thank the member for Page for her statement and her question. There is no doubt that as a government we should be very proud of what we have achieved but also for the legacy of Labor governments past and how far we have come when it comes to gender equality in this country. But that does not mean that our job is yet done. We still know that women are more represented when it comes to lower incomes in Australia and we know that more women work part time in Australia, so we know that we still have quite a long way to go when it comes to some of these issues and true gender equality in this country.

When the Prime Minister and I released the Women's Statement 2012: Achievements and Budget Measures, we talked about the considerable achievements that we have made in advancing gender equality since Labor came into office in 2007, particularly set against our backdrop of broader reform, which is of supporting working Australians and their families, building a new Australian economy and strengthening our communities.

One of the key achievements the member for Page referred to—and of course there are very many more—was the historic introduction of the Paid Parental Leave scheme, which the minister for families, sitting next to me, was instrumental in. We have now got more 160,000 families that have registered for the Paid Parental Leave scheme, and no doubt that has supported many women in Australia, particularly low income women, in the first analysis of the data. We have also made increases to the childcare rebate from 30 per cent to 50 per cent and lifted the cap from just over $4,000 to $7,500. We now have more than 800,000 families in Australia accessing the childcare rebate, so that has also made child care more affordable in this country. Whilst we know that we have come a long way, we still have some way to go when it comes to the affordability of child care. We also have a record investment in that regard—early childhood education but also child care.

We made the reforms that the member for Page referred to: the Equal Opportunity for Women in the Workplace Act and the agency, legislation for which, I am very pleased to say, passed through the House of Representatives yesterday. That is about driving cultural change through workforces in Australia and working with businesses and industry to ensure that women are more equally represented in workplaces across this country and that men and their caring responsibilities are also given equal weight in workplaces across the country. That piece of legislation, which I am particularly pleased with, has now passed through the House of Representatives and is on its way to the Senate.

We have also heard about the Fair Work Act and the equal pay audit with Fair Work Australia. It is this government that is providing more than $2 billion in supplementation to community service workers who are out there every day doing very difficult work, the majority, again, of whom are women. In fact, of the 150,000 workers in the community service sector that will be receiving these increases, 120,000 are women. It is a very significant decision for women in that sector.
We have our major reforms to superannuation and the increase of superannuation from nine to 12 per cent, which will of course assist women, and our historic pension reform. As the minister for families also knows, when it comes to the pension system, our changes to increase the single age pension have helped women more proportionally than men, because 70 per cent of our single age pensioners are in fact women, so they have also benefited very significantly from that.

We have our national plan to reduce violence against women and their children, which gives effect to the government's zero tolerance approach to domestic violence and sexual assault. We have some very innovative campaigns about respectful relationships right across the community, from the government's innovative website to working with community organisations and also sporting organisations, which have been traditionally male dominated.

So we have done a lot when it comes to some of those, but, particularly in this year's budget, one of the big announcements that will benefit women considerably is the increase to the tax-free threshold, from $6,000 to $18,200. The majority of part-time and low-income earners, as I said at the beginning, are indeed women; 70 per cent of part-time workers are women, so women will benefit much more from this measure. We have also had in the budget greater support for working women and their families, with a boost to the family tax benefit from 2013, and we have heard about the Schoolkids Bonus replacing the Education Tax Refund—again to help women and their families. We are also doing some other work in encouraging women into non-traditional sectors. It is an important component, of course, of gender equality. The government is providing $54 million over four years to encourage more people, including young women, to study maths and science at school and university. What we are trying to do in this budget is build on some of the Labor reforms of the past to create a fairer and more inclusive Australia and part of that, of course, is increasing women's participation in the workforce. We are also continuing our support for the working women's centres in this budget. There is so much more to talk about, but I will end there.

The DEPUTY SPEAKER (Ms O'Neill): There are no further questions. I call the minister.

Mr BRENDAN O'CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (19:45): I can make an opening statement but, given that there are honourable members here who want to ask me some questions and the shadow minister is here, who may wish to ask me questions in relation to matters under my portfolio, I am happy to allow them to ask me those questions.

Mr ANDREWS (Menzies) (19:46): I have three related questions, Minister. Firstly, can you explain why, according to the recent report from the Australian National Audit Office, the government approved $159.4 million for the Victorian Labor government in August 2009 to redevelop public housing but paid for it out of the federal Housing Affordability Fund, even though that fund's objective is to improve housing affordability through infrastructure and regulatory reform and not to redevelop public housing. Secondly, can you explain whether the then Acting Prime Minister Julia Gillard's decision to approve an extension to the HAF parameters that applied only to the three Victorian public housing redevelopments was an attempt to help out her old boss, John Brumby, to get re-elected in that state in November 2010. And, thirdly, why did the then minister for social housing, Ms Plibersek, approve on 23 June 2009 three public housing redevelopments in New South Wales, South Australia and
Tasmania simply to ensure that the 2009-10 HAF budget was spent rather than being rolled over into the next financial year, despite receiving handwritten advice from one of her ministerial advisers that the projects were ‘fundamentally different from the purposes of HAF’?

Mr BRENDAN O’CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (19:47): In relation to those three questions I will have to provide the answers in detail, and I am happy to do so in writing. In relation to the first matter, I am not aware of the $159.4 million provided to the Victorian Labor government for public housing. I will say this though: this government has a very proud record of dedicating resources to public housing and dedicating investments not only to public housing but to social housing.

In relation to those other two questions asked, again, I am very happy to examine the questions and come back to the shadow minister in relation to the answers. I will say this though, because it requires me to say this: I think it is entirely improper for the shadow minister to impute that decisions of ministers would be based on the grounds that he suggests. I can assure the shadow minister, the member for Menzies, that the ministers of this government who have made decisions in relation to public housing have done so upon the advice of the department and also with engagement with all other jurisdictions.

The one thing that is clear, if you want to compare the efforts of this government with the Howard government's history of dedicating investment in public housing, we have done a very good job and we have invested far more revenue to provide support for our most vulnerable. We want to have a partnership with state governments. Quite frankly, I do not care whether they are Liberal or Labor governments; I want to provide the benefits to those people who need such housing. I will work with every state minister in my portfolio to ensure that those tenants in public housing are provided every opportunity to be given sustainable accommodation, and indeed that those people on waiting lists for public housing are provided more opportunities. We have done that through an unprecedented investment of $20 billion in relation to housing generally. We have actually provided $5 billion in social housing. We have provided $5 billion for services to protect the interests of those that are homeless or at risk of being homeless. We have a good record. I would suggest that the shadow minister's assertions are not correct, but I am very happy in relation to provide some of the detail and timing insofar as the allocation of resources to those states involved within the questions he asked. I am very happy to have that information provided to the member for Menzies.

Mr HUSIC (Chifley—Government Whip) (19:50): I want to pick up on that issue. In particular, housing affordability in Western Sydney is a major issue and has remained so for some time. I find one case in particular with constituents in my area: when constituents are not looking to purchase but simply to rent space—to rent somewhere to live—they are finding it harder and harder to do so in parts of the Chifley electorate because of a squeeze in housing stock. We talked about social housing, or the minister responded to the shadow minister in relation to the issue on social housing. I am proud of the fact that over 200 homes were built as a result of the stimulus spending in the Chifley area to ease the accommodation pressures in trying to find somewhere to live. For example, one project was delivered by the affordable housing co-op in Mount Druitt. I was delighted to be involved in the opening of that. What I particularly like about it is that this is affordable housing that is of a quality standard,
allowing people to ensure a degree of dignity in the place that they live. It is a modern facility itself and allows them to have a roof over their heads as well. Some people in that were basically on public housing waiting lists for over 10 years.

Another project that I was particularly proud to see funded in my area was through Marist Youth Care. It was giving an opportunity for people are homeless. The minister made reference a few moments ago to homelessness; I suspect that a lot of those figures are actually in effect camouflaged because people are couch surfing. I do see that and get reports of that from non-government organisations working in the Chifley area. One project in particular got young people who were homeless and teamed them up with builders to build homes. Once these young people had been trained up they got to move into them. One particular site in Shalvey that Marist Youth Care oversaw was a fantastic initiative. It was a very lateral way of thinking about an issue, providing skills and a roof over people's heads. That was a really good project I was very happy with.

Another thing that I have been proud to see happen in our local area was something we were able to draw out of the housing affordability fund, to fast-track the rollout of infrastructure in Ropes Crossing. It was part of the old ADI development—Australian Defence Industries—with huge parts of land, 1,500 hectares, with part conserved and part released for housing. We saw a number of residents there able to benefit from housing stock that was reduced in price as a result of the investment we made. We had community facilities—

A division having been called in the House of Representatives—

Proceedings suspended from 19:54 to 20:28

Mr ANDREWS (Menzies) (20:29): I have three short questions for the minister related to NRAS in the Northern Territory. First, why have only 16 out of almost 1,200 NRAS houses been built in the Northern Territory before the completion deadline of 1 July? Secondly, why did round three selection criteria for NRAS in the Northern Territory require proposals for at least 1,000 homes if no homes were approved in rounds one and two? Thirdly, why did the government allocate so many NRAS houses in the Northern Territory when the local construction industry could not cope with the demand?

Mr BRENDAN O'CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (20:29): I thank the honourable member for this question. I am aware of the challenges around the allocation and the construction of NRAS homes in the Northern Territory and in Darwin. I can advise the honourable member that when the first tender was released in the Northern Territory there were no expressions of interest by companies. I do understand there was then an agreement. Subsequent to the closing of that tender, there was a discussion with a prospective company that had showed an interest in proceeding. It was not unusual that there was a slow take-up initially for NRAS. NRAS has proven to be a very successful innovative scheme, but it took a while because it was quite new for this country to have that sort of structure and the way in which it was done. For those who may not be aware, the NRAS constructs homes in partnership with organisations, and usually state governments, and it reduces the market rental rate to 80 per cent so that people who are having great difficulty in gaining affordable housing are able to access those houses. I am afraid to say that in relation to the Northern Territory, there has been a slow take-up—and as you say too slow. That is of concern to me and I have been working with the department, and
the department has been engaging the Northern Territory government to see what we can do to realise the construction of homes.

There is no doubt that in Darwin, and in the Territory generally, there is a requirement for construction of dwellings because of the affordability challenge. It is compounded of course by the economic growth of Darwin. You are seeing some great economic success arising out of that city, and even in other parts of the Territory, but particularly in Darwin. That has compounded the challenge in dealing with housing affordability. I am very concerned that this matter be addressed expeditiously. For that reason, we will be looking at what we can do to ensure that the allocation of NRAS places in the Territory will see constructed dwellings as soon as possible for those people who are in need of affordable housing.

Mr BILLSON (Dunkley) (20:32): Minister, congratulations on your appointment. It is the fourth of your team that I have had the pleasure of working with. Congratulations on your elevation. Firstly, on the general state of the small business nation, if I could call it that. Dun and Bradstreet have identified a 48 per cent increase in small business insolvencies in the last 12 months. Worryingly, Minister, a 95 per cent reduction in small business start-ups, which is particularly concerning given there are small businesses not surviving in this environment and there are not the willing newcomers to carry through with what the economists would refer to as creative destruction. We are having the destruction and not quite the drive for enterprise and entrepreneurship to bring new participants into the marketplace. There are job losses of around 300,000 involved in small business. There is a diminishing share of the private sector workforce. There are 14,500 fewer employing small businesses. There is concern right across communities and right across the continent. Small business is the economy and it is in a bit of a funk. There is a feeling that it is has been driven into a ditch by the government and various government policies.

I was looking at your Lateline Business interview less than 24 hours before the Treasurer delivered his budget speech. Two particular things came out of that that were most interesting for me. You were asked about the census survey that showed that 92 per cent of small businesses do not think government policies are helping them. When asked to respond to that research finding you said, 'We have done some recent things already by announcing the cut in the small business company tax rate from 30 per cent to 29 per cent'. I found that quite a remarkable statement. You are on the Expenditure Review Committee, as I understand. The budget was apparently signed off around Easter. Was that just a mis-speak, an effort to present a small business initiative that had already gone to the chopping block? Was it an error, a decoy? I could not quite work out why you had made that statement, so I would like to understand what happened there. Were you not aware of your Expenditure Review Committee's work in that space? Was it an eleventh hour decision? I was told by Treasury that there were not any last minute changes yesterday. It must have been on the radar screen for a while. I—and I know many in the small business community—felt that it was a mighty unhelpful statement, and not in any way reflecting the true reality of the budget.

I noticed the member for Deakin then mailed out the same statement to all the business owners in his electorate. I found that quite remarkable, and his defence probably was 'I was relying on the minister'. This misinformation seems to be causing a great deal of concern. I would like your responses to that and on the issue about what the government is actually doing that might change that 92 per cent rate where small business do not think that the
government has any policies that are helping them, and what your intentions are to turn that around.

Also, in the particular measures in the budget, and some confirmed in the budget, that have not got a lot of attention: the abolition of the entrepreneurs tax offset, a modest incentive to 400,000 of some of our smallest business of a range of structures. It is not just companies: sole traders and partnerships—those operating as corporates as well as through trusts—all had access to that. Now 400,000 of our smallest businesses will be paying higher rates of tax on their modest incomes. A measure that gave full benefit to incomes up to $50,000 and tapered out at $75,000 is hardly the big end of town.

I am very interested in how the process of renewing the Small Business Advisory Services is going. I have visited a number of BECs, and a number are aspiring to carry out some work in that area off a diminished budget—$40 million down to $27.5 million. Your answers through your department in Senate estimates suggested that more than 36 existing BECs were anticipating getting a piece of that action. How might that continuity be maintained, given that, as I understand it, the tender process has not even been approved to commence as yet. There is the area of late payments; there were some $550 million of late payments generating a $3,400 fine. Is that a fair implementation of the policy as it is described?

Finally, progress on the Small Business Commissioner: we are aware of the shingle, that there will be no new powers and that it will look something like the Office of the Chief Scientist, that the government did not speak to for many years. I would like to know how that progress is going with that appointment.

(Time expired)

Mr BRENDAN O’CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (20:38): I would like to thank the member for Dunkley for congratulating me in my new role. I think it is very nice of him to remark that it is good to see that this small business portfolio has been elevated to cabinet, where it belongs. It was a decision of the Howard government to take it out of cabinet and it was a decision of the Gillard government to restore that position in cabinet. It was the right decision because, as the honourable member knows, many of the decisions made by government, whether they are to advance the constituency of small business or whether they are to protect the interests of small businesses, are done at the cabinet table. It is very important, and I do appreciate his heartfelt congratulations to me in that regard.

Can I say that I think he did ask about 17 questions in that five-minute contribution. I am happy to go to many of those, and if I do not go to all of them I might just provide them on notice. I will take those questions on notice and provide some further information to the member. I think the last matter that he raised was in relation to the Office of the Small Business Commissioner. This government is proud of the fact that we announced the creation of the Office of the Small Business Commissioner at the federal level. It is something that was first undertaken by the Bracks government in 2003, which actually appointed the first small business commissioner in Australia—a Labor government appointing a small business commissioner.

So it is not entirely coincidental that it took a federal Labor government to appoint a small business commissioner at the national level. It is a disappointment that the Howard government chose not to do so in 11½ years. Nonetheless, as I understand it, the honourable member supports the creation of that office, and I think it is going to be an office that will
provide representations to the Minister for Small Business on behalf on the small business constituency. It will allow for good advice, independent advice, and a vocal presence in Canberra. I also see it playing a complementary role with the offices of small business commissioners across the country, because all mainland states have small business commissioners. We do not want to duplicate services, so there will not be a particular mediation role, but we will allow for the Small Business Commissioner to refer matters to mediation services. I see it being a good thing, and I thank the honourable member for his support in that regard.

The member asked a number of other things of me. He talked about some of the surveys that have been conducted in relation to small business. There is no doubt that there are some challenging times for small business in some sectors of our economy. Paradoxically, whilst the high Australian dollar is an indication of success, particularly success in the mining industry, there is no doubt that it presents challenges to all businesses in certain sectors of our economy. Manufacturing, tourism and other sectors that have been confronted with challenges as a result of the high dollar. As a result of that, we have sought to spread the benefits of the mining boom by introducing some specific measures to help small business arising out of the budget. I do understand there have been some issues around small businesses starting up and there has been lower consumer confidence and business confidence in recent times. I put that down to some legitimate concerns about what is happening in Europe. Madam Deputy Speaker, you know yourself how fraught things are in Europe and perhaps to a lesser extent in the United States. People are turning their eyes to those events and are somewhat concerned. There is also a natural readjustment of consumer spending. I think for too long now people have been going further and further into debt, and now people are instinctively, after proper consideration, realising that they do not want to be in such debt, and as a result they have been withholding in some cases discretionary money. That has led in some areas to a reduction in consumption by households, which has in turn diminished some confidence in business. But I think some of that has been addressed by the budget, firstly by the announcement of a return to surplus, a very important decision. Not too many countries in the developed world can return a budget to surplus. Also, it sends the message to both Australians and the world that we are a strong economy, we have contained inflation, low debt and an unemployment rate of about five per cent. The last economic growth figures were quite extraordinary. (Time expired)

Proposed expenditure agreed to.

Industry, Innovation, Science, Research and Tertiary Education Portfolio

Proposed expenditure, $4,004,203,000.

Mrs MIRABELLA (Indi) (20:44): I want to begin by asking the minister on what date he first directly discussed his decision to establish the Manufacturing Technology Innovation Centre with anyone in the department and with whom specifically. Did he specifically discuss the concept of the centre in any form with any of the following people or organisations before it was announced on budget night: the secretary of the department, the head of Enterprise Connect, CSIRO, the Prime Minister's Manufacturing Task Force, the Future Manufacturing Industry Innovation Council, the Advanced Manufacturing CRC, the Auto CRC or the CRC for Advanced Composite Materials? If he did, can he please indicate in each case the name or names of the relevant people to whom he spoke, and when?
In addition to that, can he indicate what specific process the government followed to calculate that the sum of $29.8 million should be allocated to the centre? Can he give a full breakdown of how that money will be spent?

Moving on, in February last year, the minister was reportedly asked to name the top five things people could do to beat the carbon tax. He apparently said that it was best to reduce energy consumption. In fact some of the quotes are here. He said:

And the main way to do that is by saving energy, to turn things off at the wall …

He went on to say:

Maybe think about how often you use the air conditioner. Using a cheaper-to-run hot water system. Changing the light bulbs. Have you got insulation?

If people can think about what their energy consumption is like and how they can save on it, that's a really important thing to do and you can cut your electricity bill quite significantly and help the environment.

Following on from those quotes, given that one of the key original rationale for the rollout of the disastrous home insulation program was that it was supposedly going to reduce emissions, can the minister inform the House how many emissions it has reduced? What percentage of the overall number of bats used in the program were manufactured in Australia and what percentage were made overseas? If the government is trying to signal to people that they should turn off their lights and televisions and other forms of electricity as much as possible, then there is not much point, by the minister's own admission, building a multibillion dollar National Broadband Network to deliver computer connectivity across the country.

Moving on, given that the government's own regulatory impact statement said that there would be a $202 million cost to the economy if its coastal shipping laws were passed, and given that Deloitte revealed the policy could cost $466 million by 2025, cause freight charges to rise by 16 per cent and lead to the loss of 570 full-time jobs, can the minister update the chamber on whether there has been any change from the government's point of view of what the financial impact of the policy approach would be? As industry minister, what information has he personally sought and from whom about how many job losses the new laws will cause in the affected industries, especially in manufacturing? Since the government's closure in February 2012 of its solar hot water rebate scheme, how many times has the minister met directly with representatives from that industry? What updates does he possess about how many manufacturing jobs and how many jobs in total have been lost in that industry as a result of the government's decision? In relation to the government's recent amendments to the Fair Work act applying to the TCF industry, how many formal briefings did the minister seek and/or receive and from whom on the impact of the legislation on the state of the TCF industry in Australia? Has the minister ever received any form of advice or warnings that this legislation will prompt business closures and major job losses in the TCF sector? If so, how has he practically responded to those warnings?

On science, what is the precise role, as you see it, of the Chief Scientist? Can you give the House a clear statement in principle of the kinds of conduct or circumstances that would cause the government to lose confidence in and/or terminate the employment of any Chief Scientist? After years now of no announcement, including again in the budget, the science community is still awaiting a decision from the government on a successor program to international science linkages. Does the government have any plans for the implementation of

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a replacement program? If so, what is it and when will it begin? To the minister's knowledge, has his colleague Minister Evans responded to a letter sent to him in late May by a group of seven former CSIRO scientists alleging instances of significant workplace intimidation and victimisation? Has the government taken any other action in response to those claims? In the ministers view, what action should and would the government take in the event that a multitude of instances of workplace bullying had indeed occurred at CSIRO? In hindsight, does the minister significantly regret commenting on the story run in some parts of the media last year that the local climate scientists had been receiving death threats and contributing to a story line that has subsequently been debunked. *(Time expired)*

**Mr COMBET** (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (20:49): That was quite exhausting.

**Mrs Mirabella:** I'm sure you can deal with it, Greg.

**Mr COMBET:** Thank you, member for Indi; I appreciate that. There are a lot of matters covered there, across quite a vast array of portfolios; I will do my best, in due course. I think it is important, given we are doing consideration in detail in relation to the Department of Industry, Innovation, Science, Research and Tertiary Education, that we say a few things broadly about the appropriations. The starting point, as was traversed to some degree by my colleague the Minister for Small Business, is the current economic environment. We are in a position in Australia where we have the economy currently growing at slightly in excess of four per cent.

**Mrs Mirabella:** On a point of order, Madam Deputy Speaker: the questions were very specific. There were quite a few, covering a number of issues. If the minister is trying to avoid answering the questions—because he does not know the answers—by providing general answers, that does no credit to his current position. I would ask you to direct him to be directly relevant.

**The DEPUTY SPEAKER:** There is no point of order. The minister was at the beginning of his response to the member's question. The minister will be given the opportunity to respond.

**Mr COMBET:** I was just observing the fairly important fact that the economy is growing strongly. Unemployment is around five per cent, interest rates are coming down, the budget is in surplus across the forward estimates and we have a low debt to GDP ratio. Inflation is very moderate indeed and we have massive private investment. These are strong economic circumstances. All of that is very important in the context of the questions asked and for the appropriations for this portfolio. The appropriations for the bill associated with the portfolio total over $20 billion for the 2012-13 period. It is rather important, I think, that I pay some attention to the matters contained in the appropriations.

Firstly, in relation to innovation and boosting productivity in industry—the member for Indi asked about the Manufacturing Technology Innovations Centre, which was a feature of the budget. It is a $29.8 million initiative. In brief answer to her question, I can say that it is the subject of consultation in the Prime Minister's Taskforce on Manufacturing—a number of the specific elements of how the innovation centre will be developed. Appropriations for the innovation and industry part of the portfolio also include $1.2 billion for clean technology programs. The first round of funding under those programs has been announced and will lead
to significant investments in clean technology and energy efficiency in businesses. I announced a number of those a week or two ago.

The appropriations also include provision for the research and development tax incentive, which will deliver about $1.8 billion, we anticipate, in support of business research and development in financial year 2012-13. There is provision for Commercialisation Australia, which helps businesses—particularly small- and medium-sized enterprises—take technologies they have developed to the marketplace. Enterprise Connect is provided for, which is also very important in the small- and medium-sized enterprise sector in providing business advice and assistance to help businesses find ways to improve their business models, their productivity and their efficiency. There are other improvements provided for in the appropriation bills too for Australian industry participation policies.

On the issue of science and the research sector, the budget contains a boost in funding for science and research in universities of more than $126 million in 2012-13. That has resulted in a record $1.72 billion investment to support university research—a fairly important matter, particularly as we have to find support for innovation and encourage the interface with industry to become more competitive. The total amount of support for science, research and innovation now stands at almost $9 billion, which is a 35 per cent increase since 2007. There is also a record investment in higher education reflected in the appropriations—for example, an extra $4.5 billion to support the growth of undergraduate places, remembering that this is a government that uncapped university places. Some $3 billion in improved indexation has been preserved as well.

The budget contains further very important commitments in the area of higher education. The member for Indi made some comments in relation to science. The position of Chief Scientist is of course a very important office within government. The budget makes targeted investments in maths and science in particular. Professor Chubb, the Chief Scientist, has been addressing that and has made recommendations to the Prime Minister as to how we might best go about improving the uptake and performance of students in maths and science fields. We are keen to improve that approach and we take the chief government scientist's advice very seriously. There is, in fact, in the budget a $54 million science and maths package. There are also measures to strengthen and better target investment in apprenticeships. There are measures supporting landmark reforms of the national training system as well—very significant measures to increase the uptake of people undertaking vocational education and training. That, in brief, is an overview of measures in relation to the portfolio area that are very important from an economic standpoint, and we take them very seriously.

Mr DANBY (Melbourne Ports) (20:55): My electorate has an important—

Honourable members interjecting—

Mr DANBY: Oh, I was going to talk about the member for Indi—positively! Hey, what's that about?

The DEPUTY SPEAKER (Ms Vamvakinou): Order! Does the member for Melbourne Ports have questions for the minister?

Mr DANBY: Yes.

The DEPUTY SPEAKER: The member for Melbourne Ports will continue.
Mr DANBY: My electorate, Minister, has an important and iconic company, Holden. This chamber is actually the site of one of my revelations about the attitudes of the coalition towards car manufacturing, when I questioned—some people call him Lord Turnbull—the member for Wentworth about his attitude to the auto industry and he explained to me that he saw it as not important to support the auto industry and he was quite happy if Chinese cars worth $8,000 were imported for the plebs in Australia to use. Holden has been an important part of the landscape in Victoria and Australia since Ben Chifley rolled out the Holden family car. That rolled off an assembly line in November 1948. As local member I have been at Holden all through the period of time—more than a decade—that I have served in parliament and I am very pleased that they are going to continue their operations past 2020.

I was very pleased that you and the government had secured the co-investment deal. As I am sure the member for Indi would acknowledge, when Australia’s economy transits out from its current high-dollar position, the export of hundreds of thousands of Holdens and Toyotas to the Middle East will be a major source of export income. We are even selling a lot of them now, but imagine when we have a lower dollar and we are able to export more extensively to the Middle East. The deal of co-investment from the federal government was worth $275 million, and it assisted the Victorian and South Australian governments. It was a co-investment in the livelihoods of all the people employed in the automotive manufacturing industry and other workers who support that sector. It allowed Holden to alter its purchasing strategy. As we know, the auto industry, like much of the manufacturing sector, is innovating and preparing from the low-carbon future of tomorrow.

The minister was recently in my electorate to launch the Holden Volt and charge station. The rollout of these charging stations means that recharging can be done anywhere during the day or night, at work, at home or around town. The charge station can recharge the Volt to 80 per cent capacity in four hours, and the Volt can travel 60 kilometres without recharging, making it an everyday car. Using renewable energy to recharge makes the Volt virtually a zero-emissions car. This is just one example of the advances in technology that Holden is introducing. They are better for the environment and they will reduce our dependence on non-renewable fossil fuels.

Holden is just one example of the things the auto and manufacturing sector is doing, and I am sure the minister can elaborate further, but I have a specific question to him: why is it important that Australia continue to maintain a car industry, despite the views of the member for Wentworth and the vast majority of the anti-manufacturing people in the coalition? What is the return that the Holden co-investment will deliver and what support or otherwise has the government received for this measure? How is the government helping component auto manufacturers assess international markets?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (20:59): I certainly appreciate the question from the member for Melbourne Ports—he was my member of parliament when I was living in that area in Melbourne, and he was a mighty fine representative for the community. He asks very important questions in relation to the automotive manufacturing industry, and the fact of the matter is that 55,000 people are directly employed in the auto industry and more than 200,000 others are employed in areas associated with the sector. That, in itself, tells why it is a very important part of our economy—a quarter of a million working people and their families who
depend on the industry and all the businesses that are associated with the industry and provide services to it mean that it is a very important part of our economy. Labor, of course, has a very long history of association with the automotive manufacturing industry and of encouraging its development and sustaining its role. That is very important for the member for Corangamite who is here too, and of course he has many Ford workers living in his electorate.

The government are very committed to the industry and that is why we undertook the discussions. We acknowledge the work done by Senator Carr previously in this portfolio—he did much of this work. We have worked very closely with General Motors in relation to the co-investment that was announced some months ago. The auto industry in this country is under significant pressure. We have three major manufacturers and of course many suppliers in the supply chain that are feeling the pressure of the high dollar in particular. As we know, the high dollar means imports are cheaper, relatively, and exports are more difficult. General Motors Holden's operations in Australia, including in Port Melbourne, are feeling that pressure. This government is committed to sustaining an automotive manufacturing industry, but of course it will only be sustained at the end of the day if it is viable.

We may well have parity with the US dollar for quite a continued period of time, and in the auto industry, as in many other industries, they need to change their business models so that they can function and be competitive at parity with the US dollar. Many businesses in Australia, including many in the auto sector, have essentially been structured and financed on the basis of the exchange rate perhaps in the region of 80 to 85 cents to the US dollar. Those days are not here, and they have not been here for quite some time. That means businesses need to change their business models, and the co-investment that has been announced between the Commonwealth and the South Australian and Victorian governments, both making a small contribution relatively, with General Motors is designed to achieve a restructuring of General Motors operations in this country so that it can establish itself on a viable basis with the exchange rate at parity with the US dollar. It is important for governments to work with businesses to achieve outcomes like that and to achieve change.

Holden, as a consequence, has been able to announce more than $1 billion of investment as part of that deal that will ensure that it has operations in this country for the next decade, to 2022. It will change its operations, yes, and it will be a matter for Holden to indicate in coming months how it will go about achieving that. It is anticipated that two models will be produced in Australia for the domestic market and also with an eye to export markets. Just imagine how important that is for the economy in Australia.

In relation to the question asked by the member for Melbourne Ports, Holden's operations in Victoria, and in Port Melbourne, are extremely important. The engine plant is there, as are the engineering and design facilities. To provide some insight into what this arrangement means, General Motors has been able to announce subsequent to the co-investment that a deal has been secured with its operations in Shanghai for the design and engineering of vehicles in Australia for manufacture in China. That is the sort of focus that this co-investment is designed to achieve.

The alternative, of course, is to do nothing. That is the coalition's position. The member for Indi has left now, unfortunately; however, their policy is to take $1.5 billion out of support for the auto sector compared to what the government has committed to.
Mr ALEXANDER (Bennelong) (21:04): I have some questions regarding the landmark Productivity Commission report released in April, which investigated claims by Cyclopharm, a small business in my electorate of Bennelong, which is in competition with PETNET, a wholly owned subsidiary of ANSTO. Cyclopharm alleged that ANSTO had entered into a franchise-style agreement without public review process or tender and that PETNET’s pricing does not reflect true production costs, is not applying commercial rates of interest on borrowings and cannot achieve commercially acceptable profits over a 10-year payback period.

According to the Productivity Commission report, PETNET is in breach of its competitive neutrality requirements. This means that taxpayer funding is being used to eliminate competition and commercially ruin Cyclopharm. It is very rare that the Productivity Commission delivers such damning findings. Recommendation 2.1 of the report states:

For ANSTO to comply with competitive neutrality policy, it would need to adjust PETNET Australia’s business model such that it can be expected to achieve a commercial rate of return that reflects its risk profile and the full investment in PETNET Australia.

They concluded that the current situation represents an ex ante breach of competitive neutrality policy. In Senate estimates last month Dr Paterson from ANSTO stated:

This concept of an ex ante breach is not well known to us...

We have written to the ... Australian Government Competitive Neutrality Complaints Office, requesting a meeting to further explore this concept and in addition to get an understanding of the types of models that they used.

Perhaps the minister can provide ANSTO with a copy of the Treasury department publication, Australian government competitive neutrality guidelines for managers, February 2004, which clearly spells out how competitive neutrality guidelines are to be met. ANSTO claimed in estimates that if PETNET increases its prices it would be in further breach of competitive neutrality yet the Productivity Commission report clearly states that in order to meet their competitive neutrality obligations they would need either to increase their prices or to increase the market. Freedom of information requests have shown that, from their own business model and their own numbers, ANSTO entered into the marketplace with an approach that will not meet its competitive neutrality requirements based on current and projected prices.

When PETNET entered the market in January 2011 they changed the price determination model to drive down prices by approximately 20 to 30 per cent and to capture as much of the market share as possible. In October 2011 ANSTO misled Senate estimates on the amount of their investment in PETNET. Finally, the Productivity Commission report states that the government will need to decide whether to maintain the business at the impaired asset value in breach of competitive neutrality policy or to dispose of the assets.

Minister, how can the government continue to justify funding a venture that is not commercially viable, found to be in breach of competitive neutrality and, in its market behaviour, eliminating competition? Can you provide the result of ANSTO's meeting with the Australian Government Competitive Neutrality Complaints Office to discuss their breach? Do any PETNET customers receive any favourable funding or support from ANSTO either through grants or through research collaboration? If so, what value is placed on these...
arrangements and when did the financial or in-kind considerations commence or plan to commence? What changes will ANSTO be implementing, and when, to remedy these competitive neutrality breaches and to minimise the damage being done to small businesses like Cyclopharm? What are you, as Minister for Industry and Innovation and as representative of the minister for science and research, doing to address this misuse of market power by this rogue government-owned enterprise?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (21:08): I recognise that there has been a question put seriously in some detail. I am not sure that I can address all of the detail at this point in time but, perhaps for the benefit of some others in the room, I will provide a little bit of context before I go to some of the response.

ANSTO, the Australian Nuclear Science and Technology Organisation, that the member for Bennelong has been referring to, produces 85 per cent, I am advised, of the nuclear medicines that one in two Australians are likely to need in their lifetime. PETNET Solutions, as I understand, is a wholly owned ANSTO subsidiary which produces a radiopharmaceutical, fluorodeoxyglucose, or FDG. I am advised that FDG is used in positron emissions tomography, or PET scanning, and that, of course, has produced very significant advances in the diagnosis of cancer and other medical conditions and, in fact, is the fastest growing diagnostic-imaging technique globally, and is very important. I am aware that the Australian Government Competitive Neutrality Complaints Office recently issued a report on PETNET in which it investigated four complaints that the member for Bennelong has been alluding to. My advice is that in three cases it found no breach of the competitive neutrality framework. Specifically, the complaints office found that ANSTO's process for selecting a commercial partner to re-enter the radiopharmaceuticals market is not a breach of competitive neutrality. Secondly, ANSTO's approach to apportioning and charging centrally provided services does satisfy the requirements of a competitive neutrality policy. Thirdly, the complaints office found that ANSTO's pricing of individual services in particular market segments in itself is not a breach of competitive neutrality policy.

There was one finding by the complaints office that PETNET's rate of return was lower than ANSTO had anticipated. As a result, the complaints office has recommended that PETNET's business model should be adjusted so that it achieves a commercial rate of return that reflects the amount ANSTO has invested in PETNET. The report does not specify how that should be done. The point needs to be made that ANSTO is not under a formal obligation to respond to that report, but as the government is advised is currently considering its position. This is a responsibility of Senator Evans, my colleague in the portfolio. I am aware he has asked the department to keep him informed on how ANSTO will go about implementing that important recommendation and responding to the latter finding I referred to.

ANSTO remains committed to working with the Australian medical community to ensure Australians have access to the best nuclear medicines available. The government wants to ensure that that is the case. My colleague Senator Evans will continue to follow this issue. If there is more specific detail that may assist the member for Bennelong, I am sure Senator Evans would facilitate a more detailed response.
Mr CHEESEMAN (Corangamite) (21:12): The Climate Change, Energy Efficiency, Energy and Innovation portfolio is very important to my constituency and the broader Geelong district. Manufacturing plays an integral role in the Australian community. It employs some one million Australians, often in very high-skilled and high-waged jobs. That is the situation in the broader Geelong region where manufacturing is at the very heart of the economy.

Having said that, there are a number of significant challenges that face manufacturing, including in the Geelong community. The high Australian dollar is a case in point. It is a challenge that my region is responding to, and I know that is the case in many manufacturing parts of the Australian economy. A key part of that response is innovation and productivity. I know the Geelong business community is working on these issues. Manufacturers in the Geelong region are working at ways to ensure that their businesses are making productivity gains and that innovation is right at the heart of their business planning.

Given that we have a price on carbon and many economies are moving to this situation, this is a very important challenge for Australian manufacturers. Indeed, those who enter the race early and face up to those challenges I think will succeed on a global scale. I am sure that is the case. Minister, in your portfolio responsibilities you have the clean energy future package, which is a package designed to assist manufacturers in Australia respond to a price on carbon. I would like to congratulate you for that. Also, of course, we have the Clean Technology Investment Program, which, again, is a critical package and policy suite to assist businesses and manufacturers respond to a price on carbon.

I particularly want to draw attention to the $200 million for food manufacturing. I have a significant food processing sector in my seat. We have got the dairy industry—Bulla cream is an example—and we have got meat processors. Again, I would like to hear from the minister about some of those important challenges. I particularly ask him to inform those present about these particular policies and how he is going about encouraging the manufacturing sector to take up the opportunities under these programs. What benefits might be made available under those programs to manufacturers not only in the Geelong region but indeed across the nation?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (21:17): I thank the member for Corangamite for his question. The manufacturing sector is extremely important, as he observed. One million people are employed in manufacturing. It is a very important contributor to our economic activity and it is under pressure from the high value of the dollar and a number of other global factors. In essence, government policy needs to assist the industry to make adjustments to improve productivity, improve efficiency, reduce energy consumption, become more competitive and assist in finding access to global markets. Many government programs are directed towards that aim.

The member for Corangamite referred to an important new program that is operating under the clean energy package, and that is the Clean Technology Investment Program. This is a $1.2 billion program specifically for the manufacturing industry, designed to support, through co-contributions with businesses, investment in energy efficiency and reduced emissions intensity—all measures that will help improve productivity and technological application within the manufacturing sector. Just to put it in some specific circumstances and in particular in relation to the food manufacturing sector that the member for Corangamite asked about, a
couple of weeks ago I announced the first round of grants under the Clean Technology Investment Program. It involved a group of organisations that were successful in gaining access to some funding. One of them is Bega Cheese, which received funding for a number of projects including improved fan speeds in coolrooms, improved efficiency of chilled water heat exchangers, improved heat recovery and reuse, and lighting upgrades. The Commonwealth is putting $282,000 towards the achievement of that and Bega Cheese is making a co-contribution. I will be visiting the site shortly to discuss the application of it on site.

Fonterra Foodservices was also successful in gaining a grant for its milk processing facilities in and around Wagga Wagga. Again, this money will be used to assist in the replacement of outdated refrigeration equipment. I visited a very interesting food manufacturing workplace at Emu Plains in Western Sydney, which is receiving a $500,000 grant and the company is making a co-contribution. An older style blast freezer system will be replaced with an industrial spiral freezer system using an ammonia refrigerant. It is going to reduce the emissions intensity of product in that plant by 54 per cent and create the opportunity to boost turnover from $20 million to $50 million because, once meals are produced in the factory, they can be frozen in 1½ hours with the new technology instead of the 10 hours it took previously. This represents a massive increase in productivity and it will increase the number of jobs on site.

DTR Holdings Pty Ltd, which is a food product manufacturing firm in Bundaberg in Queensland will be receiving a grant—again directed towards more efficient operations. It will replace high-pressure processing units with new, more efficient systems. This will boost productivity, boost competitiveness, boost output and improve the viability of that particular business.

De Bortoli Wines will be receiving a significant grant of almost $5 million—and making a significant co-contribution itself of course—for a massive scale energy reduction project across five different winemaking sites in New South Wales, Queensland and Victoria. The project will reduce energy use across its winemaking, packaging and warehousing operations through using power more efficiently, replacing old equipment and using solar technologies. Rickety Gate Trust, Matilda's Winery and Ferngrove Vineyards are also in the wine industry, part of the food manufacturing industry, and they will also receive grants. There will be further rounds of funding, but all of these things are going to make an enormous contribution to helping the manufacturing sector make the investments that can boost productivity and improve competitiveness. It is one way, in a very practical sense, that we will be able to point to the benefits of carbon pricing—because these investments would not be made without the government introducing the carbon price incentive in the economy.

Mr BILLSON (Dunkley) (21:22): I would like to go back to the Minister for Small Business to pick up on some of the points he mentioned. On the issue of the small business commissioner—is the minister aware there was a small business commissioner appointed to the ACCC in 1999 by a cabinet level minister for small business, Peter Reith? Your lifting and rebadging of coalition policy was an opportunity to have thought about getting the title correct. Rather than just lifting the coalition policy from the last election, you could have rung
me and I could have pointed out the problems that you needed to get across. One of the things that we noticed at the last election was that there was no new policy brought to the electorate or to the small business community by the Gillard-Rudd government. I congratulate you on your nimbleness in picking up coalition policy and in following the lead of the coalition in having the small business spokesperson at the adults table and not at the kids table, as was the case for the three ministers that you follow.

In that light, you would be aware of some commentary that there is concern about what you have called the small business commissioner. For those listening, this is not the small business commissioner we already have in the ACCC, but is a rebadging by the government of the small business and family enterprise ombudsman the coalition has been promising. There is some concern about the independence of that role—that you are reducing a role which would have had the additional teeth, powers and tools needed to enable it to be an ally to small businesses to, effectively, just putting in another first assistant secretary within your own department. Have you seen those concerns?

Have you also seen the calls from your preferred small business advocacy group for an appointment from outside the executive to ensure the independence of the role and to protect its authority? I would be interested to know your thoughts about that. Following on from that, for the Small Business Support Line—I read your press releases about the number of calls and find those very interesting—do you keep statistics on the nature of the inquiries being directed to it? You made quite a point about ensuring that the small business commissioner—that is not the one that is already appointed to the ACCC but the one that is the government's rebadging of the small business and family enterprise ombudsman we were advocating—did not trip over the state level small business commissioners. Have you turned your mind to how you might ensure the Small Business Support Line services are not a duplication of what is already provided by the state services offering similar assistance?

That is an issue that has been raised with me regularly.

Also, I would be interested if you could provide a breakdown of the issues being canvassed on that support line. Are you getting substantial numbers of people ringing looking for advice on award matters, given that Fair Work is reluctant to provide actionable information to small business people who inquire?

Moving on to the earlier point about the dissatisfaction with the government: have you seen the report in the MYOB 2012 Business Monitor report headed up 'Near-record SME dissatisfaction with government' and how it goes on to draw attention to the 38 per cent level of significant dissatisfaction going up to 52 per cent just in the last two years? Do you have any antidote to this sense that the government has no idea what is happening in small business?

Going to the carbon tax: are you at all concerned that the government has done no meaningful modelling on the actual price impact of the carbon tax on different sizes and types of small business, with different supply chains and service systems, all of which will produce a different outcome for the consumers, yet your Prime Minister decreed a one per cent price cap which has no basis in fact, no legal basis whatsoever, and has been repeatedly contradicted by the ACCC as it seeks to provide reliable information to the small business community as distinct from the self-serving political spin coming out of the government and its ministers? And also are you concerned at the report from the ACCC in the last few days...
that they are relying very heavily on industry expertise, given that the government has not seen fit to value small business adequately to do that research? And finally, you have what is called an industry update unit, established in December 2009. Has this area within your portfolio actually given you an update about the conditions being faced by the small business community—the dire straits—and the dissatisfaction they feel with this government, and the need for a government that will restore hope, reward and opportunity?

The DEPUTY SPEAKER (Hon. BC Scott): Order! I just might remind the chamber once again, as I have on a number of occasions, of the use of the word 'you'. It would be 'the minister' or 'the government' rather than 'you'.

Mr Billson interjecting——

The DEPUTY SPEAKER: The member for Dunkley, it is a habit that has crept into debate on both sides of the chamber.

Mr BRENDAN O'CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (21:27): I have got about a minute and a half to answer a five minute question and I would like to say a couple of things. In relation to the carbon price reforms that this government is introducing, the one thing we will not do is apply the sorts of impositions that occurred under the Howard government when they introduced the GST which turned every small business in this country into an unpaid tax collector. We will not be doing that. There are no obligations to account for carbon omissions, there are no obligations to report for small businesses and indeed there are no direct taxes on small businesses, and we cannot say that for GST, can we? The facts are——

Mr Billson interjecting——

Mr BRENDAN O'CONNOR: You've had your go, Bruce! Just calm down and let me just say a few words. In relation to all the other matters, it is one thing to promise something and it is another thing to do something. The difference between what the member advocates on behalf of small business is that he seems to have advocated it after they left government; that is the problem. See, you have got to do it, Bruce; you cannot just say it. We have actually enacted these policies because they help small business. And, arising of out the budget, as I was talking about, enhancing business confidence, can I say that two particular initiatives—the loss carry-back initiative, a great Labor reform, and the instant asset tax write off—were well received by the small business community because they will provide cash flow for that very important sector. Small business is the engine room of our economy; it employs almost five million Australians and I am very proud to be a cabinet minister for that portfolio and that constituency.

Mr Billson: And you'll take my question on notice?

The DEPUTY SPEAKER: The question is that the proposed expenditure be agreed to. Member for Cunningham, were you seeking the call?

Ms Bird: I was just wondering if we have time to do some more questions.

The DEPUTY SPEAKER: Yes, and someone is seeking the call! I call the member for Werriwa.

Mr LAURIE FERGUSON (Werriwa) (21:29): The Parliamentary Secretary, earlier this month, took the opportunity to open extensions at Macquarie Fields TAFE, where she herself
was educated. I note that those developments cost $10.3 million, of which the federal government contributed $9.43 million. It involved a weights cardio room, aerobics rooms, a fitness testing room, educational offices and landscaping et cetera in regard to the sport and recreation facility whereby people can do certificates in fitness and remedial massage. In the health and community and the sign-industry facility, we had the installation of a massage therapy room, two clinical rooms, two sign-industry workrooms, and a specialist computer room as well. On the premises as a whole, there was the rollout of wireless technology resulting in students and staff having access to high quality wireless connections to the internet, and improved communications and directional signage throughout the TAFE et cetera. This TAFE, established in 1978, enrols about 3,000 students and it is a great facility. What impresses me is that it is in industries of the future where young people are interested, they are motivated, they have a personal interest plus employment possibility.

This is not the only TAFE effort by the current federal government, because last year—just down the road, as a matter of fact—we saw an $11 million building skills centre go in at Ingleburn. That is an interesting centre because it is basically whole of project based approach in regards to skills development allowing students in several trades to work together and work cooperatively in real-world scenarios. Once again, the overwhelming investment was by this federal government. Of that $11 million, $9.2 million came from the federal government. At that point—and I know things have improved since then—over the previous three years the government had invested more than $700 million to build new vocational education training facilities. There is a close involvement at Macarthur Centre in the building sector with industry, a focus on sustainable development and the area of green skill training in building and construction.

I do not need to indicate the urgent requirement that we actually invest in the TAFE sector. This has been a major thrust of the current federal government and I want to ask the parliamentary secretary whether she thinks it is too late in the day and whether, given the previous government's reliance upon international students to come in here, basically migrate on the basis of becoming a chef or a hairdresser, showing a total disregard of the need for skill development in this country, a privatisation of sectors of training to rather shoddy, questionable private sector providers, and the urgent skills shortages we have at this moment, these kinds of initiatives will be enough to reverse that damage.

**The DEPUTY SPEAKER (Hon. BC Scott):** I call the parliamentary secretary reminding her that we are going well over time, but I am allowing it to proceed and I am sure your answer will be fairly succinct, without giving you direction.

**Ms BIRD** (Cunningham—Parliamentary Secretary for Higher Education and Skills) (21:32): I appreciate it, Mr Deputy Speaker. I thank the member for his comments on the tremendous facility that we opened at Macquarie Fields and indeed, as he identifies, an area where I did my secondary education. It was a great pleasure to go back there. I also acknowledge the member for Lyons, who I know has a great commitment to adult education and further education opportunities. The member for Werriwa is absolutely correct: this is an area that this government has prioritised. Since the 2008-09 budget we have allocated over $15.5 billion to vocational education and training. As a former TAFE teacher it is certainly something that I believe is one of the most critical aspects for participation and productivity agenda into the future. Over $200 million has been allocated to the building TAFE facilities
fund, which allowed us to fund the facility at Macquarie Fields. And in my own area at both Wollongong campus and Shellharbour campus there have been important facilities built. There has been a lot of capital put into our TAFE but also a lot of commitment to skills development across the nation, an issue that was repeatedly identified at the end of the years of the Howard government. Infrastructure and skills were two bottlenecks that were throttling our economy and something that this government has stepped up to. It was a great pleasure to join the member in opening that facility and to see those young people in that region being given an opportunity. There are also, as the member for Lyons has often discussed with me, the commitments and expenditure in language, literacy and numeracy for adults to make sure that those who have been left behind have an opportunity also to participate in the programs that this government is rolling out. I thank members for their interest in the portfolio areas.

Mr ADAMS (Lyons) (21:34): The parliamentary secretary is well aware that there are those who request help to improve literacy and numeracy skills and there are many people who have difficulty in completing forms or interpreting written instructions, people who frequently miss meetings or get their times wrong. They do not respond to letters on time requesting their attendance at meetings. Those people need help, they do not need breaching of their benefits. I often point this out as I fight battles on behalf of people. There are those who may not seek help easily and are reluctant to seek help. I know about 46 per cent of Australians cannot read newspapers, follow a recipe, make sense of timetables or understand instructions on a medicine bottle. Nearly half of our population cannot read with any fluency. It is a shameful and very worrying statistic.

This has great significance for what my colleague was saying recently and what the parliamentary secretary just said in relation to the skill base and the need to improve people's education. TAFE has always played that incredibly important role in improving and helping people get their trade certificates through TAFE. I would like to ask about the rollout of the Language, Literacy and Numeracy Program and how it is going. How many years is that for? The Workplace English Language and Literacy, the WELL program, is targeting existing workers and how we can assist workers who are presently on the job improve to get advancement in their employment or to improve their skill base to go forward.

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (21:36): In acknowledgement of the extended time I will go to this briefly. I acknowledge that the member has had ongoing conversations with me since I have taken over this portfolio area about the importance of these two programs. For the member's information, it is the case that the Language, Literacy and Numeracy Program does target jobseekers and is an investment of $494 million over four years. The Workplace English Language and Literacy Program, the WELL program, targets existing workers, as he identified, and is $124 million over four years. They are both programs that indicate our determination as the government to address the very issues that the member has raised with me and to ensure that as we roll out the upskilling of our entire population there are not people who are left behind in participating in that because they do not have the basic language, literacy and numeracy skills. It is a very important issue and I commend the member for his ongoing advocacy. I assure him that the government continues to work very proactively in that area.

Proposed expenditure agreed to.

Debate adjourned.
CONDOLENCES

Walker, Hon. Francis (Frank) John, QC

Debate resumed on the motion:

That the House record its deep regret at the death on 12 June 2012 of the Honourable Francis John (Frank) Walker QC, a former Minister and Member of this House for the Division of Robertson from 1990 to 1996, place on record its appreciation of his public service, and tender its profound sympathy to his family in their bereavement.

Mr McCORMACK (Riverina) (21:38): Labor devotees in the Riverina and many others too are mourning the death of Francis John Walker, QC, better known as Frank, a former government minister in both the New South Wales and Commonwealth parliaments. Lifelong Labor supporter George Martin from Tumbarumba, who visited parliament today, remembered Frank Walker as a decent fellow. The president of the Wagga Wagga Labor branch, Glenn Elliott-Rudder, described Mr Walker as a man of conviction who always fought hard for what he believed and was never afraid to speak up for those who did not have a voice. 'The sympathy of all Labor branch members throughout our region is extended … Mr Walker fought the good fight right to the end and will be remembered as a courageous and compassionate champion of the underdog,' Mr Elliott-Rudder said. Former long-serving Liberal member for Wagga Wagga Joe Schipp, who succeeded Mr Walker as state housing minister in 1988, recalled his old political combatant as 'passionate' and 'committed to the cause'. Mr Schipp said Mr Walker was 'ideologically driven', joking that they got on well after both their political careers were over. He acknowledged the dedication Mr Walker showed as president of the Schizophrenia Fellowship from 1998 until his death at age 69 on 12 June. Mr Walker was a principled man who dedicated his life to reform and justice for Australians, as his distinguished career indicates. Born in Sydney in 1942, Mr Walker spent his early years with his brother and father in a jungle village in Papua New Guinea. At the age of 12 he moved with his family to Coffs Harbour, where he completed his secondary schooling before attending the University of Sydney, from which he graduated in 1964 with a Bachelor of Laws before completing a Master of Laws in 1969. Mr Walker worked as an articled clerk from 1960 to 1965, as a solicitor from 1965 to 1976 and as a barrister from 1976 until 1988. In 1981, he was appointed as a Queen's Counsel.

He was elected as the New South Wales member for the now-defunct electorate of Georges River in 1970. He represented that electorate until 1988, when the Unsworth government was defeated and he lost his seat. During his time in the New South Wales parliament he became the Attorney-General in the Neville Wran government, and at the age of 34 he was the youngest person to have held that post. He also served as the Minister for Justice from 1978 to 1983, Minister for Aboriginal Affairs from 1981 to 1984, Minister for Youth and Community Services from 1983 to 1986, Minister for Housing from 1983 to 1988 and Minister for the Arts from 1986 to 1988.

That is an exhaustive list which indicates his interest in and dedication to Australian people from all walks of life. While the New South Wales Minister for Aboriginal Affairs, he was responsible for some of the first state based legislation that recognised the obligation to financially compensate Indigenous Australians for the loss of their land. In 1990, Frank Walker was elected as the 10th federal member for Robertson and he served the constituents of that federation seat until 1996. During his time in federal parliament, he served as the
Special Minister of State and Vice-President of the Executive Council from March 1993 to March of the following year, and then served as the Minister for Administrative Services until the defeat of the Keating government in 1996, when he lost his seat.

After his time in politics, Frank Walker served as a judge in the Compensation Court of New South Wales from 1997 until it was abolished in 2003, at which time he was appointed to the District Court of New South Wales and to the Dust Diseases Tribunal of New South Wales. He retired in 2006. Personal tragedy plagued his life, with the loss of his two sons, Sean and Michael, who both suffered from schizophrenia. Frank Walker worked tirelessly on behalf of the Schizophrenia Fellowship and was an enthusiastic advocate for mental health reform. May he rest in peace.

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (21:42): I rise to pay tribute to the Hon. Frank Walker, the former member for Robertson and a minister in the Keating government. Frank was Special Minister of State and Vice-President of the Executive Council from 1993 to 1994 and Minister for Administrative Services from 1994 to 1996. Prior to entering federal politics, he served with distinction as a New South Wales minister from 1976 to 1988. In fact, he was the youngest person to be appointed as New South Wales Attorney-General, at 34 years of age, in May 1976.

Frank was born in Sydney and attended Coffs Harbour High School. He studied law at Sydney university and practised as a solicitor before being elected in 1970 as a member of the New South Wales parliament for the division of Georges River, at 32 years of age. Frank was also the first dedicated Minister for Aboriginal Affairs in New South Wales. This was a policy area for which he had great passion and for which he willingly endured pain. Frank worked hard through his political career to make a difference. He represented Georges River in the New South Wales parliament for 17 years, losing his seat in 1988, when Labor in New South Wales ran out of puff and the Unsworth government was defeated. Not one to give up on politics, Frank moved to federal and was elected as the member for Robertson in 1990. In his first term, he served on the House of Representatives Standing Committee on Community Affairs and Standing Committee on Procedure.

In 1993, he was appointed Special Minister of State. In this role, Frank played a critical part in the debate on native title following the landmark Mabo High Court decision 20 years ago. His dogged advocacy and his willingness to undertake the hard negotiations contributed to the passage of the Native Title Act in 1993. This followed his achievement in introducing land rights legislation in New South Wales 10 years earlier, in 1983. As history has shown, a workable scheme in native title administration is one of the landmark reforms that the Keating Labor government delivered. As Special Minister of State, Frank Walker also worked to deliver a tightened electoral disclosure system that improved our electoral disclosure laws, forming part of the framework that ensures that our political system is both clean and robust and one that can be supported by businesses and contributors, knowing full well that the disclosure system itself keeps our parliamentary democracy with a brand of transparency but also with a core of support that allows us to do our work. Frank worked very hard to deliver that reform. Following his departure from politics, Frank served on the Workers Compensation Tribunal then as a District Court judge in New South Wales.

The deaths of Frank's two sons, both sufferers of schizophrenia, brought pain that no parent should have to bear. Frank used the skills, connections and experience that he had acquired...
from his political and judicial career to improve the welfare of those suffering from mental illness. He was president of the Schizophrenia Fellowship of New South Wales until his death and worked hard to eliminate the stigma attached to mental illness and to ensure that people with a mental illness had access to information and services.

Frank's legacy in law reform, Indigenous affairs, native title, housing, mental health, social justice and electoral reform is a true testament to this modern Labor man. I extend my deepest sympathy to Frank's wife, Pamela, as I join with Frank's other Labor Party and parliamentary colleagues in bidding farewell to a dedicated, hardworking public servant. I commend this motion to the Federation Chamber.

Mr Turnbull (Wentworth) (21:45): As we reflect on the life of Frank Walker in the debate that has proceeded today, it is perhaps worth recalling that this is where we will all end up—with a cursory debate in the Federation Chamber lamenting us and remembering our contribution to public life!

I first knew Frank Walker in 1976, when I was a young journalist—21 in fact—in the state parliamentary press gallery. Frank would have been about 33 or 34 at that time, a young, up-and-coming member of parliament in Neville Wran's opposition. Following Wran's win in 1976, he became the Attorney-General. As the Special Minister of State has said, he was the youngest Attorney-General in New South Wales up to that point. I do not know whether there has been a younger one since. At the time, I thought 34 was very old. Now it seems impossibly inexperienced.

There were three people in that Labor government that I had a personal relationship with—only three. There was Neville Wran, of course, who had been a university friend of my mother's. I always had—and still to this day have—a very close friendship with Neville. He has been sort of family for me all my life, and we subsequently went into business together and so forth. But there were two other people in the Labor government that I was close to, or that I got to know very well as a journalist—obviously I did not get too close; I was in the press gallery. They did not want to get too close to me either! One was Paul Landa, who was an incredibly charismatic fellow who just exhibited energy and dynamism. He was certainly not someone of the Left, whereas Frank Walker was very much of the Left, and I think he always regarded me as a dangerous member of the capitalist classes.

Mr Gray: He was right about that!

Mr Turnbull: He might have been right about that; you are right! But nonetheless I had a lot of admiration for Frank Walker, because he was a law reformer. When Neville Wran got elected in 1976, the law in New South Wales needed shaking up. Neville made Frank the Attorney-General for the purpose of doing that. He knew that would shake up some of the old codgers in the law. I was writing a law column for the Bulletin at the time, and Frank provided a lot of copy. At one point, he was going to abolish wigs and gowns. He did not quite get to do that. He was very keen on law reform. At one point, he had an idea that energised the youth of Sydney, which was to allow everyone to grow 10 marijuana plants in their backyard, but Neville Wran very wisely put the kibosh on that. That did not last very long. It was an interesting era, because Walker had a reforming zeal and a youthful indiscretion, if I may say so. I see the member for Werriwa is here. His father, Jack Ferguson, was Neville Wran's deputy premier and a most remarkable member of that government. I remember the member for Werriwa's father very well. He personified, to me, the political
wing of the labour movement in a form that we do not see any more. Jack Ferguson was a man who had really worked with his hands—he was not an apparatchik, he was not a university bureaucrat, he was not a career seeker; he was someone who had done the hard work and then had gone on to represent the labour movement in parliament. He was basically from the same side of the fence as Frank Walker. I always felt that the interaction between the two resulted in a bit of prudence being applied to youthful exuberance.

That was a very long time ago—we were all a lot younger then. Frank Walker was not of my political persuasion, though I certainly shared a lot of his ideals in terms of reforming the law. I undertook my own single-handed law reform activities in my own way in subsequent years. He was a person of genuine passion and commitment. He had a furious passion for politics. He was often wrong but never in doubt and that is not a bad thing to say about a politician. He died too young—69 does not seem very old to me any more.

Talking about that era of politics reminds me of another person from the Labor side—looking at all these Labor politicians here reminds me of all the Labor people I knew. Laurie Brereton was a very young member of parliament at that point, in his twenties. Laurie and I had lunch at the Hyde Park Hotel shortly after Wran was elected and he was lamenting the fact that Wran had not put him in the ministry. He was telling me about all of these dreadful old men who had gone into the ministry ahead of him and he said, 'Do you know, some of them are in their mid-50s'. I said I could not believe that people as old as that could get a serious job. He said, 'No, that is right—they are that old; they are decrepit'. Laurie was lamenting this in the Hyde Park Hotel and then, as the lunch wore on, in a way that only Brereton could say it, he raised his glass and said, 'Oh well, where there is death there is hope'. That was the classic cynicism of Brereton.

It was an interesting period; a period long gone. Paul Landa, of course, died incredibly young, at 46. Frank Walker has died. Neville Wran is with us and steaming along, and there are a lot of very strong contributors from that era of New South Wales state politics. Whatever your side of politics—as I said, Frank was on a different side of politics from me—it is important for us to remember these people and not in a perfunctory way. They gave, just as we all give, politics their passion and their commitment. They gave it the best years of their life and they did so—rightly or wrongly, misguided or not, depending on your point of view—in the public interest. So we should say thank you to Frank Walker—rest in peace. Let us hope for his sake and perhaps for ours that his contribution is not too soon forgotten.

Dr LEIGH (Fraser) (21:54): Frank Walker did more in public life than many of us can ever hope to do. During his time he suffered more than any of us probably ever will. He lost his two sons, Michael and Sean, to suicide. Both died at age 33 and he found both of them. But he contributed an extraordinary amount to our public life. He spent his first years in a Coogee housing commission home. His family moved to New Guinea in 1948 after his father, Jack Walker—a brickworks dragger and a member of the Communist Party of Australia—was black-listed. He was a campaigner for the underdog and perhaps part of that was formed by those early years in Papua New Guinea, sitting alongside indigenous children in coastal villages.

In 1950s Australia, at the age of 13, he staged his first political act, sitting with segregated Aboriginals at the Sawtell picture theatre. He joined Charlie Perkins on the freedom ride to Moree in 1965. He devoted decades of his life to public life and it was in the latter years that I
first came to know him. At university I decided I would write a paper on the New South Wales Left. Frank was generous enough to give me two hours of his time sitting in his electorate office. I look back on my notes today and see that on 22 April 1994 I went to the Robertson electorate office and sat with him, talking through some of the old stories of the faction. Perhaps the one that caught me the most was when Jack Ferguson—member for Werriwa's father—stepped down as Deputy Premier and there was a question as to whether Frank would succeed him. He did not. In somewhat controversial circumstances he was beaten out in that internal ballot.

He was a full participant in some of those very difficult times for the Left. He voted for Paul Keating in both the leadership ballots and ran for the ministry without the support of the Left. But he took stands on principle. When Prime Minister Bob Hawke spoke on the Iraq war, Frank Walker was one of a handful of members who left the chamber, earning themselves substantial opprobrium in the process.

I remember Frank very much as being generous with his time with me, a young whippersnapper and surely the least important thing on his agenda, but it was a reminder of how those of us in public life should behave when people come to learn from us. I enjoyed very much the story Senator Faulkner told in the other place about when he arrived in his office in Sussex Street to receive a Christmas present from Frank Walker—a New South Wales ALP rule book with every page blank because, as Frank's annotation read, the Sussex Street machine just ignored the party rules anyway. Senator Faulkner has lodged Frank's Christmas present in the National Archives of Australia. My friend Macgregor Duncan, a family friend of Frank's, said the following:

… I would say that Frank lived his life with great dignity and nobility. As has been well documented, he suffered great sorrow and sadness in his life, enough to make most of us resign in despair and unjustified guilt. But Frank never gave into those emotions. He summoned the will to rise above it all. He was loyal, generous and kind to his friends. And he was an exemplary parliamentarian and minister. For a man who'd had so much taken from him, he gave so much back to his friends, family, community and country. And in a democracy, where we collectively rely on the private exertions of our public leaders, it's important that we celebrate those contributions when so noble and hard-fought. Vale Frank Walker.

Ms O'NEILL (Robertson) (21:59): I rise with sadness and great reflection to speak in memory of the Hon. Frank Walker. Being a member of parliament, particularly a member of this place, you are bestowed with a history of those who have come before you. As the present member for Robertson, I have served knowing of those who came before me and of their great service to the Central Coast community, none more so than the late Frank Walker. I joined the party in 1996, the year in which Frank departed this parliament. I never had the pleasure of meeting him on any occasion. He did, however, respond to a Christmas card that I sent him last year. He wrote me a letter of such literary beauty and such generous heart that it is one of my most treasured possessions from the time I have been here in parliament. In it there was a considerable degree of advice about campaigning. I have heard today, because I was privileged to attend the state funeral in Sydney, about some of the techniques that Frank was able to use in his many campaigns in the seat of Georges River and then up in Robertson. I feel very happy to be following in the footsteps of somebody who has taken on formerly Liberal-held seats and done such a good job of holding them for a long time. I hope that he is
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watching my progress every day very carefully and guiding me in the right path of the great campaign for the Labor cause.

I can say that, since the news of Frank's passing, many on the Central Coast and many in the Central Coast Labor movement have been greatly saddened by his loss, yet comforted by many wonderful memories, some of which they have recounted in recent meetings. Our local federal electorate council observed a minute's silence, as did our local government forum, and branch members have been making sure that memories of their time with Frank as the member for Robertson have been duly honed and recognised. I have myself, as have a number of my staff, received a number of calls from people in the electorate who wanted to share their memories and to mark Frank's passing in their own way, through our electorate office, with the telling of stories of Frank's great contribution to our region and our nation. Frank Walker's passing has really brought to light the profound impact he had on many in our community, whether it be personally or professionally.

What is quite remarkable is the impact Frank had as the member for Robertson when he had already achieved so much in a stellar career in the New South Wales parliament. As the youngest Attorney General to be appointed in New South Wales, Frank did not play 'small target' politics. He took on the big issues—the ones that are often thought immovable—and even institutions. On most occasions he came out where he deserved to be: in front. He took on the New South Wales Police Force, which at the time had a reputation among many for being above and beyond the law. But in the end it was Frank who delivered his reforms, repealing the Summary Offences Act and tackling the issue of bail.

John Gifford, the current president of the Gosford bowling club and a Labor stalwart, recalls when Frank approached him to become the president of Robertson FEC. John, quite taken aback, graciously accepted. Frank must have had an innate sense that John was the man for the job, because it was a position that John was to hold for the best part of two decades. John Gifford describes Frank as a very approachable man, quiet, reserved and thoughtful. He was the kind of person not to complain or shirk his duties. Few would have understood the work he did behind the scenes. Despite Frank's drive for reform, he was not one to bang the table or jump in front of the TV cameras to spruik about what he had done; he just worked hard. John says he got on with the job without a lot of fuss.

John points to the contribution Frank made to the laws following the Mabo land rights decision. Although he was appointed as Special Minister of State and not directly linked to the Mabo reforms by portfolio, John claims that Frank worked tirelessly behind the scenes to implement what needed to be done. It was very much a continuation of his passion for Aboriginal affairs, which was fostered as a child and to which the member for Fraser has alluded in his speech. It never seemed to leave him throughout his entire career. In preparing my speech for this evening, I went online and saw Frank Walker on the Tracker website. For anybody who might be listening to this or looking at this debate down the track, there is a wonderful website at which Frank's contribution to New South Wales land rights is recognised. It is an interview in which you hear Frank, only last year, describing the experience from his perspective. Of course, the fact that the vote passed by just one is testimony to the incredible mountains that this man climbed, that he believed in and that he pursued with incredible passion for his fellow Australians and a sense of justice for all. There will be many in the Labor Party recounting the factional feuds and spills that have come to

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attach themselves to the memory of Frank Walker the Labor politician. John Gifford, like so many, describes Frank as a man of conviction, a man who overcame enormous tragedy and the difficulties of his personal life, particularly the sad and very untimely loss of his two sons. But without regard for his own self he continued a path of unwavering community service.

Today the funeral service, the state funeral for Frank Walker, appropriately commenced with a didgeridoo performance by Glen Doyle. The casket was placed with an amazing array of native flowers of this country and it seemed to me that in his life, physically, there was a visual metaphor for great and beautiful things that sprang from the way he spent his life. The welcome to country by Uncle Charles Madden was very emotive and one which affected all the people who had travelled so far and from so many different backgrounds to come and honour his life. It was so appropriate that it was delivered in the way it was. There were tributes to the early years by Michael Knight, a tribute to Frank Walker as a law reformer by the Hon. Mary Gaudron, a tribute to him as a Labor man by Michael Deegan and a tribute to his mental health campaigning by Robert Ramjan.

I particularly was touched by the tribute of his own family member, his brother Robert, who spoke of a man who did amazing things. He had this period of time when he was not at school, when he was in New Guinea, and then he returned to high school and was very quickly the dux of his class. But I think the image that will last with me—a sign of the man he was to become—was his incredible success in the fifth year of high school, the Leaving Certificate, when he did his studies in a very simple house by the beach on the coast of New South Wales by the light of a kerosene lamp. This young, brilliant man found his way to the university in Sydney and began an incredible life of great service to all Australians.

In closing, I want to say that he will long be remembered for his many contributions at many levels, but as the member for Robertson I particularly want to note his contributions to the Central Coast. He will certainly be remembered for his leadership and bravery in all these contexts, the New South Wales situation, the federal parliament and on the Central Coast. He will be remembered in the history books as someone who made a great difference to this country. I offer my condolences and those of the people of Robertson to Frank Walker’s family and friends, who gave so much of Frank to all of us. Vale, Frank Walker, QC, MP.

Question agreed to, honourable members standing in their places.

Dr LEIGH (Fraser) (22:08): I move:
That further proceedings be conducted in the House.
Question agreed to.

Federation Chamber adjourned at 22:09