COMMONWEALTH OF AUSTRALIA

House of Representatives

Votes and Proceedings

Hansard

WEDNESDAY, 11 MAY 2011

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Wednesday, 18 May 2011

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SITTING DAYS—2011

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

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SECOND PERIOD

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

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

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

Party Leaders and Whips

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

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

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

Printed by authority of the House of Representatives

Members of the House of Representatives

Members	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Adams, Hon. Dick Godfrey Harry	Lyons, TAS	ALP
Albanese, Hon. Anthony Norman	Grayndler, NSW	ALP
Alexander, John Gilbert	Bennelong, NSW	LP
Andrews, Hon. Kevin James	Menzies, VIC	LP
Andrews, Karen Lesley	McPherson, QLD	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Bandt, Adam Paul	Melbourne, VIC	AG
Billson, Hon. Bruce Fredrick	Dunkley, VIC	LP
Bird, Sharon Leah	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Hon. Christopher Eyles	McMahon, NSW	ALP
Bradbury, Hon. David John	Lindsay, NSW	ALP
Briggs, Jamie Edward	Mayo, SA	LP
Broadbent, Russell Evan	McMillan, VIC	LP
Brodtmann, Gai Marie	Canberra, ACT	ALP
Buchholz, Scott Andrew	Wright, QLD	LP
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Burke, Hon. Anthony Stephen	Watson, NSW	ALP
Butler, Hon. Mark Christopher	Port Adelaide, SA	ALP
Byrne, Hon. Anthony Michael	Holt, VIC	ALP
Champion, Nicholas David	Wakefield, SA	ALP
Cheeseman, Darren Leicester	Corangamite, VIC	ALP
Chester, Darren	Gippsland, VIC	Nats
Christensen, George Robert	Dawson, QLD	Nats
Ciobo, Steven Michele	Moncrieff, QLD	LP
Clare, Hon. Jason Dean	Blaxland, NSW	ALP
Cobb, Hon. John Kenneth	Calare, NSW	Nats
Collins, Hon. Julie Maree	Franklin, TAS	ALP
Combet, Hon. Greg Ivan, AM	Charlton, NSW	ALP
Coulton, Mark Maclean	Parkes, NSW	Nats
Crean, Hon. Simon Findlay	Hotham, VIC	ALP
Crook, Anthony John	O'Connor, WA	NWA
Danby, Michael David	Melbourne Ports, VIC	ALP
D'Ath, Yvette Maree	Petrie, QLD	ALP
Dreyfus, Hon. Mark Alfred, QC	Isaacs, VIC	ALP
Dutton, Hon. Peter Craig	Dickson, QLD	LP
Elliot, Hon. Maria Justine	Richmond, NSW	ALP
Ellis, Hon. Katherine Margaret	Adelaide, SA	ALP
Emerson, Hon. Craig Anthony	Rankin, QLD	ALP
Entsch, Warren George	Leichhardt, QLD	LP
Ferguson, Hon. Laurie Donald Thomas	Werriwa, NSW	ALP
Ferguson, Hon. Martin John, AM	Batman, VIC	ALP
Fitzgibbon, Hon. Joel Andrew	Hunter, NSW	ALP
Fletcher, Paul William	Bradfield, NSW	LP
Forrest, John Alexander	Mallee, VIC	Nats
Frydenberg, Joshua Anthony	Kooyong, VIC	LP

Members of the House of Representatives

Members	Division	Party
Gambaro, Hon. Teresa	Brisbane, QLD	LP
Garrett, Hon. Peter Robert, AM	Kingsford Smith, NSW	ALP
Gash, Joanna	Gilmore, NSW	LP
Georganas, Steve	Hindmarsh, SA	ALP
Gibbons, Stephen William	Bendigo, VIC	ALP
Gillard, Hon. Julia Eileen	Lalor, VIC	ALP
Gray, Hon. Gary, AO	Brand, WA	ALP
Grierson, Sharon Joy	Newcastle, NSW	ALP
Griffin, Hon. Alan Peter	Bruce, VIC	ALP
Griggs, Natasha Louise	Solomon, NT	CLP
Haase, Barry Wayne	Durack, WA	LP
Hall, Jill	Shortland, NSW	ALP
Hartsuyker, Luke	Cowper, NSW	Nats
Hawke, Alexander George	Mitchell, NSW	LP
Hayes, Christopher Patrick	Fowler, NSW	ALP
Hockey, Hon. Joseph Benedict	North Sydney, NSW	LP
Hunt, Hon. Gregory Andrew	Flinders, VIC	LP
Husic, Edham Nurredin	Chifley, NSW	ALP
Irons, Stephen James	Swan, WA	LP
Jenkins, Harry Alfred	Scullin, VIC	ALP
Jensen, Dennis Geoffrey	Tangney, WA	LP
Jones, Stephen Patrick	Throsby, NSW	ALP
Jones, Ewen Thomas	Herbert, QLD	LP
Katter, Hon. Robert Carl	Kennedy, QLD	Ind
Keenan, Michael Fayat	Stirling, WA	LP
Kelly, Hon. Michael Joseph, AM	Eden-Monaro, NSW	ALP
Kelly, Craig	Hughes, NSW	LP
King, Hon. Catherine Fiona	Ballarat, VIC	ALP
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Ley, Hon. Sussan Penelope	Farrer, NSW	LP
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McClelland, Hon. Robert Bruce	Barton, NSW	ALP
Macfarlane, Hon. Ian Elgin	Groom, QLD	LP
Macklin, Hon. Jennifer Louise	Jagajaga, VIC	ALP
Marino, Nola Bethwyn	Forrest, WA	LP
Markus, Louise Elizabeth	Macquarie, NSW	LP
Marles, Hon. Richard Donald	Corio, VIC	ALP
Matheson, Russell Glenn	Macarthur, NSW	LP
McCormack, Michael	Riverina, NSW	Nats
Melham, Daryl	Banks, NSW	ALP
Mirabella, Sophie	Indi, VIC	LP
Mitchell, Robert George	McEwen, VIC	ALP
Morrison, Scott John	Cook, NSW	LP
Moylan, Hon. Judith Eleanor	Pearce, WA	LP
Murphy, Hon. John Paul	Reid, NSW	ALP
Neumann, Shayne Kenneth	Blair, QLD	ALP

Members of the House of Representatives

Members	Division	Party
Neville, Paul Christopher	Hinkler, QLD	Nats
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O'Connor, Hon. Brendan Patrick	Gorton, VIC	ALP
O'Dowd, Kenneth Desmond	Flynn, QLD	Nats
O'Dwyer, Kelly Megan	Higgins, VIC	LP
O'Neill, Deborah Mary	Robertson, NSW	ALP
Owens, Julie Ann	Parramatta, NSW	ALP
Parke, Melissa	Fremantle, WA	ALP
Perrett, Graham Douglas	Moreton, QLD	ALP
Plibersek, Hon. Tanya Joan	Sydney, NSW	ALP
Prentice, Jane	Ryan, QLD	LP
Pyne, Hon. Christopher Maurice	Sturt, SA	LP
Ramsey, Rowan Eric	Grey, SA	LP
Randall, Don James	Canning, WA	LP
Ripoll, Bernard Fernand	Oxley, QLD	ALP
Rishworth, Amanda Louise	Kingston, SA	ALP
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Robert, Stuart Rowland	Fadden, QLD	LP
Rowland, Michelle	Greenway, NSW	ALP
Roxon, Hon. Nicola Louise	Gellibrand, VIC	ALP
Roy, Wyatt Beau	Longman, QLD	LP
Rudd, Hon. Kevin Michael	Griffith, QLD	ALP
Ruddock, Hon. Philip Maxwell	Berowra, NSW	LP
Saffin, Janelle Anne	Page, NSW	ALP
Schultz, Albert John	Hume, NSW	LP
Scott, Hon. Bruce Craig	Maranoa, QLD	Nats
Secker, Patrick Damien	Barker, SA	LP
Shorten, Hon. William Richard	Maribyrnong, VIC	ALP
Sidebottom, Peter Sid	Braddon, TAS	ALP
Simpkins, Luke Xavier Linton	Cowan, WA	LP
Slipper, Hon. Peter Neil	Fisher, QLD	LP
Smith, Hon. Anthony David Hawthorn	Casey, VIC	LP
Smith, Hon. Stephen Francis	Perth, WA	ALP
Smyth, Laura Mary	La Trobe, VIC	ALP
Snowdon, Hon. Warren Edward	Lingiari, NT	ALP
Somlyay, Hon. Alexander Michael	Fairfax, QLD	LP
Southcott, Andrew John	Boothby, SA	LP
Stone, Hon. Sharman Nancy	Murray, VIC	LP
Swan, Hon. Wayne Maxwell	Lilley, QLD	ALP
Symon, Michael Stuart	Deakin, VIC	ALP
Tehan, Daniel Thomas	Wannon, VIC	LP
Thomson, Craig Robert	Dobell, NSW	ALP
Thomson, Kelvin John	Wills, VIC	ALP
Truss, Hon. Warren Errol	Wide Bay, QLD	Nats
Tudge, Alan Edward	Aston, VIC	LP
Turnbull, Hon. Malcom Bligh	Wentworth, NSW	LP
Vamvakinou, Maria	Calwell, VIC	ALP
Van Manen, Albertus Johannes	Forde, QLD	LP

Members of the House of Representatives

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

Clerk of the Senate—R Laing

Clerk of the House of Representatives—B Wright

Secretary, Department of Parliamentary Services—A Thompson

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

[The above ministers constitute the cabinet]

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Minister for Privacy and Freedom of Information	Hon. Brendan O'Connor MP
Minister for Sport	Senator Hon. Mark Arbib
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Minister for Employment Participation and Childcare	Hon. Kate Ellis MP
Minister for Indigenous Employment and Economic Development	Senator Hon. Mark Arbib
Minister for Veterans' Affairs and Minister for Defence Science and Personnel	Hon. Warren Snowdon MP
Minister for Defence Materiel	Hon. Jason Clare MP
Minister for Indigenous Health	Hon. Warren Snowdon MP
Minister for Mental Health and Ageing	Hon. Mark Butler MP
Minister for the Status of Women	Hon. Kate Ellis MP
Minister for Social Housing and Homelessness	Senator Hon. Mark Arbib
Special Minister of State	Hon. Gary Gray AO, MP
Minister for Small Business	Senator Hon. Nick Sherry
Minister for Home Affairs and Minister for Justice	Hon. Brendan O'Connor MP
Minister for Human Services	Hon. Tanya Plibersek MP
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Parliamentary Secretary to the Treasurer	Hon. David Bradbury MP
Parliamentary Secretary for School Education and Workplace Relations	Senator Hon. Jacinta Collins
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Parliamentary Secretary for Trade	Hon. Justine Elliot MP
Parliamentary Secretary for Pacific Island Affairs	Hon. Richard Marles MP
Parliamentary Secretary for Defence	Senator Hon. David Feeney
Parliamentary Secretary for Immigration and Multicultural Affairs	Senator Hon. Kate Lundy
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing	Hon. Catherine King MP
Parliamentary Secretary for Disabilities and Carers	Senator Hon. Jan McLucas
Parliamentary Secretary for Community Services	Hon. Julie Collins MP
Parliamentary Secretary for Sustainability and Urban Water	Senator Hon. Don Farrell
Minister Assisting on Deregulation and Public Sector Superannuation	Senator Hon. Nick Sherry
Minister Assisting the Attorney-General on Queensland Floods Recovery	Senator Hon. Joe Ludwig
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Minister Assisting the Minister for Tourism	Senator Hon. Nick Sherry
Parliamentary Secretary for Climate Change and Energy Efficiency	Hon. Mark Dreyfus QC, MP

SHADOW MINISTRY

Leader of the Opposition	Hon. Tony Abbott MP
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade	Hon. Julie Bishop MP
Leader of the Nationals and Shadow Minister for Infrastructure and Transport	Hon. Warren Truss MP
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations	Senator Hon. Eric Abetz
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts	Senator Hon. George Brandis SC
Shadow Treasurer	Hon. Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House	Hon. Christopher Pyne MP
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals	Senator Hon. Nigel Scullion
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate	Senator Barnaby Joyce
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee	Hon. Andrew Robb AO, MP
Shadow Minister for Energy and Resources	Hon. Ian Macfarlane MP
Shadow Minister for Defence	Senator Hon. David Johnston
Shadow Minister for Communications and Broadband	Hon. Malcolm Turnbull MP
Shadow Minister for Health and Ageing	Hon. Peter Dutton MP
Shadow Minister for Families, Housing and Human Services	Hon. Kevin Andrews MP
Shadow Minister for Climate Action, Environment and Heritage	Hon. Greg Hunt MP
Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship	Mr Scott Morrison MP
Shadow Minister for Innovation, Industry and Science	Mrs Sophie Mirabella MP
Shadow Minister for Agriculture and Food Security	Hon. John Cobb MP
Shadow Minister for Small Business, Competition Policy and Consumer Affairs	Hon. Bruce Billson MP

[The above constitute the shadow cabinet]

SHADOW MINISTRY—*continued*

Shadow Minister for Employment Participation	Hon. Sussan Ley MP
Shadow Minister for Justice, Customs and Border Protection	Mr Michael Keenan MP
Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation	Senator Mathias Cormann
Shadow Minister for Childcare and Early Childhood Learning	Hon. Sussan Ley MP
Shadow Minister for Universities and Research	Senator Hon. Brett Mason
Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House	Mr Luke Hartsuyker MP
Shadow Minister for Indigenous Development and Employment	Senator Marise Payne
Shadow Minister for Regional Development	Hon. Bob Baldwin MP
Shadow Special Minister of State	Hon. Bronwyn Bishop MP
Shadow Minister for COAG	Senator Marise Payne
Shadow Minister for Tourism	Hon. Bob Baldwin MP
Shadow Minister for Defence Science, Technology and Personnel	Mr Stuart Robert MP
Shadow Minister for Veterans' Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC	Senator Hon. Michael Ronaldson
Shadow Minister for Regional Communications	Mr Luke Hartsuyker MP
Shadow Minister for Ageing and Shadow Minister for Mental Health	Senator Concetta Fierravanti-Wells
Shadow Minister for Seniors	Hon. Bronwyn Bishop MP
Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate	Senator Mitch Fifield
Shadow Minister for Housing	Senator Marise Payne
Chairman, Scrutiny of Government Waste Committee	Mr Jamie Briggs MP
Shadow Cabinet Secretary	Hon. Philip Ruddock MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition	Senator Cory Bernardi
Shadow Parliamentary Secretary for International Development Assistance	Hon. Teresa Gambaro MP
Shadow Parliamentary Secretary for Roads and Regional Transport	Mr Darren Chester MP
Shadow Parliamentary Secretary to the Shadow Attorney-General	Senator Gary Humphries
Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee	Hon. Tony Smith MP
Shadow Parliamentary Secretary for Regional Education	Senator Fiona Nash
Shadow Parliamentary Secretary for Northern and Remote Australia	Senator Hon. Ian Macdonald
Shadow Parliamentary Secretary for Local Government	Mr Don Randall MP
Shadow Parliamentary Secretary for the Murray-Darling Basin	Senator Simon Birmingham
Shadow Parliamentary Secretary for Defence Materiel	Senator Gary Humphries
Shadow Parliamentary Secretary for the Defence Force and Defence Support	Senator Hon. Ian Macdonald

SHADOW MINISTRY—*continued*

Shadow Parliamentary Secretary for Primary Healthcare	Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health	Mr Andrew Laming MP
Shadow Parliamentary Secretary for Supporting Families	Senator Cory Bernardi
Shadow Parliamentary Secretary for the Status of Women	Senator Michaelia Cash
Shadow Parliamentary Secretary for Environment	Senator Simon Birmingham
Shadow Parliamentary Secretary for Citizenship and Settlement	Hon. Teresa Gambaro MP
Shadow Parliamentary Secretary for Immigration	Senator Michaelia Cash
Shadow Parliamentary Secretary for Innovation, Industry, and Science	Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Fisheries and Forestry	Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Small Business and Fair Competition	Senator Scott Ryan

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Wednesday, 11 May 2011

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

BILLS

Australian Research Council Amendment Bill (No. 2) 2010

Returned from Senate

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

Broadcasting Legislation Amendment (Digital Dividend and Other Measures) Bill 2011

Returned from Senate

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

Migration Amendment (Strengthening the Character Test and Other Provisions) Bill 2011

First Reading

Bill and explanatory memorandum presented by **Mr Bowen**.

Bill read a first time.

Second Reading

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (09:01): I move:

That this bill be now read a second time.

The purpose of this bill is to ensure that a visa applicant or holder will fail the character test should they be convicted of any offence committed while they are in immigration detention; and to increase the maximum penalty for the manufacture, possession, use or distribution of weapons by immigration detainees from three to five years imprisonment. These amendments are proposed in part to address issues arising from the recent criminal damage and riots at the Christmas Island detention centre in March and the Villawood Immigration Detention Centre in April 2011. Major damage was caused to the facilities as a result of these disturbances and there was significant risk of harm to other detainees and to staff at the facilities as well as more broadly to public order and safety.

The bill is also intended to strengthen the powers under the Migration Act to provide a more significant disincentive for this sort of destructive behaviour now and in the future. The new provisions will apply to all people who are or have been in immigration detention: onshore and offshore arrivals, asylum seekers, or otherwise.

Under these new provisions, a person who has been convicted of a criminal offence while in immigration detention could be refused a visa or have a visa cancelled. In keeping with Australia's international protection obligations, in such cases we will not return people to a place where they have a well-founded fear of persecution. Where it is not appropriate to remove people from Australia because they are owed protection, consideration could be given to the grant of a temporary visa to place them in the community until their removal from Australia is appropriate.

The public announcement on 26 April 2011 of this legislative change put all detainees on notice that the Australian government takes criminal behaviour by people in immigration detention very seriously and will take appropriate measures to deal with it.

It is essential that anyone convicted of an offence in relation to the recent events at Australian immigration detention centres is covered by these new provisions and has the amended character test applied to them.

The Australian community expects there to be consequences for unlawful behaviour. Commencing these amendments to the character test provisions on 26 April 2011 ensures this bill delivers those consequences and the government's objectives are met. These changes will apply for the purposes of making a decision on or after 26 April 2011, whether the conviction or offence concerned occurred before, on or after that date.

The Australian community also expects noncitizens who seek to remain in Australia to be of good character. To meet this expectation, the government must not only have the ability to act decisively and effectively, wherever necessary, to deal with criminal behaviour by immigration detainees, but also have the legislative basis to effect a refusal to grant a visa, or a cancellation of a visa, for those noncitizens who are not of good character. The government must be able to remove those noncitizens who have convictions for crimes committed in immigration detention in Australia where possible and consistent with our international obligations.

Among other things, section 501 of the Migration Act currently deals with matters that constitute serious criminal offences where a person can fail the character test. Noncitizens will fail the character test where they have been sentenced to a term of imprisonment of 12 months or more, or where the length of several sentences aggregates to two years or more. If a person fails the character test, this can be used as a basis for the refusal of a visa application or the cancellation of a visa that is held by a person. The proposed measures will amend the character test in section 501 of the Migration Act so that a person will fail the character test if the person is convicted of any offence committed while they are in immigration detention, regardless of the sentence imposed. The intended amendment will not limit the application of the existing provisions relating to the character test. This bill therefore seeks

to establish an additional benchmark for criminal behaviour that will automatically lead to a visa applicant or holder failing the character test if they are convicted of an offence committed while they are in immigration detention.

Similarly, section 500A of the Migration Act provides that the minister may refuse the grant of a temporary safe haven visa or may cancel a temporary safe haven visa if a person has been sentenced to imprisonment of 12 months or more. Without limiting the application of the existing character provisions relating to section 500A of the Migration Act, the proposed measures will amend section 500A of the act so that the minister may also refuse to grant a safe haven visa, or may cancel a safe haven visa if the person is convicted of any offence committed while they are in immigration detention.

For both the section 501 and section 500A amendments it is intended, if a person escapes from immigration detention, that any conviction for the offence of escaping or for an offence committed during or following their escape—up to the time of their being returned to immigration detention—be included.

The amendments to sections 501 and 500A have been drafted to ensure that they apply only to persons who have been convicted of an offence by a court. The amendments made to sections 501 and 500A will not apply to a person who is charged before a court with an offence or offences and the court is satisfied in respect of that charge, or more than one of those charges, that the charge is proved, but has discharged the person without a conviction on that charge, or any of those charges. That is, there must be at least one conviction for the amendments to sections 501 and 500A to apply. Currently section 197B of the Migration Act provides that an immigration detainee is guilty of an offence if he or she manufactures, possesses, uses or distributes a weapon. A weapon includes a thing made or adapted for use for inflicting bodily injury; or a thing where the detainee who has the thing intends or threatens to use the thing, or intends that the thing be used, to inflict bodily injury. The current maximum penalty is imprisonment for three years. The proposed amendment to section 197B of the Migration Act will increase the maximum penalty to five years imprisonment. The manufacture, possession, use and distribution of a weapon by a detainee puts at risk the personal safety of others in the immigration detention environment, including other detainees, Commonwealth officers, contracted detention services staff and visitors. The Australian community expects that there be robust sanctions to deal with people in immigration detention who threaten or inflict harm on other people and the intended increase in the maximum penalty for this offence reflects the seriousness with which the community views this offence.

Conclusion

In summary, people in immigration detention who might contemplate criminal behaviour, including the manufacture, possession or use of weapons, need to clearly understand the seriousness of such behaviour and legal consequences that could follow from that behaviour in terms of criminal convictions and visa outcomes. These changes will: strengthen the character test in section 501 of the Migration Act; strengthen the power to refuse or cancel a temporary safe haven visa in section 500A of the Migration Act; and provide further disincentive in relation to the manufacture and possession of weapons by detainees by increasing the maximum penalty in section 197B of the Migration Act. These measures are intended to send a strong and clear message that the kind of unacceptable behaviour recently seen at immigration detention centres will not be tolerated by the government.

I commend the bill to the House.

Debate adjourned.

Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate's amendments—

(1) Clause 2, page 2 (table item 2), omit the table item, substitute:

2. Schedule 1	1 January 2011.	1 January 2011
3. Schedule 2	1 July 2011.	1 July 2011

(2) Schedule 2, heading, page 8 (lines 1 and 2), omit the heading, substitute:

Schedule 2—Disability support pension

(3) Schedule 2, item 7, page 9 (table item 2), after "1218AA", insert ", 1218AB".

(4) Schedule 2, page 9 (before line 12), before item 8, insert:

7A After section 1218AA

Insert:

1218AB Extended portability period for disability support pension

(1) The Secretary may, by written determination, extend the person's portability period for disability support pension if all of the following circumstances (the qualifying circumstances) exist:

(a) the person is severely disabled (see subsection 23(4B));

(b) the person is receiving disability support pension;

(c) the person is wholly or substantially dependent on a family member of the person (see subsection 23(14));

(d) the Secretary is satisfied that the person will be living with the family member of the person throughout the period of absence;

(e) the family member of the person is engaged in employment in Australia for an employer immediately before the start of the period of absence;

(f) the Secretary is satisfied that the family member of the person will be engaged in employment outside Australia for that employer throughout the period of absence.

(2) If the Secretary extends a person's portability period under subsection (1), the person's portability period for disability support pension, for the purposes of this Part, is the extended period.

(3) The Secretary may revoke the determination if any of the qualifying circumstances ceases to exist.

(4) A determination under subsection (1) is not a legislative instrument.

Note: The heading to section 1218AA is altered by omitting "Extended" and substituting "Unlimited".

Ms COLLINS (Franklin—Parliamentary Secretary for Community Services) (09:09): I move:

That the amendments be agreed to.

These amendments provide for portability of the disability support pension to be extended in certain circumstances in which a family member of a DSP recipient is seconded overseas for employment purposes. These amendments reflect the findings of the Senate committee inquiry on the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010. The government has been responsive. We recognise that some family members of disability support pensioners may be required to spend extended periods of time overseas as a result of their employment—for example, employees of the Department of Foreign Affairs and Trade.

Mr ANDREWS (Menzies) (09:10): I indicate that the coalition support these amendments. They are sensible, they are practical and they are common sense, and we will support this legislation.

Question agreed to.

Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011

Report from Committee

Ms RISHWORTH (Kingston) (09:11): On behalf of the Standing Committee on Education and Employment I present the committee's report entitled *Advisory report on the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011*, incorporating a dissenting report from the member for Melbourne, together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

Ms RISHWORTH: by leave—The bill was referred by the House Selection Committee to the House Standing Committee on Education and Employment on 24 March 2011 for inquiry and report. This is the second bill referred to the education and employment committee under the new arrangements that provide for the Selection Committee to refer a bill to a committee for an advisory report.

The inquiry received 16 submissions and took evidence from government departments, employment and social security peak bodies, employment service providers and other stakeholders in two public hearings that were held in Melbourne and Canberra. We are especially grateful to the people, organisations and departments who participated in the inquiry.

The committee was struck by the passion for social welfare, commitment to employment participation and breadth of knowledge expressed in many submissions and by numerous witnesses. Although the committee recognises that broader issues were raised in relation to the social security and welfare systems as a whole, the committee's focus must, of course, remain on the measures proposed by this bill. This bill seeks to tighten the compliance regime currently applicable to job seekers receiving participation payments by introducing payment suspensions for job seekers who fail to attend appointments with their employment service providers until they agree to reschedule that appointment.

There is no doubt about the crucial role that sustained and meaningful employment participation plays in the lives of all Australians. The minister echoed the words of our Prime Minister when she indicated that the benefits of employment stretch far beyond the receipt of a pay packet. Employment participation brings with it a suite of benefits including not only economic security but also dignity, purpose and direction. A central element of fostering employment participation is encouraging job seekers to interact and engage with their employment service providers. A lot of people have spoken about this as a punitive action, but the government and the committee saw it as a way to engage job seekers and to get them to talk with their employment services, which is critical and important. The committee believes that this bill is a step in the right direction in this regard. I would like to respond to some of the assertions in the dissenting report, in particular that there was not support for this measure. In response to this claim, I draw the attention of the House to, for example, the evidence from Dr Prins Ralston, Executive Leader of Employment Solutions at Mission Australia, who said that these measures will:

… assist employment providers by encouraging job seekers to properly engage with the system. That is the core of what we believe—that these amendments will be a tool that will help us to better engage job seekers.

Ms Sinclair, CEO of the National Employment Services Association, said:

> The amendments outlined in the current bill are considered welcome improvements to the job seeker compliance framework and we believe should put a greater emphasis on engagement and participation.

While recognising that there were mixed views expressed in the report of the CPSU, the union that represents the front-line workers, its submission said:

> The majority of CPSU members felt that the proposed changes would likely increase compliance by job seekers as payments would not be made until job seekers attended appointments. A majority of members also said that changes to notification for reconnection requirements would improve job seeker compliance.

We recognise that some issues with the bill were brought up, especially in the administration of the system, and the committee's report contains 10 recommendations which we believe will enhance the communication and equitable administration of the measures proposed in the bill.

A strong message to the committee received from peak bodies and other stakeholders was that the social security system is complex and often confusing. Therefore, a key recommendation in our report centres on the production of plain English explanations of the changes proposed in the bill and the impact that they will have. The purpose of this recommendation is to combat and minimise complexity in order to enable effective communication of the changes proposed in the bill to all job seekers and to ensure that job seekers fully understand their obligations and are able to meaningfully engage with employment service providers. In a similar vein, the committee has recommended that the word 'special' be removed from the reasonable excuses provision proposed by the bill, again in order to simplify and clarify the measures proposed by the bill and ensure that they are implemented as intended without an unnecessary level of complexity.

The committee has also recommended the development of consistent guidance and training materials for those who will be involved in the administration of the proposed compliance regime and the provision of comprehensive training to Centrelink and employment service provider staff. These measures will ensure the consistent and equitable application and administration of the proposed compliance regime across the board. Furthermore, the committee has recommended the collection of data in relation to why job seekers without a reasonable excuse miss appointments and a review of the impact of the measures proposed by this bill. These recommendations are targeted at filling a perceived gap in the research conducted in the area of job seeker compliance and ensuring that a concerted effort is made to continue to monitor and evaluate the effectiveness of the proposed compliance regime.

In relation to vulnerable job seekers, about whom many witnesses and submissions expressed concern, the committee has recommended that employment service providers utilise all re-engagement methods available to them, not only compliance action, in order to re-engage these job seekers. The committee recognises that vulnerable job seekers do have special needs that must be addressed properly. The committee has also recommended that additional training and resources be provided to Centrelink staff in order to raise awareness of vulnerable job seekers and ensure that their vulnerabilities are being identified and managed in a manner that is conducive to assisting these job seekers to find and maintain employment.

The committee also acknowledges the concerns that were raised about the capacity of Centrelink staff to implement the proposed measures, given their current workload. I and the committee were pleased that the Department of Human Services has indicated that it will monitor this impact in consultation with Centrelink staff and rearrange working arrangements accordingly. The committee agrees that this monitoring should occur to ensure that no undue stress or unreasonable workloads are put on front-line staff.

In closing, I would like to thank all the committee members who worked on this. There was a lot of constructive discussion and engagement on this. I would also like to thank the committee secretariat for their support—in particular, Sara Edson and Larisa Michalko for their hard work on this inquiry. I commend the report to the House.

Mr BANDT (Melbourne) (09:20): by leave—We hear a lot in this place and elsewhere about evidence based policy, and indeed I think it was the member for Fraser who moved a motion to that effect which was passed in this House. But, if there were ever any proof needed that evidence based policy gives way to political imperatives every time, it was this inquiry process and this bill. As we have heard, the effect and the purpose of the bill is to impose sanctions on job seekers up to and including losing part of their pay that they will never get back. During the course of the inquiry, almost everyone who fronted up to the inquiry, either in the form of a written submission or to give us evidence in person, said that this was the wrong approach.

Last year there was an independent review commissioned by this government into the compliance framework for the social security system. That review was chaired by Professor Julian Disney. There were a number of recommendations. Prior to the introduction of this bill, the government had not responded to the recommendations, but it is basing its bill on the review and says the review by Professor Disney gave support

to the move to impose financial sanctions on job seekers. The only problem with that is that Professor Disney fronted up to the inquiry and gave evidence that he thought that, at best, this bill was premature and was in effect ill judged. He said that he only included a note about that in his independent report because it was raised by other parties during the course of the federal election. He did not think it was a good idea and it was not one that he would have generated himself. It was an idea he felt obliged to raise because it was circulating in public debate. In his recommendation that refers to this proposal, he said that at the very least we should give all the other measures that he has recommended a year to bed down before we embark on something as punitive as suspending people's payments he reasons for that are clear. They were relayed to the committee by job agency after job agency who came before the committee to say that people find the social security system bewildering and that you cannot proceed on an assumption that the reason people miss appointments is that they are somehow seeking to work the system. In fact, evidence was given to the inquiry that the people who want to work the system are precisely the ones who will turn up to every meeting because they know what is required. The people who are going to be hit by this bill are not the ones who are rorting the system but, according to the evidence, the ones who are confused by the system and who potentially find it difficult. That is why the No. 1 recommendation of the independent review was that there be a plain language reworking of all materials associated with job seeker compliance, because until we are sure that job seekers understand their obligations we cannot punish them for failing to meet them.

The second implicit rationale in the bill is that job seekers are somehow not turning up for so-called illegitimate reasons. The problem with that, if we are serious about evidence based policy, is that you would imagine that someone would have been able to come to the inquiry and tell us why it is that people are missing appointments. No-one could do that. The department could not do that and none of the very small number of people who supported the submission could do that. What we do know from the figures is that 20 per cent of people who miss appointments are Indigenous Australians and that 47 per cent of the people who miss appointments are young people. No-one could explain why that was and no-one could explain why it was justified that there should be a disproportionate impact on those people of these harsh penalties.

What almost everyone who appeared before the inquiry agreed with was that we should go back to basics. First of all, let us find out why people are missing these appointments—find out whether it is because they do not have good transport options, find out whether it is because they do not understand the system, find out whether they knew this was necessary in order for continued payment—and then develop programs that are tailored to that. In fact, that is going on. The inquiry heard that the Centrelink working group is looking at that at the moment; its work is not yet complete.

That is why the Greens have put in a dissenting report. We cannot support the passage of this bill. We propose that time be given to allow the recommendations of the independent inquiry to go ahead, to allow the Centrelink working group to do its job of gathering a proper evidence base about why so many young people and so many Indigenous Australians are missing appointments, and to not take the approach that is more stick than carrot and potentially put some of our most disadvantaged job seekers, who are without an income, even further into dire straits.

COMMITTEES

Treaties Committee

Report

Mr KELVIN THOMSON (Wills) (09:25): On behalf of the Joint Standing Committee on Treaties, I present the committee's report entitled *Report 116: Treaties tabled on 24 and 25 November 2010, 9 February and 1 March 2011 and Treaties referred on 16 November 2010 (Part 3)*, incorporating a dissenting report.

Ordered that the report be made a parliamentary paper.

Mr KELVIN THOMSON: by leave—The Joint Standing Committee on Treaties Report 116 contains the committee's views on 15 treaties ranging from amendments to CITES and the Australian-New Zealand Closer Economic Relations Trade Agreement to ILO conventions on the working conditions of sailors, the treatment of asbestos and occupational health and safety. I am happy to advise that this report deals with the last of the treaties for which consideration was delayed by the 2010 federal election. It is a credit to the committee's members that it has been able to consider and report on no less than 55 treaties since the election and has met the agreed reporting deadline for each one of them. In addition, for many of the treaties the committee not only issued invitations to participate to its regular stakeholders, including government agencies and state and territory governments, but was able to take evidence from a range of other interested parties. For example, the committee's consideration of amendments to the Australian-New Zealand Closer Economic Relations Trade Agreement involved a visit to suiting manufacturers the Stafford Group, whose plant is in North Melbourne. The Stafford Group retails it suits under the brands Anthony Squires, Giotto and 1096.

Anthony Squires is the only retailer of high-quality suits still manufacturing in Australia. The Stafford Group is concerned that this arrangement will be placed at risk by the amendments proposed to the Australian-New Zealand Closer Economic Relations Trade Agreement. The committee has been assured by the government that it is aware of the Stafford Group's tenuous position and that it is working to ameliorate the impact of the treaty amendments on that organisation.

I also draw the parliament's attention to the participation of the seafaring community in the inquiry into the ILO Maritime Labour Convention. This convention is intended to provide a set of basic working conditions for seafarers employed in international commercial shipping. The convention requires, amongst other things, that seafarers be properly trained, have written legally enforceable pay and conditions, have appropriate living conditions and have access to medical care. Crucially, the convention will ensure that the conditions extend to ships registered in countries that are not party to the convention. International shipping that does not meet these conditions will face severe penalties when it enters the ports of convention signatories. The penalties will remove any shipping cost advantages attributable to poor working and living conditions for seafarers. Amongst those who have already ratified the convention are the flag of convenience states of Liberia, Panama and the Bahamas. he convention has been well received by the seafaring community in Australia. Amongst those expressing support for Australia's ratification of the convention are peak employer organisations, Shipping Australia Ltd and the Australian Ship Owners Association; seafarers representatives, the Australian Institute of Marine and Power Engineers and the Maritime Union of Australia; and representatives of charities supporting seafarers, the Australian Council of the Mission to Seafarers and the Sydney Seafarers Centre. All of these organisations had useful suggestions about how the convention is implemented, and the committee commends their suggestions to the government for consideration.

It is remarkable, therefore, given the high degree of across-the-board support for this convention, that coalition members and senators could not see their way clear to support it and have issued a dissenting report. It shows how deeply ideological they still are concerning industrial relations questions, how hostile they are to the work of the ILO, the International Labour Organisation. And it shows that, when you scratch below the surface, they have learnt nothing from the 2007 Work Choices debacle which led to their election defeat.

Finally, report No. 116 expresses the committee's frustration about treaties amended without ratification that come into force before they are scrutinised by the committee or the public. For example, the treaty amending the International Convention for the Prevention of Pollution from Ships was tabled in parliament in November 2010, after having come into force some five months earlier. This does not need to happen. Changes to treaties amended without ratification are provided to signatory countries for consideration up to 12 months before they come into effect. This period allows signatory countries that do not agree to the changes to either opt out of the changes or attempt to have the changes removed. In the case of the treaty amending the International Convention for the Prevention of Pollution from Ships, the amendments were provided to Australia in mid-2009 and the period for objecting to the treaty ended in June 2010. There is enough time in this 12-month period for parliament and the public to make a material contribution to the outcome. So our report recommends that amendments to treaties of this sort be referred to the parliament for consideration at the time they are first provided to Australia so that the parliament can have a say before the changes come into force. I commend the report to the House.

Public Accounts and Audit Committee

Report

Mr OAKESHOTT (Lyne) (09:32): On behalf of the Joint Committee of Public Accounts and Audit I present the committee's report entitled *Report 422: Review of the 2009-10 Defence Materiel Organisation major projects report*.

Ordered that the report be made a parliamentary paper.

Mr OAKESHOTT: by leave—On 6 December 2006 the Joint Committee of Public Accounts and Audit unanimously agreed to recommend that the Australian National Audit Office receive additional funding to produce an annual report on progress in major Defence projects. This report would detail cost, schedule and capability information for a number of large acquisition projects. The government agreed with that recommendation and approved funding for the report in the May 2008 budget. The intention was that the annual major projects report would provide a means by which accessible, transparent and accurate information could be made available to the parliament and the Australian public about the state of Defence major acquisition projects.

The *2009-10 Defence Materiel Organisation major projects report* is the third MPR to be produced, but only the second MPR to be reviewed and reported on by the committee. Therefore, through this review the committee has incorporated ongoing issues that were raised as part of the review of the pilot MPR in 2007-08 but also provides discussion on the Auditor-General's major findings in relation to the 2008-09 MPR in addition to the 2009-10 MPR.

Major acquisition projects are complex and often diverse in nature. This creates challenges for the DMO in presenting consistent data across projects and for the ANAO in reviewing this work. In particular, as qualified audit conclusions have been received for the 2007-08, 2008-09 and 2009-10 MPRs, due to the exclusion of price and expenditure information expressed in base state dollars, the committee focused on evidence received in relation to this particular issue. Through its recommendations the committee has requested that the DMO address the base state dollar issue associated with the qualified audit opinions given, with a resolution of the matter expected for the 2001-12 MPR.

Other areas of importance highlighted during the review include the timing of the preparation of the MPR guidelines, determining the exit criteria for MPR projects, the impact of financial control frameworks on the cost, schedule and capability of projects, analysis of the Gate Review Assurance Board's process and inclusion of earnt value management systems data in the project data summary sheets for individual projects.

The 2009-10 MPR builds on the level and presentation of information provided in the previous MPRs, which in turn improves the readability and utility of the document. As each successive MPR is intended to further progress and improve both accountability and transparency with regard to the management of major defence capital acquisition projects, it is important that the concerns highlighted through the assurance audit process, and consequently the committee's review, be dealt with and addressed by the DMO itself.

On behalf of the committee I would like to congratulate the Auditor-General and the DMO on the cooperative manner in which they and their staff have worked to produce the 2009-10 MPR. Ultimately, the scrutiny provided through the review of the MPR should increase transparency and accountability and therefore provide the Australian public with confidence that Defence procurement dollars are being spent wisely to provide Australian Defence Force personnel with the quality support they deserve. I commend the report to the House.

Mrs D'ATH (Petrie) (09:36): by leave—As Deputy Chair of the Joint Committee of Public Accounts and Audit, I rise to speak in support of report 422, *Review of the 2009-10 Defence Materiel Organisation Major Projects Report*. As the chair, the member for Lyne, has already highlighted, this is only the second major project report to be reviewed and reported on by the committee and the third major project report to be produced overall since the Joint Committee of Public Accounts and Audit unanimously agreed to recommend that the Australian National Audit Office receive additional funding to produce an annual report on progress in major defence projects back in December 2006.

It is important to acknowledge the reason such a report was created in the first place, which is to provide a means by which accessible, transparent and accurate information could be made available to the parliament and, importantly, the Australian public about the state of defence major acquisition projects. The government recognises the importance of transparency and accountability in relation to the major project acquisitions by the Defence Materiel Organisation and the important role that the major projects report plays in providing that transparency and accountability.

It is of note that, through its recommendations, the committee has requested that the Defence Materiel Organisation address the base-date dollar issue associated with the qualified audit opinions given, with the resolution of the matter expected for the 2011-12 major project report, the reason being that the qualified audit conclusions have been received for each and every one of the major project reports that have been produced. It is important that we overcome this problem of having these qualified audit conclusions. As the chair has indicated, quite a bit of evidence went to that point and there were questions from the committee members to ensure that we can overcome this problem in the future and provide more transparency.

The work of the Defence Materiel Organisation to improve accountability and transparency in regard to the management of major defence capital acquisition projects and the work that the Defence Materiel Organisation is doing to work with the Australian National Audit Office to ensure this transparency and accountability is acknowledged. However, importantly, we must note that the concerns highlighted through the assurance audit process and consequently the committee's review must be dealt with and addressed by the DMO.

I also take this opportunity to acknowledge and congratulate Mr Ian McPhee, the Auditor-General, and Dr Stephen Gumley, the CEO of DMO, on the cooperative manner in which they and their staff have worked to produce the 2009-10 major projects report. It is my pleasure to commend the report to the House.

Report and Reference to Main Committee

Mr OAKESHOTT (Lyne) (09:40): I move:

That the House take note of the report.

Debate adjourned.

Mr OAKESHOTT: by leave—I move:

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

Question agreed to.

BILLS

Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms BRODTMANN (Canberra) (09:41): The Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011 is a step forward in ensuring that shareholders and Australians generally have faith in the accountability of directors and senior executives of Australian companies and, most importantly, in the fairness of their pay. It does this not by regulation but by an approach that respects the need for firms to operate freely in the market, at the same time giving shareholders the power they need to make sure that senior executives truly earn their pay.

This is far from the only area in which this government shows a decisive preference for market based solutions over regulation, a preference one would hope would be more widely shared and appreciated by those opposite. I say 'appreciated' because, just listening to this debate in the last few days and last night particularly, my colleagues in the Labor government were portrayed as crazy red raggers living in some socialist nirvana: every morning we leap out of bed, flick through our copy of the little red book, read out our favourite passages, sing a few rounds of *The Internationale* and then march off to work under the fluttering banner of the Soviet flag.

Mr Husic: That is what I do!

Ms BRODTMANN: Is that what you do? Was that this morning? Okay! I remind those opposite of what the Labor government—not just this Labor government but also Labor governments in the past—has done in introducing market based solutions for this country. In the 1980s we opened up the economy, we opened up markets, we opened up banks and we opened up the country, particularly to the Asia-Pacific. We cut protection. Most recently, since 2007 we have saved this economy from the global financial crisis. I hardly regard that as some sort of mad, red-ragging socialist bunch of people crazily singing *The Internationale* every morning.

The issue of remuneration has been at the forefront of the minds of shareholders and the Australian community for some time, an issue more pressing following the corporate collapses associated with the global financial crisis. People around the world were rightly outraged that senior executives continued to receive large pay packages—so-called performance bonuses and golden parachutes—at a time when their companies were failing, leaving many average employees without jobs and their homes at risk. e in this country were spared the full extent of the effects of the global financial crisis thanks to the quick actions of the Labor government. But Australians remain highly concerned about the rates of executive pay. This concern is sharpened by the disparity between the pay packets of senior executives and those of average Australian working families. I am struck by the Productivity Commission's findings on this. The Productivity Commission reports that the top CEOs of Australian public companies receive pay some 110 times average Australian weekly earnings. This compares with the earnings of the CEOs of Australia's smallest companies of just four times average Australian weekly earnings. In some cases, CEO remuneration grew by as much as 300 per cent in real terms between 1993 and 2007.

Australians do not have a problem with other hardworking individuals earning more pay than they do. But they do have a problem with these remuneration packages, bonus schemes and golden parachutes being bestowed regardless of the actual performance of the individual. Given this, it is easy to understand why these packages are so hard for people to accept. We should not be surprised at the level of anger and mistrust that exists over this issue. Such mistrust is not healthy, as it undermines the basic strong sense of fairness that Australians have and the trust that is needed for a society based on the free market to function.

There have been efforts in the past to ensure that management teams look after the best interests of shareholders, principally by linking performance to share value. This worked up to a point. But research shows that this linkage has been distorted. It has emerged that there are a number of factors that go into the calculation of remuneration, some of which are reasonable, some of which are the result of what can only be described as gaming. As the Productivity Commission mentioned, while local shareholder value plummeted in 2008 as the result of the GFC, the imported crisis, with some countries and sectors being propped up by taxpayers, executive pay seemed to emerge unscathed, crystallising a view that executives were being rewarded for failure after having been rewarded for success.

The argument that these packages are required to acquire and keep the best talent is also not supported by available evidence. One journal article notes that there is a turnover rate for senior executives of between four per cent and six per cent. The article states that it is a matter of judgment whether a turnover rate of five per cent is sufficient to create market pressure to raise levels of compensation by itself. It is also questionable whether independent remuneration committees are by themselves capable of better linking performance with reward, given some of the biases and conflicts of

interest that may result. In fact, Jennifer Hill and Charles Yablon, who are regular commentators on this issue, have noted that even carefully constructed remuneration packages will frequently provide corporate manager with incentives to use their strategic advantage within the company to prefer their own interests over those of the shareholders.

This bill seeks to address these problems and allay the concerns of shareholders and Australians as a whole by implementing changes to the Corporations Act recommended by the Productivity Commission. It seeks to address the imbalance between shareholders and management and provide some much-needed help to ensure that boards are responsive to the concerns of shareholders. But rather than imposing a government limit on remuneration this bill seeks to make boards more accountable for their decisions on pay, improve the manner in which conflicts are dealt with and increase transparency and accountability in executive remuneration matters.

It achieves these things by introducing the so-called three-strikes test. This test creates a process by which directors will face a spill motion on their position if over two consecutive years a company's remuneration report has been rejected by 25 per cent or more of the votes. Should this spill motion be passed, directors will need to seek re-election at a spill meeting within 90 days of the AGM. This will make directors accountable for their decisions and responsive to their shareholders.

This bill also seeks to bring greater transparency to the role of remuneration consultants. This measure reflects the concern expressed by some shareholders that remuneration consultants are placed in a potential conflict situation when they have to provide their advice, in the first instance, to the very managers who are responsible for signing off on their services in the future. Obviously, this has the potential to create a situation whereby the consultant may feel constrained in what advice they can provide. To counter this potential conflict, this legislation will require that the reports of independent consultants go first to the non-executive directors or a remuneration committee rather than company executives.

This bill also seeks to eliminate situations where key management personnel or closely related parties are voting on pay issues. The bill will prohibit such parties from voting on non-binding remuneration votes, which otherwise may distort the results and diminish their effectiveness as a feedback mechanism.

The government is also committed to strengthening the link between performance and remuneration. That is a really important point to make. This bill will prohibit directors and senior executives from hedging their incentive remuneration. It is currently possible for a director or senior executive to hedge their exposure to incentive remuneration, thereby effectively bypassing the link between performance and pay. This is not consistent with the principles underlying a remuneration framework that seeks to ensure pay is fairly linked to achievement. I do not think that that is too much to ask.

This bill is a comprehensive approach to the issues of remuneration of Australian boards and senior executives. It seeks to answer the questions and concerns of the community and shareholders over the issues of excessive executive pay, particularly in the light of poor performance. It does this without placing restrictive or draconian regulation on companies or by interfering drastically in the marketplace. I want to underscore that point, because from the way that the people opposite have been talking it seems that they view it as quite the contrary. It does not interfere in the marketplace. his bill enhances Australia's corporate governance framework, particularly transparency. It provides shareholders with the power they need to effectively monitor their own companies to ensure that boards and senior executives are delivering on the organisational outcomes and are rewarded accordingly. It gives shareholders the power to say no to packages that reward failure or poor performance, and it improves the governance of companies to ensure better reward for good performance and no reward for failure. Most importantly, it benefits not only shareholders but the economy as a whole. The benefits of this legislation are clear, and I commend it to the House.

Mr TEHAN (Wannon) (09:52): I rise today to talk on the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011. The coalition will not oppose this bill but we will seek to make an important amendment to it. We will do that to make sure that we get the balance right in this bill. While we are broadly supportive of the objective to achieve better alignment between shareholders and boards on the issue of executive remuneration, we are concerned about the potential for unintended consequences which can flow from excessive and overly prescriptive regulation in this area—and, sadly, the Labor government have a strong history of excessive and overly prescriptive regulation. They continue to want to throttle the life out of business in Australia, and that is why we have to make sure that we get the balance right in this bill.

This bill implements recommendations of the Productivity Commission in its recent inquiry into executive remuneration in Australia, which reported on 4 January 2010. Concern around the issue of executive remuneration led to the review by the Productivity Commission. The review commenced in 2009 and received 170 submissions, showing that this is an issue which the community and the business community take incredibly seriously. The final report was provided to the Australian government on 19 December 2009.

An exposure draft elicited further comment and changes to the proposed legislation. The bill's main provisions include requiring a vote for directors to stand for re-election if they do not adequately address shareholder concerns on remuneration issues over two consecutive years, the so-called two-strikes rule; changing regulation with respect to the use of remuneration consultants; prohibiting directors and executives from voting their shares on remuneration resolutions; prohibiting the hedging of incentive remuneration; requiring shareholder approval for declarations of 'no vacancy' at an annual general meeting; requiring that any directed proxies are voted and voted as directed; and reducing the complexity of the remuneration report by confining disclosures in the report to the key management personnel.

Change to voting arrangements must be careful not to distort the wishes of the majority of shareholders. The views of a minority should not too easily hold the majority hostage. When it comes to the level of support required to reject a remuneration report, a process that can lead to a spill of the board, we believe the bar has been set too low. We believe that an active minority could disrupt company proceedings if this bill is passed as it is.

We will be moving an amendment in relation to the threshold for rejecting the remuneration report. As currently proposed, the threshold for the two-strikes rule is 25 per cent of votes cast. The coalition will be moving an amendment to require the threshold to be 25 per cent of the total votes available to be cast, and this is an important amendment. Twenty-five per cent of the votes cast means that you could have seven per cent of company shareholders voting to remove a board. This is dangerous because, if you had an active minority wanting to disrupt the ongoing proceedings of a company, with this threshold they could do just that. We want to introduce an amendment which provides a sensible safeguard. Moving to a threshold of 25 per cent of the total votes available to be cast seems to me a very sensible proposition and one which the House and the parliament should be able to agree on. As I have said, this will prevent a small number of shareholders dictating a result which is not shared by a majority of the passive non-voting shareholders. We will not oppose this bill but we want to make a sensible amendment which provides balance to it. I urge the House and the parliament to support our amendment.

Ms SMYTH (La Trobe) (09:58): I am very pleased to speak on the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2010, which strikes such a sensible balance in the community debate around director and executive salaries, bonuses and incentives. I am also pleased to see that the opposition will ultimately be supporting the bulk of this legislation, although, given the remarks of some of those speakers during the course of this debate, it has obviously been quite a struggle to reach that very reasonable view. I have been particularly interested to hear remarks from opposition members in the debate about overregulation, which is quite a curious line of argument for a group of people who are ultimately going to support this bill. I really have to admire the ability of those members opposite who ran that line of argument with no shame. It is quite a balancing act and quite a skill. Some of those opposite seem to think that the coalition had a marvellous track record in minimising regulation when in government. I suspect that those members were possibly harking back to the wafer-thin volume of Work Choices regulations, or possibly the mere pamphlet that was John Howard's GST legislation. I really have a feeling that, during the break, some members opposite have been passing around old *Family Ties* DVDs, because there is more than a little bit of Alex P Keaton in the debate we have seen from the other side of the chamber, both in this session and at the end of the last. They seem to still be convinced by a curious and entirely fictional notion that they stand for small government and lessening regulation—and, suddenly, Reagan is back in the White House. They may want to have a quick recap on some of the regulatory interventions of the Howard government during its decade and more in office to perhaps disabuse themselves of that view. In any event, it is more than a little disingenuous to come to this place and masquerade as a free marketeer and then proceed to support the legislation with little more than a fig leaf amendment. But I will leave all that aside now because, as with so many other things, the opposition's views on this legislation ultimately will not rate, even as a footnote.

This legislation developed by the government is a timely and even-handed regulatory response to genuine community concerns about executive remuneration. Those concerns came to the fore during the global financial crisis. Members of the opposition have said that we should not try to drag down people who have done well for themselves—that is, executives who have been paid significant sums—as though that was the intention of the legislation. No, it is about making sure that mums and dads, self-funded retirees and all others who invest in shares directly and indirectly can be confident that the savings they have scraped together to buy a few shares are not being squandered and that the companies they invest in are being managed sensibly and prudently.

Obviously this legislation will have consequences for remuneration itself. But, more importantly, the legislation is focused on ensuring the confidence of the community generally, and investors in equities in particular, in the prudent management of the companies in which so many Australians invest their earnings. The bill responds to both the matters raised

during the Productivity Commission inquiry on this issue and the findings of the commission. The commission took into account very wide-ranging submissions from the community, after extensive consultation. It noted in its report that the prime motivation for its enquiry was a 'widespread perception that executives have been rewarded for failure or simply good luck'. The report goes on to say that 'certainly in some periods and for some CEOs, pay outcomes appear inconsistent with a reasonably efficient executive labour market'. This is reflected in the submission made to the enquiry by Professor David Peetz, of Griffith University. Professor Peetz's submission notes that the growth rate of CEO pay between 1971 and 2008 was around 470 per cent, while for the same period average weekly earnings growth was around 54per cent. On any sensible view, members will certainly realise that that is out of kilter with community expectations about what are reasonable levels of pay for CEOs.

The Productivity Commission noted:

> If the community came to regard executive pay as the product of poor corporate governance or weak regulation, this could undermine public confidence in the corporate sector itself, potentially detracting from the ability to raise equity capital and distorting the allocation in investment funds.

This is a genuinely held concern about maintaining public confidence in our companies. It goes to whether people will believe that putting their money into shares is a good prospect, whether it will generate a good return or whether it will simply prop up inefficient and overpaid executives. These are reasons why a regulatory response of a balanced and reasonable kind that is being presented here today is responsible and timely.

The Productivity Commission considered that certain trends in executive and director remuneration in Australia were inconsistent with effective executive labour markets and may actually have had the effect of weakening company performance. In particular, it cited incentive payments and termination payments as examples of such trends, noting that certain executive incentive payments may have delivered an unintended upside and that some termination payments considered by the Productivity Commission seemed excessive. Although the commission ultimately found that Australia's existing corporate governance and remuneration framework does rank highly internationally, it made various recommendations to improve that framework; many of those recommendations are reflected in the bill before us.

Members will recall that, in early 2009, this government announced reforms to limit excessive termination benefits given to outgoing directors and executives. This was the beginning of reform in this area and we are now taking the next steps. My own experience in working with boards, and in relation to corporate governance, does lead me to expect that most company boards will act appropriately in relation to director and executive pay and that they will and do give due regard to the expectations of shareholders. We know that many boards are already very mindful of their responsibilities and community expectations in this regard. We also know that they take very seriously their commitments to corporate social responsibility. It will be only those boards which are out of step with the kinds of shareholder expectations and community standards which are likely to be subject to the two strikes provisions of the bill. So I do consider that the bill reaches a very sensible balance between the interests of shareholders, the expectations of the wider community and the desire of businesses to give incentives to their executives to generate growth.

Importantly, this bill will enable shareholders to hold directors to account for their decisions on executive salaries. It will better enable conflicts of interest in the remuneration-setting process to be addressed. It will increase transparency and accountability in matters of executive pay. It is appropriate that shareholders, who ultimately bear the risk associated with the performance of companies in which they hold equity, have an opportunity to thoroughly scrutinise remuneration packages. The bill does this and provides for those safeguards and balancing measures through a variety of means. Speakers on this side in the debate have already referred to the two-strikes test, which would arise in the context of a company putting its remuneration to shareholder vote. It is a measure that is consistent with the underlying expectations in the Corporations Act that directors will be responsible for, and accountable to, shareholders in relation to all aspects of the management of a company, including executive remuneration.

As we have heard, the bill also includes measures relating to remuneration consultants, which will deliver greater transparency for shareholders as they will be in a position to assess potential conflicts of interest in a more successful way. The bill will help to prevent conflicts of interest by prohibiting key management personnel and their related shareholding entities from voting on remuneration related resolutions. The bill also seeks to ensure that the link between remuneration and performance is maintained by prohibiting directors and executives from hedging any incentive remuneration afforded to them. Finally, the bill contains measures to limit the remuneration details required to be disclosed in the remuneration report to the key management personnel of the consolidated entity. This simplifies the disclosures in the remuneration report to enable shareholders to better assess and understand the company's remuneration arrangements. It is intended to reduce the regulatory

burden on companies, while maintaining an appropriate level of accountability.

In conclusion, despite the observations made by those on-again off-again free marketeers on the opposition benches about overregulation, members should understand that this bill strikes a balance between the interests of shareholders, the expectations of the wider community and a desire of business to give appropriate incentives to their executives to generate growth. It goes no further in amending the Corporations Act than is necessary to achieve those very eminently sensible aims.

Mr TUDGE (Aston) (10:08): I rise to speak on the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011. As you would be aware, Mr Deputy Speaker, this bill arises out of the recommendations of the Productivity Commission report into executive remuneration. It reported on 4 January 2010, and this bill aims to implement its recommendations. We on this side of the House support the intent of this bill, and the coalition will not be opposing the bill. However, I have some reservations in relation to it which I would like to outline today. Some of the measures are overly prescriptive and I am not convinced they will actually be effective in addressing the particular problem which we are concerned about.

To properly assess this bill, there are three questions that we should be asking. First, what are the problems that we are trying to fix? Second, are the existing mechanisms sufficient to fix those problems? Third, will the proposals that are on the table in this bill work to fix the problems? I would like to go through each of those three questions in turn.

First of all, what are the problems that this bill is trying to fix? There is a community concern with executive salaries, particularly those for publicly listed companies. There are many senior executives in this country who are earning very large amounts of money on an annual basis. There are about nine people in the banking sector, I understand, who earn above $5 million per annum. In the mining sector, there are people earning up to $15 million or $16 million per annum who are heading up publicly listed companies. The managing director of Coles apparently earns in excess of $8 million.

These are extraordinary amounts of money by anyone's measure. I personally struggle to see how anyone is worth that amount of money, but a high salary alone does not necessarily mean there is a problem. The owners of a company should be able to pay whatever they believe is appropriate to their executives. After all, it is their company. If the owners of the company believe that their CEO should be paid $500,000, that is their decision. It should not be the job of the government to interfere with those decisions of the owners of companies to determine what the appropriate remuneration is for their executives. A problem only exists if the board, which sets the salary on behalf of the owners of the company, the shareholders, is not acting in the best interests of the shareholders in setting that remuneration—that is, there is an agency problem there or a conflict of interest arises.

The government has not presented coherent evidence that directors of Australian companies are indeed acting against the interests of their shareholders when setting executive remuneration. However, there is certainly a belief that sometimes this is the case, and I believe that it is sometimes the case, particularly when executives are remunerated very highly despite the fact that a business might be collapsing, or when an executive receives a large bonus when that executive may not have had much to do with the performance of a company but rather it is due to, for example, commodity prices increasing or due to a government regulation which has underpinned the performance of that particular company.

That brings me to my second question: are the existing mechanisms available to fix the problem sufficient? As parliamentarians, we need to ensure that shareholders have appropriate degrees of protection and appropriate regulations to ensure that their interests and the interests of directors and executives are aligned. Shareholders need to be properly informed and properly empowered. But what are the existing mechanisms and are they sufficient? Already in the Corporations Act there are several mechanisms. There are the fiduciary duties. Directors have a legal obligation to act in the best interests of their shareholders, and there are some quite significant penalties if they do not do that. Second, there are some protections for minority interests in the Corporations Law. Finally, there is the ability for shareholders to sack directors if they do not believe that the directors are adequately representing their interests or if they have any concern in relation to the actions of the directors.

All of those are available presently. However, for small shareholders I understand that it is difficult to access some of those provisions. However, those provisions in the Corporations Law are the basic building blocks of the law that exist presently. What the Productivity Commission says is that, despite the presence of those existing protections, there is at least the opportunity for perception of conflicts of interest to arise and that this should be addressed directly. I support those intentions. hat brings me to my third question: will the proposals on the table in the form of this bill actually fix the problem? There are seven measures in this bill and, while some of them are worthwhile, I do have reservations about whether they will make a decisive impact and I do believe that there

will be some negative impacts associated with some of the provisions. The seven measures, all up, are intended to empower shareholders and prevent any real or perceived conflicts of interest. That intent is a good one, but we need to look at the details to determine whether or not that intent is actually delivered upon and whether or not the downsides of being overly prescriptive will outweigh the benefits.

Some of the seven measures do seem immediately sensible, in fact so sensible that it is surprising that some companies are not enacting these measures already. For example, one of the measures prevents key management personnel and parties closely related to them from participating in non-binding shareholder votes on remuneration and on spill resolutions. Clearly there would be a perception of a conflict of interest if the beneficiaries of the remuneration report were to vote on that remuneration report. So this seems to be a sensible provision.

Second, the bill will prohibit an executive hedging his or her executive remuneration. These days, executive remuneration is structured so that the interests of the executive are very closely aligned with the interests of the shareholders—so, if shareholders do well, the executive should be better remunerated. But there have been instances where some executives have taken hedges on the side such that their interests are less aligned, meaning that a change in shareholder interests will not have the same impact on the remuneration of those individuals. This particular measure will outlaw executives hedging against their remuneration structure. Again that seems like a reasonable and sensible thing to do and again I am surprised that directors would indeed today allow their executives to hedge against the executive remuneration incentives.

I think the cherry-picking rules included in this bill are also sensible as they also will empower shareholders. With some of the other measures, however, I question the impact. I have reservations about whether they will make a significant difference in addressing the problem of unaligned interests between shareholders and directors and I do not think that executive remuneration as a whole will come down as a result of this bill.

There are also some potential downsides to this bill. Overall it does add to the regulatory burden and the measures are very prescriptive. Joe Hockey, when introducing the coalition's response to this bill, said:

> The best way to support business is often for the government to get out of the way.

I think we should always be very careful when introducing new regulations on top of all the existing regulations that companies have to abide by. When you look at some of the measures in this bill, they do appear to be very prescriptive. For example, one of the measures dictates how a company is to engage remuneration consultants. It seems to me that for this parliament to be determining how a company should engage remuneration consultants, or any other consultants, is very prescriptive. Surely it is up to the company to determine how it will engage consultants and the terms on which it will engage them? In relation to that provision, the president of the Business Council of Australia pointed out:

> This is inevitably going to distract directors from their most important roles, which are not the minutiae of supervising remuneration consultants, but much more important roles of making wise decisions about business direction, major investments and the like.

The no vacancy rule, one of the seven measures of this bill, also has potential downsides. The principle inherent in that provision is again sound, but there are potential downsides in that it will reduce flexibility in how boards operate. Again referring to the Business Council of Australia, they point out that sometimes there are very good reasons to appoint fewer than the maximum number of directors at a particular time—the board may want to limit expenses, the maximum number may be too large to enable effective decision making or the board may be deliberately waiting for someone with a particular specialist expertise to go onto the board. This measure in the bill is going to force the board to make a rapid decision about a vacancy. I also have some concerns in relation to the two-strikes test and how it will operate. Indeed, the coalition will be moving amendments in this regard.

In summary, having gone through the three questions I think we should be asking ourselves to properly assess this bill—is there a problem; are the existing mechanisms sufficient; and will the proposal fix the problems?—I come down marginally in favour of the bill. I hope it will have the impact intended, but I have my doubts. If it achieves nothing else, however, this bill should send a clear message to corporate Australia that the Australian people and its representatives in this parliament are concerned about excessive executive remuneration and that we do want corporations to be responsible in this regard. If corporations get that message and act upon that message, I think that will have more impact on this issue than any regulations we might introduce in this House.

Mr STEPHEN JONES (Throsby) (10:23): We are here today speaking on this bill for some important policy reasons that have a deep impact on our nation's character and Australia's egalitarian culture and traditions. Executive pay has seen some exceptional growth since the 1990s—around 13 percent per year in real terms for the top 100 companies and 16 percent for companies in the ASX top 50. n 2008-09, the estimated total remuneration for CEOs of the top 20 companies was around $7.2 million, or 110 times the average

wage. This rapid growth in executive pay has been occurring at the very same time that these companies have been calling for wage restraint for their own employees and in the economy at large and opposition has been expressed to even modest increases in the minimum wage, while their peak organisation, the Business Council of Australia, was barracking for the coalition's unfair Work Choices legislation, which had, as its sole objective, the driving down of wages for ordinary Australian families.

While we are talking about the salaries of the very wealthy in our society, I want to state that I do not think that it is in Australia's national interest for the gap between top-income earners and low- and average-income earners to continue to increase at the rapid pace that we have seen in recent decades.

The bill before the House may go some way towards reigning in the excesses of executive remuneration, but it will not fix the structural problems arising from the existing income divide in Australia. I do not see how it is in anyone's interest if low-income earners are forced to struggle to feed, clothe, house and transport themselves and their families, despite being in full-time paid employment.

As has been noted recently by the Secretary of United Voice, Louise Tarrant, the recent history of Australia's economic development has seen a seen a restructuring of our economy so that risk has increasingly shifted from business and government to individual workers. This shift of risk has occurred through the loss of security of employment and the erosion of workplace protections such as sick leave, minimum hours and penalties.

Indeed, the coalition's Work Choices laws were designed to accelerate that shift of risk even further on to workers. Yet this transfer of risk has occurred at the very same time as corporate executives have increasingly been rewarding themselves for high-risk strategies, in particular through skyrocketing performance pay. That is why improving the accountability and transparency of executive remuneration is a welcome reform to Australia's framework of corporate governance systems for those of us on this side of the House and the constituencies that we represent. We believe that governments have an important role to play to ensure that our market based economy functions efficiently and effectively. That is because we believe that corporations are created by government, not by god, and the laws under which they operate are the laws created by people in this place and not the laws of nature.

Government regulation ensures that our economy works in the way that best reflects the interests of the broader community, of our interests as a society at large. In Australia we are fortunate to have a robust system of regulation in the corporate and financial sector and the measures in this bill represent further sensible and rational reforms to the corporate sector.

The reforms being put forward in this legislation have come about following a thoroughgoing review by the Productivity Commission. I commend the Productivity Commission for their informative report and their contribution to knowledge in this subject area. In their report on executive remuneration, the Productivity Commission noted that Australia's corporate governance and remuneration framework is highly rated internationally.

Our strong system of corporate governance served Australians well through the global financial crisis and it made the difference between the situation we faced in Australia and that faced by other countries in our region and in the Western world. But it is not the nature of a reformist government like ours merely to be complacent and to rest on our laurels. That is why the Gillard government and the Parliamentary Secretary to the Treasurer, the member for Lindsay, have brought this legislation before the House. It is Labor's view that the marketplace in relation to the remuneration of directors and executives is not working effectively as it could or should be. We believe that the appropriate mechanism to redress this is to increase the accountability of boards to the owners of companies—that is, their shareholders.

The measures in the bill before the House contain a number of provisions that will strengthen the accountability of boards and executives to their shareholders. First, the bill introduces a two-strikes rule that will require a board to better respond to shareholder concerns on remuneration issues. The mechanism for this two-strikes rule will be triggered where a company faces a 'no' vote by 25 per cent or more on its remuneration report for two years running. Where this occurs, and the board has not satisfactorily responded to shareholder concerns, that board will be subject to a 'spill' resolution. If more than 50 per cent of eligible shareholders vote to spill the board, there will be a requirement for the directors to stand for re-election at a subsequent meeting within 90 days.

This bill also contains, important measures regarding the treatment of remuneration consultants to ensure better accountability and transparency in their role regarding remuneration matters. Transparency will be enhanced because companies will be required to disclose details relating to the use of remunerations consultants, including the consultant used and the payment made to that consultant for the advice or any other advice provided to the company. I fail to see, as the member for Aston said previously, how this is some form or onerous or burdensome regulation on boards, shareholders or companies at large. n addition, boards will be required to approve the engagement of remuneration consultants and these consultants will be

required to report their remuneration recommendation to the non-executive directors of the remuneration committee of the company concerned. Directors and executives will no longer be able to participate in the non-binding shareholder vote on their own remuneration or on the spill motions. This measure will remove a significant conflict of interest—which has been described by members opposite as completely obvious—between directors, executives and their votes in regard to remuneration matters, and it will also extend to votes by key management personnel and their closely related parties in regard to their undirected proxies.

Another common criticism made of executive remuneration is that it has focused too much on rewarding risk and short-term results rather than the long-term performance of the company. This situation was a particular characteristic of corporate behaviour in the United States in the lead-up to the global financial crisis and, regrettably, I believe it has yet to be satisfactorily resolved there, much to the detriment of American civil society. While the situation in Australia does not approach the level of corporate scandal in the United States, it is nevertheless critical to continue to be vigilant about defending the integrity of our system of corporate governance and to ensure that government regulation is working effectively to achieve its aims.

I think the bill before the House today demonstrates that where a system of self-regulation does not work then further regulatory steps need to be taken to guide market mechanisms towards better outcomes. It is a matter of public record that the existing system of non-binding votes has not had the desired effect on the actions of some boards in regards to the remuneration matters in their companies.

The standout example that I am very familiar with here is Telstra, which notoriously in 2007 was repudiated by an outstanding 66 per cent of shareholders for its handling of remuneration matters. The board at the time blithely ignored the vote and shareholders were powerless to do anything about it. The arrogance of the Telstra board in 2007 was shocking and was rightly condemned by many in the financial media and more broadly. It was ironic that at the very same time that this company was taking a very harsh attitude towards the treatment of remuneration for its own employees and their own workplace rights it was operating with complete disregard to community norms, as expressed by its shareholders, in relation to its own executive pay. I know that the current executive team at Telstra are working hard to redress the toxic culture that had developed as a result of previous management regimes and employment practices, and the blithe disrespect and disregard for community values, and everybody welcomes any move towards a more civilised and mutually respectful corporate culture in that company and elsewhere. I can only wish it well in this regard.

There are alternative proposals that have been talked about in this area. Some say that this regulation does not go far enough, and I must say that at times I have had sympathy with that view. The alternative proposal put by members opposite and foreshadowed in their amendment is that we should lift the bar even higher for shareholders—that is, the triggering of the two-strikes rule should not be based on 25 per cent of the votes cast, which would trigger the spill motion and the requisite action of the shareholders, but that it should be based on 25 per cent of the votes that are eligible to be cast at an annual general meeting of a company. Anybody who has had any experience of the practical operation of annual general meetings of most companies, particularly large companies with a large share registry, will know that this lifts the bar to an almost impossible level because it would be a very rare event indeed where 25 per cent of the eligible votes would be cast in a vote on a matter such as this.

While many of those opposite have risen to speak in favour of the sentiment and the intent behind this bill—to put more regulation and give more control to the shareholders to address outrageous remuneration packages by executives—their proposed amendment to this regulation will have quite the opposite effect. It would neuter the effect of the bill and neuter the ability of shareholders to have any real say in controlling the remuneration packages of their directors and executives.

The social contract in Australia that was the bedrock of our culture and our values has been severely challenged as executive pay has skyrocketed in recent decades. We cannot sit by and wring our hands each time we hear of multi-million dollar salaries being paid to corporate executives which are seemingly unrelated to the performance of their companies and the returns to shareholders. That is why I support the sensible measures in the bill before the House today, and that is also why I support the voices of others within the community in their continued campaigns to ensure fairness, security and dignity for all Australian workers, and that we do everything we can to narrow the gaps between the wealthy, the average Australians and the poor in this country.

Mr BANDT (Melbourne) (10:36): The health and success of a society is best judged by the level of equality between its citizens. The gap between the rich and poor, the extent to which someone profits from the labour of others and the capacity of someone to reap enormous wealth at the expense of the Commonwealth, have always been a measure of a sustainable and stable society. During the first three-quarters of the 20th century, Australia, like much of the developed world, was narrowing the gap between the highest and lowest

incomes. The 1970s were the high point with the gap between rich and poor at its smallest perhaps in centuries, but since then the gap has been growing again, with most of the positive trends of the 20th century wiped out.

Using the Australian Bureau of Statistics we can examine the income distribution between households. If disposable income was equally distributed between households, the bottom 20 per cent of households would have 20 per cent of total income and the top 20 per cent of households would also have 20 per cent of total income. In fact, the latest ABS figures show that the bottom fifth has just seven per cent of the income, whereas the top fifth has more than 40 per cent. And in the four years to 2010, the shares of the four bottom-fifths fell by about 0.5 a percentage point each, allowing the share of the top fifth to rise by two per cent. So why, under both Liberal and Labor governments, has there been this marked increase in inequality?

Economic writer Ross Gittins in last year's ACTU Whitlam lecture outlined this recent data and attempted to answer the question. He said:

> No one can say with any certainly. Various factors could have contributed: the resources boom and the booming sharemarket before the global financial crisis, the continued rise in executive and finance-sector salaries and maybe the succession of income-tax cuts that benefited people on high incomes.

But he went on to say:

> It would be a mistake to conclude, however, that all families with income sufficient to put them in the top 20 per cent have benefited equally. It's far more likely that the closer you are to the top of that 20 per cent the better you've done. It's even possible that the share of people in the second-top 10 per cent has declined, as have the shares of the bottom 80 per cent of households.

But it gets worse. According to Gittins, research using income tax statistics show that the top 120th of a per cent of individual taxpayers account for about two per cent of total taxable income. Let's just reflect on that. Someone in the top 0.05 per cent of taxpayers has income about 40 times their proportionate share. Gittins also says:

> The top 10th of a per cent accounts for 3 per cent, the top half a per cent for 6 per cent, the top 1 per cent for 9 per cent, the top 5 per cent for 21 per cent and the top 10 per cent for 31 per cent

So in fact it is the growth in income of the very top group of people in the wealthiest 20 per cent of the income band that is driving this growth in inequality. According to Gittins this means:

> The shares of these top earners were declining until the early 1980s, but have increased since then, with the share of the top 10 per cent growing from 25 per cent to 31 per cent. Why has this happened? I think it would have to do mainly with the explosion in executive salaries and the phenomenal expansion of the phenomenally paid financial services industry.

While experiencing a short dip post the global financial crisis, executive salaries are continuing to soar, driving up this inequality in Australia. This skyrocketing of executive pay is based on the obscene levels of incentives and bonuses for company executives and has fuelled unsustainable business practices that resulted in the loss of jobs and shareholder wealth. Let's look again at the figures.

The average total remuneration of a chief executive of a top-50 company listed on the Australian Securities Exchange in 2010 was $6.4 million. This makes the average CEO's total pay packet almost 100 times that of the average worker. This is an obscene difference in remuneration. Why should anyone earn 100 times more than the average worker? Do they work 100 times as hard? Are they carrying out work that is a hundred times more risky, or difficult or dangerous? The reality is executives are being paid this amount because they are able to get away with it and they have been allowed to get away with it.

We can get a greater sense of how unfair this difference is by looking at the increases in executive pay over last financial year. Executive pay rose by an average of almost $1 million, the equivalent of an extra $18,000 per week. Over the same period, the annual average wage for a full-time worker rose by just $3,200, or $62 a week—$18,000 a week compared with $62 dollars a week. Yet we are constantly hearing lectures about the importance of wage restraint and the worry of a wages break-out amongst working people. What does one even do with an extra $18,000 a week?

This has been a problem for some time with base pay for executives rising by 130 per cent from 2001-2010, while in the same period average weekly earnings only rose by 52 per cent. Inflation over the same period was just 28.6 per cent. Again, we see this incredible difference with average workers gaining modest increases in their pay just keeping above inflation, while the top end of town is raking it in, with a whopping doubling of their pay over the last decade.

Over the previous financial year across the economy, profits also soared by 27.5 per cent. This imbalance is even greater in selected industries. Gross operating profits in mining have risen by 60.6 per cent, while wages grew by just 3.8 per cent. Construction profits rose by 55.5 per cent, but wages by just 2.9 per cent. And profits in the information, media and telecommunications sector grew by 10 per cent—five times more than wages. Company profits as a share of national income are now back to the record levels of 2008, while the wages share is the lowest since 1964. So there has been no shortage of funds to fund wage increases for workers, but corporations have instead funded executive salaries. This is unfair and

unsustainable, and it is little wonder that the community is angry when they are doing it tough and being asked to engage in wage restraint when corporate leaders are filling their own pockets.

Here are some examples from last year of incredible increases in CEO pay from 2009 to 2010. Tom Albanese, CEO of Rio Tinto, got $9,039,000, an increase of 328 per cent. Don Voelte from Woodside Petroleum is on $8,343,339—also a huge increase. Ralph Norris, CEO of the Commonwealth Bank, modest but still a nice little earner, is on $16,157,746, an increase of 75 per cent. And the list goes on: David Knox at Santos, $5 million, an increase of 63 per cent; Marius Kloppers on $11 million, and so on. Something needs to be done to rein in these fat-cat salaries and excessive profits. Something needs to be done to address this growing inequality. The Greens have been seeking action on executive remuneration for some time. We have proposed real and practical measures to limit executive pay. We have moved a number of amendments to the Corporations Act in the past to implement our proposals. The most recent was at the end of 2009 to the Corporations Amendment (Improving Accountability on Termination Payment) Bill.

The measures we have proposed include: a cap on total executive remuneration of $5 million to stop the excesses of the past decade but also to ensure that the majority of executives continue to enjoy attractive remuneration packages. The limit that we have proposed is more than 10 times the Prime Minister's salary. We have also proposed: a remuneration formula to set executive pay at 30 times the average employee's wage; a top marginal tax rate of 50 per cent for incomes over $1 million a year; and a binding shareholder vote on company remuneration policy. The policy would set minimum standards to be included in remuneration packages which would, in turn, place limits on the size of remuneration packages covering base salaries, performance and termination pay and non-cash rewards. We believe that these measures are sensible and, if implemented, would have already started to rein in excessive executive salaries.

Unfortunately, the government and the opposition have not had the courage to take strong action on this problem and support our measures. Instead, we have before us this bill today. The bill implements a number of the recommendations from the Productivity Commission's report from 2009on executive remuneration. The key measure in the bill is the two strike non-binding vote of shareholders on the remuneration report leading to a spill of the board.

The first strike will occur when a company's remuneration report receives a no vote of 25 per cent or more. When this occurs, the company's subsequent remuneration report, the next year, must include an explanation of the board's proposed actions in response to the no vote or an explanation of why no action has been taken.

The second strike occurs when a company's subsequent remuneration report receives a no vote of 25 per cent or more. When this occurs, shareholders will vote at the same AGM to determine whether the directors will need to stand for re-election. If this spill resolution passes with 50 per cent or more of eligible votes cast, then the spill meeting will take place within 90 days.

While this is a step forward from where we are now, the Greens would prefer a binding vote of shareholders on remuneration policy which would set limits and give the shareholders that ability to configure payments in accordance with common sense. Under the provisions in the bill the potential for a spill of the board takes two votes at subsequent annual general meetings of shareholders expressing their concern with the remuneration of executives. There is, therefore, a significant amount of time between shareholders expressing displeasure and being in a position to act. During this time CEOs can continue to be paid obscene salaries.

We understand the arguments put by the Productivity Commission against a binding vote, including that a binding vote would provide significant practical difficulties such as companies not being able to finalise a contract with an executive until shareholder approval was obtained, and could result in a deadlock arising between shareholders and the board regarding the appropriate levels of executive remuneration. We appreciate that the government's position is to encourage cultural change in large corporations regarding executive remuneration. However, we continue to hold reservations that these measures will in practical terms work to stop the excessive salaries that I have outlined today. We will be watching carefully how this process works in practice and the extent to which it does create cultural change and rein in executive remuneration packages.

The Greens support the other measures in the bill to increase transparency with regard to executive remuneration. These include: increasing transparency and accountability with respect to the use of remuneration consultants, in particular, that remuneration consultants report to non-executive directors or the remuneration committee; addressing conflicts of interests that exist with directors and executives voting their shares on remuneration resolutions. We agree that directors and executives with voting shares should not be allowed to vote on the remuneration reports. We also support: ensuring that remuneration remains linked to performance by prohibiting hedging of incentive remuneration; requiring shareholder approval for declarations of no

vacancy at an annual general meeting; prohibiting proxy holders from cherry-picking the proxies they exercise by requiring that any directed proxies that are not voted default to the chair, who is required to vote the proxies as directed; and reducing the complexity of the remuneration report by confining disclosures in the report to the key management personnel.

These measures also go to implementing some of the principles of executive remuneration agreed to by the G20 in September 2009. They will improve the way companies go about determining remuneration for executives, and the increased transparency of these measures is to be welcomed. However, this must be just the first step. Unless we move to serious caps and stronger regulation of executive salaries we will not begin to address the growing inequality we are experiencing in this country.

Ms RISHWORTH (Kingston) (10:50): I rise to support the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011. The global financial crisis around the world put a spotlight on and exposed some of the excessive remuneration packages of company directors and executives.

In Australia in the last 30 years the relativities between the average wage and executive pay have grown exponentially. In fact, CEO salaries of Australia's largest 300 listed companies rose by 28 per cent in 2006-07. This is compared to the average full-time income growth of 3.4 per cent over the same period. So there is a significant difference between the rise in CEO salaries and income growth. The community in Australia has registered its concern about this increase in disparity between the average wage income earner and the rise in CEO salaries.

In the financial year just passed, companies on the S&P ASX 100 that filed remuneration reports revealed an average executive salary rise of 12 per cent with the highest being 93 per cent. These pay rises have all occurred despite difficult times and under difficult conditions, with CEOs, at the same time, calling for wage constraint for ordinary workers. It is important that the community is listened to when it comes to executive remuneration and that steps are taken to ensure that these salaries do get recognised. We need to ensure that regulation is made to make sure that they are fair and right and that shareholders get their voices listened to. am also certain that members of the House will recall the exposure of unreasonable termination benefits being afforded to departing directors of companies not long after the global financial crisis. The government addressed this issue in its 2009 announcement of reforms aimed at curbing these excessive golden handshake payments. The bill before the House seeks to build on those reforms by further strengthening Australia's remuneration framework. It is disappointing that while the opposition state that they agree with the government their amendments effectively aim to keep the status quo. I do hope that the opposition comes to their senses, listen to community expectations and support the bill before the House.

The bill will amend current limitations in order to provide shareholders with more control over the pay of directors. Shareholders are the legal owners of a company in which they invest. In doing so, they take ownership of the company's risk and also share in the company's profit and loss. Shareholders therefore deserve more control over how the pay of company executives is decided. This bill seeks to empower shareholders to influence their company's remuneration decisions by, firstly, introducing a two-strikes test.

The current Corporations Act requires listed companies to put their remuneration report to a non-binding shareholder vote at an annual general meeting. However, shareholders have no means of recourse should they implement a strong 'no' vote which is then ignored by the company board. Under the bill before the House, the first strike will be initiated in the instance where a company's remuneration report receives a 'no' vote of 25 per cent or more. This results in the company being required to provide direct evidence of the shareholders' concerns having been addressed or an outline as to why they have not. If shareholders remain dissatisfied and another vote results in a 'no' vote of 25 per cent or more then the second strike is triggered. The second strike gives shareholders the opportunity to vote on a resolution to spill the board and subject directors to re-election. If the spill resolution is passed by more than 50 per cent then a spill meeting will provide shareholders with the opportunity to vote on the re-election of each director. The two-strikes test is an important measure that finally holds unresponsive directors accountable for the decisions they make on executive remuneration.

This bill also seeks to ensure that consultation between remuneration consultants and company executives remains transparent. A company's remuneration consultant will be required to declare that their recommendations are free from undue influence. As a means of ensuring further transparency, these recommendations will be provided to non-executive directors or the remuneration committee, rather than to the company's executive directors. The company will also be required to disclose details regarding the consultant used and the amount they were paid. These measures are focused on ensuring accountability and transparency within the remuneration framework. Shareholders have a right to be in a position to assess any potential conflict of interest, and this bill takes important steps towards ensuring that this remains the case.

As a means of further reducing conflicts of interest, this bill also prohibits company directors and executives from voting on the remuneration report or the spill resolution. Directors and executives no doubt have an interest in approving their own remuneration agreements. Doing so affords them a considerable amount of power concerning their company's remuneration framework. This clearly represents a conflict of interest, and the measures proposed in this bill seek to remove that conflict.

In line with the government's reforms to termination benefits, this bill also seeks to ensure that executive remuneration remains linked to performance. Incentive remuneration is designed to align directors' and executives' interests with those of shareholders; however, the hedging of incentive payments can severely skew this relationship. Directors and executives are currently able to hedge their exposure to incentive remuneration by entering into third-party contracts and effectively mitigating their personal financial interest in their company's success. The use of hedging is completely inconsistent with the values of Australia's remuneration framework. However, perhaps more concerning is the real, as well as the perceived, conflict of interest that arises when a director or executive enters into hedging arrangements. Such an arrangement may stand to see the director or executive benefit from a fall in their company's share price. Hedging by directors or executives distorts their responsibilities to their shareholders. The measures in this bill will ensure that the interests of shareholders and of the company's directors and executives remain synchronised.

The bill also introduces a measure that prevents boards from announcing 'no vacancy' without the approval of its shareholders. This is an important step towards transferring company decision-making power back to shareholders. The no vacancy rule currently allows boards to govern the composition of the board and makes it difficult, if not impossible, for non-board-endorsed candidates to be elected. This promotes unaccountability from directors and executives and leaves shareholders without a voice, given that any candidate seeking to promote change within a company can essentially be prevented from reaching a board position that would allow them to instigate such change.

The bill also introduces an amendment which will ensure the enfranchisement of every shareholder who chooses to vote at an annual general meeting. Currently, all directors except for the chair have the ability to disregard proxy votes that do not align with their personal views regarding a resolution. Indeed, annual general meetings can be held at times or locations that are not convenient for all shareholders. As such, many shareholders who are unable to attend in person are able to indicate their position by a proxy vote. These votes should be given just as much weighting as a vote from a shareholder present at the meeting. However, instead, these votes can currently be disregarded at a director's discretion. This cherry picking of votes from shareholders who have made specific declarations concerning their vote inevitably results in outcomes that by no means clearly represent the sentiment of shareholders. This bill will ensure that the outcome of a resolution vote reflects shareholder views rather than the cherry picked views of directors. n conclusion, under request from the government, the Productivity Commission undertook a broad review of Australia's remuneration framework. The nine-month review process, which included a total of 170 submissions and a series of public hearings, revealed that Australia's corporate governance and remuneration framework are ranked highly on an international scale. However, it also recommended a range of reforms to further strengthen Australia's remuneration framework.

The bill before the House today effectively responds to these recommendations. It will provide shareholders with a new level of power and ultimately improve the transparency and accountability of company directors and executives. It addresses the conflicts of interest that arise throughout the remuneration process and ensures that the sentiments of shareholders are appropriately represented by directors and executives.

While Australia's remuneration framework is certainly strong, these innovative reforms will eliminate complacency and ensure that it remains effective well into the future. It will better reflect community standards when it comes to remuneration and pay of company executives, and I therefore commend the bill to the House.

Mr ZAPPIA (Makin) (11:01): I welcome the opportunity to speak on Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011, and I commend the member for Kingston for the remarks she has just made on the bill in this place.

In recent years public anger about excessive salaries and executive payouts has been widespread. Whilst the spotlight has been taken off executive salaries in recent times there is little, if any, justification for some of the remuneration we are still seeing. Nor is this issue just a matter for company shareholders. It is a matter that the wider community has a right to take an interest in, because in most cases the remuneration packages for senior executives have direct implications for the broader community. That is why this is a public interest issue, and why those people who argue that private sector remuneration is a matter for the private sector and not the business of government are wrong. It is the argument about why this is a matter of public interest that I will address in my remarks on this bill.

Possibly every senior management appointment today is tied to performance, either by way of a performance bonus or simply because renewal of the employment contract is directly tied to performance. In the private sector the most used measure of performance and certainly the most persuasive is the annual profit or loss statement. Generally, the higher the profits the better the performance is considered. That is what most company owners and shareholders are driven by. Profit can be and usually is made from a range of actions, but when any of those actions are extreme or irresponsible it is the public that inevitably ends up paying one way or another. And therein lies the public interest test—a test that could be applied time and again, using many examples in numerous industry sectors over recent years.

We have seen farmers being squeezed by monopoly retailers, manufacturers transferring their operations overseas, high-risk loan arrangements or investment schemes, construction shortcuts where safety standards are not complied with, transport industry drivers placed under unreasonable delivery deadlines, and collusion or similar practices and possibly corruption creeping into industry practices. Cutting costs and increasing sales are strategies almost universally implemented in business to increase profits—and I will speak more about both these matters. Cutting costs and reducing overheads can be achieved by investing in modernisation strategies, upskilling the workforce, streamlining production and other forward-thinking responsible strategies. The alternatives are reducing labour costs, not complying with regulatory standards, using inferior componentry, taking extreme risks and other irresponsible measures—all of which appear to have become commonplace in business.

I turn now to labour costs. Labour costs are frequently cut by placing unreasonable demands on workers, including longer working hours, which are often unpaid; by reducing the workforce numbers and working employees harder; by paying workers less than fair wages; by subcontracting work out; and by taking work offshore. It is all about squeezing more out of the labour force. The social costs of unemployment, housing, health and family breakdown, which inevitably follow when operations are transferred offshore, workers are placed under unreasonable work pressure, or work is subcontracted out so employers are no longer responsible for work conditions are all examples of where the consequences are inevitably paid for by the rest of society.

We saw the collapse of the financial system because of high-risk lending practices or high-risk investment schemes. This was driven by executives who were in turn motivated by increased profits. Hardworking people lost their homes, their health, their savings and sometimes their lives because of the decisions of highly remunerated executives. In the five years prior to the 2008 global financial crisis, senior executives of the five largest financial institutions in Wall Street were paid $3.6 billion in remuneration. They profited whilst others lost everything. They were rewarded for their failure.

I turn now to the transport sector. Each year around 300 lives are lost and about 5,500 are injured because of cost-cutting in the transport sector. I quote from a submission from the Transport Workers Union from February this year on this very matter:

> Each road death costs $1.7 million. Each injury in an incident costs $408 000. When the non-monetised social impact of road deaths, injuries and illness, family breakdown, pain and suffering is included in the measurement of what road deaths and injuries cost the community—

The damages bill is immeasurable. The report attributes the cause of the road transport safety crisis to economic factors; namely, the low level of driver remuneration and their methods of payment. As made clear in the NTC report, the high level of control exercised by clients over price, timing, destination and route causes operators to bear the costs that, ordinarily, are borne by customers. Denied a proper return, let alone a margin that exceeds the cost of capital, operators undercut each other, bid the price of transport down and attempt to recoup the losses caused by clients from drivers by not paying them for all work performed and by paying them through incentive rates. It says:

> Because employment is too often conditional on strict compliance with an operator's direction and client deadlines, drivers are prone to drive while fatigued, to speed, to take drugs and to skimp on maintenance.

All of that arises because someone is trying to make a profit. Usually the CEO or an executive is the person driving that to the point that they do.

Mining and construction workers' lives have been put at risk and lives lost or injured because of work practices imposed by employers. The recent spate of mining tragedies exposes some of these practices. In the building and construction sector, each year around 50 lives are lost and around 75,000 workers are injured through accidents, which in most cases are foreseeable and avoidable and which can be attributed to cost cutting. Yet people like Ark Tribe were taken to court for standing up for their right to a safe work environment.

In food production, farm producers are squeezed for lower prices by the major grocery retailers in turn placing hardship and stress on farming families. The current milk price war has been linked to the executive remuneration of the Coles CEO with allegations that the Coles CEO will be paid millions of dollars if he increases the Coles profit. Discounting milk is a strategy currently being employed by Coles to increase market share of grocery sales and ultimately the Coles

profit. The Australian dairy farmers say the discounted milk is already reducing the income of dairy farmers and threatens their ongoing viability. This is a claim that Coles is disputing of course. We have also seen farm products being sourced from overseas where production standards do not meet Australian standards, which in turn leads to health impacts on Australian consumers and a demise of Australian food production. Again these are decisions made by executives whose primary interest is profit. The impact on Australian farmers and the health impacts on Australian consumers are ultimately borne by governments.

Another of the very concerning trends in recent times has been the use of overseas registered shipping and crews. We have now had several cases of extensive environmental disasters that have been attributed to cost-cutting decisions made by executives who are driven by profit. The environmental disaster on the Great Barrier Reef when a Chinese coal carrier ran aground, spilling about four tonnes of heavy fuel oil from a perforated fuel tank, has been attributed to a seaman being fatigued, having managed only 2½ hours of sleep in the previous 38½ hours. In February this year there was another shipping incident. It was associated with the multi-cat vessel *Boskalis BKM 102* whilst working on the Gorgon project off Barrow Island. The four MUA crew members were put at risk and the pristine environment was badly polluted, because of the shoddy practices of the overseas shipping company. In addition, there was the Montara oil spill, which occurred in the Timor Sea on 21 August 2009 and continued right up until November 2009. I understand that Indonesia and East Timor are now seeking compensation for the extensive environmental damage done. Even if they are successful as to compensation and even if penalties are imposed, the reality is that the bulk of the environmental damage cost inevitably will fall onto governments and society.

The measures in this bill provide increased accountability by CEOs to shareholders and conversely give shareholders more control over executive remuneration, and they will be welcomed by many Australians. It is my view that most shareholders do not endorse the kinds of practices that I have alluded to in my remarks. It is my view that most shareholders want to see their executives acting responsibly. Time will enable us to determine whether the measures in this bill are sufficient to ensure the right level of accountability by CEOs. It is my view that many CEOs are still grossly overremunerated and I would consider supporting additional measures that I believe could be taken to curb excessive CEO remuneration packages. I note the comments of members opposite and I understand that they intend moving an amendment. I also note comments they believe that essentially the government should not meddle in private enterprise. These comments were made by a number of these speakers. I reject that proposition. I believe that this legislation is a step in the right direction, and I commend it to the House.

Debate adjourned.

Midwife Professional Indemnity Legislation Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr DUTTON (Dickson) (11:12): Yet again the fact that the Midwife Professional Indemnity Legislation Amendment Bill 2011 is before the House today is proof that this government just cannot get anything right. The bill is yet another fix from Gillard Labor to legislation that it rushed into this parliament two years ago. It has been struggling to get it right ever since. Members will recall the troubled passage of the midwives and nurse practitioners bill and the midwife and professional indemnity bills throughout 2009 and 2010. The Minister for Health and Ageing tried to blame the opposition. She then tried to blame the Senate—anybody but herself—for the delays in this legislation passing through this parliament. In fact, it was a case of the minister and the government rushing headlong to get the legislation into the parliament without taking the time to ensure that they had got it right. In the end, it was the government that was introducing amendments to its own legislation as it moved through the parliament. Through the process Minister Roxon had to admit that she had got it wrong, and she had to backtrack. She had to placate concerned stakeholders, she had to clarify matters to a Senate committee and then the minister had to make amendments. Then, after the legislation had taken effect from July last year, the minister was forced to make new rules to cover the problems that this bill now seeks to remedy. And what were those problems?

The answer to this is that the minister had bungled things yet again. Perhaps we should say 'as usual', because if we look back over the last 3½ years it certainly has been a litany of failure and inability to deliver even the most basic of legislative programs, and this is a reflection on the broader dilemma that the government face: the public now realises that this is a government that just cannot deliver on what it is that they propose.

The drafting of the original legislation had actually excluded one group of midwives from accessing the indemnity contribution scheme. The legislation treated those who operated through their own companies and were in fact self-employed the same as it treated those who were employed by larger organisations, such as hospitals or medical practices, and therefore as employed midwives. The legislation had excluded

employed midwives from the scheme. The government presents this as an oversight. It was 'not the government's original intention', they say. And this bill to remedy the situation is presented as a technical fix for a minor element of the act. What it is though is another error on the part of the government and of this minister. So, too, is the second matter this bill seeks to remedy. That mistake is presented as a 'typographical error'. Let me just explain what the typographical error goes to. What effectively the original legislation did was to enshrine in law a formula to tax insurers of midwives at a rate far higher than the premium income those insurers received from the midwives for their insurance coverage. That is some typo! It is also typical of a government that continually talks about grandiose schemes and ambitions but then completely fails to do the hard yards to get the detail right.

Exclude for the moment the monumental failures of the Rudd and Gillard governments with pink batts and school halls and green schemes. We have seen the failure to deliver time and time again in the area of health. Remember, for a start, the all-encompassing promise from Kevin Rudd to fix public hospitals: he was going to do it, remember, by mid-2009 and if he had not he was going to hold a referendum for the Commonwealth takeover of the nation's public hospitals. All we had by mid-2009 was a series of reports from the multitude of committees and commissions and working groups and inquiries that Rudd Labor had commissioned. All we had by 2010 was a hastily thrown-together plan branded the national health and hospitals reform so that the Rudd-Gillard government could actually look like it was doing something to honour those commitments made to Australians in mid-2007.

What did we get from the so-called reform? We certainly got lots of media releases, conferences and communiques, and plenty of colourful and expensive booklets outlining the grand health plan, some of which had to be pulped within days of being printed, such was the hubris surrounding Mr Rudd's and Ms Roxon's health reforms. Now, of course, it is a fact that Kevin Rudd was deposed. His historic reforms were shredded. Now we have the current Prime Minister saying 'historic health reforms'—this has a familiar ring to it—which amount at this stage to nothing more than an agreement with the premiers to get an agreement. An agreement to get an agreement. If anything sums Labor up, it is an intention to do something or an intention to have an intention to do something. An agreement to get an agreement—that is where this historic reform is as we stand in this parliament today. This is a government that has failed the Australian public in so many areas, as I have said before, but none more so in my view than in health.

Let us take another example: the so-called GP superclinics. They are so super that they resemble any other general practice across the country. Yet again, much was promised, but when we look at what is being delivered—we know what is being delivered—we see that it is taxpayers' money that is going to set up a practice in opposition to a practice which has been established through private investment. It is completely offensive, not just to the doctors and nurses who are involved but to patients as well. To make it worse, the government have decided that they will proffer preferential treatment in terms of the employment of the doctors, and presumably nurses in some cases as well, at these superclinics, which puts them at a competitive advantage to those practices which operate with the cost of capital being deployed into these centres. It is untenable that this situation continues. Ms Roxon had promised more than 60 of these so-called superclinics, and we know that just 10 of these clinics have opened across the country five years after they were promised, and completely and utterly over budget. Nothing this government touch does anything but turn to dust. The health portfolio contains one classic example after another of why Labor just cannot be trusted with the sort of legislation that is before the House today or, indeed, the general health program.

Last night we saw the government make an announcement on mental health—an area of great importance to all Australians—that they tried to make people believe was in the order of $2.2 billion. But when you strip away that spin, the Australian public has discovered today that the government commits $583 million over the next four years, over the forward estimates. They have some money in the fifth year. But, strangely enough, five years time will be the third year of the next term of government. So, if you believe that Julia Gillard is going to last the next two years, she then has to last the next three years beyond that as Prime Minister to implement this plan that was announced last night. It is complete and utter fantasy.

This is a government that promises big. It promised big to the midwives, it promised big to the mental health community, but it has delivered nothing. This is a government that should hang its head in shame when it comes to the health portfolio because, whilst billions and billions of dollars has been squandered in pink batts, in all of these failed programs that the Labor government has delivered—

The DEPUTY SPEAKER (Mr KJ Thomson): Order! I am reluctant—

Mr DUTTON: money has not been directed into these sorts of areas, which are incredibly important—

The DEPUTY SPEAKER: The shadow minister will resume his seat when I am drawing his attention to a matter, otherwise I will have to sit him down. I am reluctant to interrupt shadow ministers and speakers, but so far the shadow minister has had precious little to say about the bill before the House. I draw his attention

to the fact that we are debating the Midwife Professional Indemnity Legislation Amendment Bill.

Mr DUTTON: What I have done in my speech thus far has been to demonstrate the failings of Labor, particularly in relation to this piece of legislation before the parliament. It is important for people to understand that this is yet another patch-up job by a government that just cannot get it right. I think it is completely reasonable, in drawing people's attention to the latest failings, this time in health, that we also draw their attention to Labor's other failings, because it gives people an understanding of the modus operandi of this government. They cannot get it right in the area of pink batts; they cannot give pink batts away for free. They cannot get the midwives legislation right.

The DEPUTY SPEAKER (Mr KJ Thomson): I have told the shadow minister that he needs to be relevant to the bill. If he wishes to defy my ruling, I will sit him down and move to the next speaker.

Mr DUTTON: Why this is completely relevant is because it shows a course of conduct by a government that is out of control. The point is that it is not just restricted to the area of health. More money is needed in the area for doctors and nurses and for midwives in particular, but this is a government that has wasted money and this is a government that has said to the Australian public that it has health as a priority, yet every act both inside this portfolio and across broader government points to completely the opposite. I think it is a crying shame for Australian patients, for midwives who are affected directly by this bill, for all allied health professionals, that they see so much promised and yet have so little delivered. This is just the latest example of why this government cannot be trusted going forward. The midwives of Australia look at this piece of legislation as yet the latest example of why this government cannot be trusted into the future.

We supported the original tranche of legislation in this area. We provided constructive input to the government. We warned them of some of the likely failings. Some of those failings have come to pass. They talk about typographical errors which in effect make the premium completely above and beyond what anybody could be expected to pay. Nobody could practise as a result of this legislation reasonably if they were in certain employment circumstances. As I say, we flagged the fact that this government would get yet another bill wrong. They did not let us down. Certainly they have let the Australian people down. We support the amendments because they make bad legislation better than it was, but ultimately what needs to be highlighted to this parliament and to the Australian people is that this is yet the latest example of a government that has failed at every turn, for which they should be condemned at the ballot box in two years time.

Mr NEUMANN (Blair) (11:24): I rise to speak in support of the Midwife Professional Indemnity Legislation Amendment Bill 2011. The member for Dickson urged us to put more money into hospitals, doctors, nurses and the health system generally. This is a bit rich coming from those opposite, when the Institute of Health and Welfare in October 2007 produced a damning report on the state of the health and hospital system in this country under the tutelage of the then minister, who happens to be the opposition leader, and he was a longstanding health minister at that time. The institute damned the Howard coalition government, saying that they had actually defunded, vis-a-vis the states and territories and the private health sector, health and hospital funding in this country. Even the now opposition leader—and we have had about three of them since 2007—at that time actually admitted during a campaign that was not one of his best and finest performances in terms of timeliness and preparedness to debate issues, particularly with the now Minister for Health—

Mr Baldwin: Mr Deputy Speaker, I raise a point of order. I am mindful of how you brought the member for Dickson to order to address the bill. I would suggest that you bring your attention to ask the current speaker to address the actual issues in the bill.

The DEPUTY SPEAKER: The member for Paterson will be aware that the member for Dickson spoke for about 10 minutes before I drew his attention to the bill. But the member for Blair no doubt is aware of the contents of the bill and I ask him to draw his remarks to the bill.

Mr NEUMANN: I am happy to do so, Mr Deputy Speaker. I will just respond on one issue, and that is the GP superclinics. I say to the member for Dickson that the GP superclinic in Ipswich, which I am proud to have supported and sought the funding for at $2.5 million, was a wonderful institution for the Ipswich community at the time of the floods, being situated next to the main evacuation centre in Ipswich at the showground. If the member for Dickson wants to go and have a look at the Ipswich GP superclinic he is most welcome to at some stage. It is operating now under the great leadership of Dr Simon Barnett.

I want to speak about what the coalition government failed to do with respect to midwifery and what we are doing in this legislation and what we have done since we were elected. The role of midwives and the issue of health funding and also insurance became very obvious back in about 2002 and also prior to that with the collapse of the insurance market after 9/11. There was a landmark obstetrics birth injury case which resulted in a payout of about $11 million and that initiated a crisis of confidence in the industry and also with respect to midwives across the country. With about 200 privately practising midwives paying about $800 a year

for insurance, there simply was not a big enough pool of funds to contemplate a payout of that magnitude, and obviously insurance for midwives was a big issue.

The coalition was in power in 2001-06 and most of 2007, so it had over six years to resolve this issue. Surprisingly, it did not. It was too hard for those opposite—inaction and inactivity on the issue was their motto. They were simply spending too much time attacking workers and not enough time noticing what was happening in the midwife sector. Since we got into power we took steps to find out about the issues facing midwives across the nation. In 2008 we directed the Commonwealth Chief Nurse and Midwifery Officer, Rosemary Bryant, to conduct a review of midwifery services in Australia. In addition a number of my colleagues and I lobbied very hard on this issue. I met with midwives in Queensland and I spoke at fora put on by the Maternity Coalition in the state. I spoke to a number of people in the industry, including a very prominent midwife in the Ipswich area, Teresa Walsh. I wish her and the other midwives well in their venture in relation to maternity services and midwifery services in Ipswich, Toowoomba and the western corridor and the business they are currently conducting. had the privilege of serving on the local health community council with Cas McCullough, a real mover and shaker in the Maternity Coalition in Queensland and someone who has argued strongly for reform for midwives. Cas has taken a very strong view that we need to make changes to support midwives and has certainly put into practice her commitment to caring for young children and for women who choose homebirths, as well as for women who choose to give birth in other ways. Cas's work is very well known in the West Moreton area, and I commend her for the work she is doing.

It was Labor that brought three bills before this House in 2009 to support Australia's midwives. Despite the great work done there, anomalies emerged from that legislation. The purpose of the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010 and the associated Midwife Professional Indemnity (Run-off Cover Support Payment) Act 2010 was to support the new MBS and PBS arrangements by enabling the establishment of a government supported professional indemnity scheme for eligible midwives from 1 July 2010. An unintended consequence emerged from the enactment of the contribution scheme legislation whereby midwives who were self-employed and had formed companies through which to operate their services were not eligible for a Commonwealth contribution. That particular provision was set up to deal with private hospitals and large private obstetric practices as employers and was not intended to impact on companies established by a single midwife or a couple of midwives who were directors, shareholders and employees of that private company.

Within large companies such as private hospitals and large obstetric practices, claims to a Commonwealth contribution scheme could be made by the employer. But if the midwife, who may be the sole director and sole shareholder, was also an employee, this made them ineligible to make a contribution claim, and that was never the federal Labor government's intention. The Midwife Professional Indemnity Legislation Amendment Bill 2011 has the very important task of tidying up the Midwife Professional Indemnity Scheme created under the 2010 legislation. The bill before the chamber allows for a rule-making power to be established under section 11(3)(g), and thus tidies up the placement of the unintended words to a more appropriate part of the legislation. It also allows for future rules to be made as and when new and innovative midwife self-employment arrangements occur, without the need to seek a separate amendment to the legislation.

Of course, any new rules are subject to the scrutiny of the parliament to make sure the intention is consistent with the scheme legislation. As the member for Dickson pointed out, the bill does fix an error in the Midwife Professional Indemnity (Run-off Cover Support Payment) Bill 2010, which became legislation, which would, if left unchanged, impose a higher than intended tax on insurers of eligible midwives.

This bill ensures that self-employed midwives can access the Commonwealth contribution scheme and amends the professional indemnity legislation of 2010 to ensure that the tax on insurers of eligible midwives is correctly calculated. These changes are important because self-employed midwives such as Teresa Walsh, whom I mentioned before, need to make sure that they can get access to that scheme and not fall foul of the previous provisions. We do not want them excluded from the operation of the provision.

Today we see the federal Labor government putting the health and wellbeing of Australians at the forefront of legislation in fixing up this problem. We saw health, education, infrastructure and many aspects of the Australian economy front and centre in the Treasurer's speech last night with respect to employment and participation. We need to make sure that midwives participate not just in the economy but in the lives of women who choose to use midwives in the birthing of their children. This is an important difference in terms of legislation. It fixes up some problems and puts the scheme in a better state. It makes sure that midwives have security and certainty and have access to the contribution, and it helps midwives such as Teresa Walsh in my electorate, and others, to access the scheme in the way that we always intended. For that reason, I commend the legislation to the House.

Mr LYONS (Bass) (11:34): I rise to speak in the House about the Midwives Professional Indemnity

Legislation Amendment Bill 2011. Most people who provide professional services and advice to the general public take out a form of insurance that covers and protects them and their clients against adverse incidents that may lead to injury or some kind of financial loss. Civil engineers, for example, take out professional indemnity cover against the possibility that structures they build will become unsafe or may cause injury to people. Doctors take out medical indemnity cover against the possibility that they may injure their patients during the course of a medical procedure or as a result of a prescribed course of treatment.

In the 2009-10 budget, the government announced the 'improving maternity services package'. The package provides for the introduction of Medicare supported services to provide greater choice for women during pregnancy, birthing and postnatal maternity care, including the provision of professional indemnity for midwives. The Midwife Professional Indemnity Scheme, which commenced on 1 July 2010, enabled a Commonwealth contribution to be paid to insurers for the cost of eligible claims against eligible midwives. This act provides that the Commonwealth contribution and the run-off cover for Commonwealth contribution are not payable for a claim that should be covered by the midwife's employer. This is to ensure that there is no intentional cost-shifting from the employer to the Commonwealth.

Following the passage of this legislation, it was brought to the government's attention that the operation of this provision effectively excluded self-employed midwives. This exclusion was not the government's policy intention. The member for Dickson, a born-to-ruler from the other side, did not raise this oversight during the passage of the original legislation, even though the opposition would have us believe that they have some divine right to knowledge and ability. o give a little background on this issue, before the enactment of the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010, midwives were generally unable to obtain insurance to cover their practice. In order to protect their personal assets in case of a negligence suit, many midwives chose to set up a company, either alone or with other midwives, through which they operated. This meant that any legal actions taken were taken against the company, not the midwife personally.

This bill also amends the Midwife Professional Indemnity (Run-Off Cover Support Payment) Act 2010 to ensure that the tax on insurers of eligible midwives is correctly calculated.

This bill amends the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010 to ensure that self-employed midwives can access the Commonwealth contribution. Essentially, this bill tidies up minor technical errors by placing the intended words in a more appropriate section of the act and corrects a typographical error.

This bill is an important component of the government's maternity reform package. The package aims to improve the choices that are available to women in relation to maternity care. The total cost over four years of the professional indemnity for midwives component of the package is $25.2 million. I commend these changes to the House.

Women and their babies must be the focus of maternity care. They should be able to feel they are in control of what is happening during pregnancy, childbirth and the postnatal period, based on their individual needs and having discussed the issues fully with their care providers. Australian women and their babies should be able to access high-quality, safe maternity services.

This government has a proud record of delivering better health services for all Australians. Helping Australia's hospital system to recover from the dark days of the Howard-Abbott years was a daunting task for Labor when we came to office in 2007. In 2008 we boosted hospital funding by $20 billion, a 50 per cent increase. We have also invested over $2.4 billion in health workforce measures. That is helping us to train over 1,000 nurses each year and double the number of GPs in training, and we have seen the Commonwealth's specialist training program expand from just 51, when Mr Abbott was the health minister, to 518 this year. Plus, we have made a record $872.1 million investment in preventative health. And just last night we announced measures to assist those with a mental illness.

The government is delivering major reforms across the health system to improve the quality of services, responsiveness at a local level and access to care. We are governing for Australia's future. We are supporting Australian families. This is a small but important amendment. I congratulate those opposite, as they do support this amendment because it promotes choice and protects our valuable midwives.

Mr CIOBO (Moncrieff) (11:40): I rise to the speak to the Midwife Professional Indemnity Legislation Amendment Bill 2011, an important bill because it goes towards providing greater certainty and assurance to those midwives who are employed in their own businesses, in particular, following a series of changes that were made in the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010.

Under this bill, which is relatively technical in nature, there have been changes made to ensure that self-employed midwives are able to access the Midwife Professional Indemnity Scheme. The bill also amends the Midwife Professional Indemnity (Run-Off Cover Support Payment) Act 2010 to ensure that the tax on

insurers of eligible midwives is correctly calculated, after there was a typographical error in the act that imposed a much higher tax on the premium income of insurers of midwives.

The situation that arose was that the tax payable exceeded the premium that was going to be charged. We are informed, as members of the opposition, that this was an unintentional consequence of a typographical error within the act. To the extent that this bill clarifies the intent of the original legislation and provides the assurance that is sought, the coalition is certainly supportive of it, as am I, as a member of the coalition.

The role of midwives is crucial. My wife and I had the opportunity and indeed the great joy of having a child a little over two years ago now. There is no doubt that, for many women, midwives are a source of solid support, reassurance and knowledge when they take the journey of childbirth. The government should do anything it can to make it easier for women to practise the art of midwifery without the risk of there being a successful lawsuit hanging over their head for practices that are not negligent or reckless.

We know that in past years there has been a massive increase in the number of tort actions against, amongst others, midwives. We have seen the repercussions, with there being a large decrease in the number of midwives seeking to practise and changes in the structures that midwives adopt as employees, self-employed members of the community and indeed small business operators and proprietors, as they may well be.

This bill before the House today provides certainty. It delivers on the policy intent of making sure that there is support for them to undertake their practices, given their importance in the community and making sure that we as a society recognise that women seek support when they go through the process of childbirth and in the many months leading up to it.

As a husband, there was reassurance for me too to know that there was perhaps an alternative source of information that my wife could turn to beyond my mother-in-law or sisters. I was just grateful, frankly, that it wasn't me. In that vein, I think that we should be doing all that we can to make sure that the fine and delicate art of being a midwife is kept alive for as long as possible. It seems to me that, if anything should be labelled 'secret women's business', perhaps this should be. But then again that might just be an old-fashioned Steve Ciobo talking, rather than someone who is necessarily the most up-to-date—

Mr Perrett: Snag. You're a snag!

Mr CIOBO: snag. Having said all that, there remain some matters of interest for me that I have looked into with respect to midwifery for some of my constituents and which still to some extent remain unresolved, and they are around the issue of home births. e know that for many individuals the location they choose for having their child is a very personal choice. It might be in a hospital, but there are a number of women, I recognise, who hold the fundamental view that childbirth is a very natural thing—not something that requires medical intervention—and they often choose to have their child in the familiar, comfortable surroundings of their home. For those midwives who practice their art or their skills in people's homes, there is still, I am told by those in that industry, some uncertainty about their legal liabilities and their level of protection for homebirths. Although this act does not go directly to that matter, it is important to recognise that there are very active and vocal groups in many communities, not just in my own, who hold the view that we should be doing more to facilitate things for those women who would like to be midwives and for those women who would like to give birth in their own homes.

So I just put on the record my support for those who choose to go down that path. It was not the pathway that my wife and I chose to go down. Notwithstanding that, I recognise it as a personal choice, a choice that many women make. Again, in that sense, I think policy should be directed towards assisting them, recognising, though, what for me was an inescapable fact—that there is, I believe, an elevated risk as a result of homebirths. That elevated risk notwithstanding, the reality is that there is of course no aspect of life that is without risk and I recognise the rights of those who choose to have their child in their own home.

I am certainly pleased to support the bill before the House today. I recognise that it comes as a consequence of a typographical error. You would have thought, perhaps, that with so many eyes in the executive checking this legislation, and with so many others checking it, these kinds of errors would not take place. That notwithstanding, it has taken place, but it is being corrected and the opposition supports that. I commend the bill to the House.

Mr CRAIG THOMSON (Dobell) (11:51): I rise to support this piece of important legislation. The purpose of the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010 and the associated Midwife Professional Indemnity (Run-off Cover Support Payment) Act 2011 was to support the new MBS and PBS arrangements by enabling the establishment of a government supported professional indemnity scheme for eligible midwives from 1 July last year. Those acts removed a longstanding barrier to appropriately qualified and experienced midwives wishing to provide high-quality midwifery services to Australian women as part of a collaborative team with doctors and other health professionals.

The Midwife Professional Indemnity (Commonwealth Contribution Scheme) Act 2010 currently excludes employed midwives from accessing a Commonwealth contribution and a run-off cover Commonwealth contribution. This exclusion is to ensure that there is no intentional cost-shifting from employers of midwives to the Commonwealth. The bill tidies up the act by placing the rule-making powers in a more appropriate section and thus ensures that eligible self-employed midwives are not excluded from access to Commonwealth contributions for claims that are made while they are in the workforce or for any claims that are made after they retire. By doing this, the act will continue to exclude other employed midwives, such as those employed by private hospitals, to prevent the cost-shifting—already referred to—from that sector to the Commonwealth by employers.

The changes to the act proposed by this bill will also allow a specific rule-making power to appropriately address any new and innovative midwife self-employment models that may arise in the future. This was an issue of particular concern to midwives when the previous bills were before the parliament. This rule-making power will ensure the bill will be able to accurately describe midwives and employment arrangements which are within the scope of the government's maternity reform policy.

The bill also corrects a typographical error in the Midwife Professional Indemnity (Run-Off Cover Support Payment) Act 2010 which would, if left unchanged, impose a higher than intended tax on insurers of eligible midwives. The Australian government is proud to be implementing historic reforms to maternity care which recognise the skills of our highly trained midwives and provide more choice for Australian women while maintaining Australia's strong record of high-quality, safe maternity services.

I will spend a little bit of time looking at the background to these reforms. *Improving maternity services in Australia*: *the report of the Maternity Services Review* highlighted the complex nature of maternity services, which involve a mix of Commonwealth, state, territory and private arrangements. The report was developed following consultation with a broad range of stakeholders including individuals, health professionals, industry groups, researchers, professional organisations and national peak bodies. The report made a number of recommendations which focused on the need to improve maternal and peri-natal outcomes for Indigenous and rural Australians, improve choices available for pregnant women, increase access to high-quality maternity services and provide support for the maternity services workforce.

The government responded to the report with a $120.5 million package to provide access for midwives to the Medicare Benefits Schedule and to Pharmaceutical Benefits Scheme medicines, and a government supported professional indemnity insurance scheme for eligible midwives. On 24 June 2009, the Minister for Health and Ageing introduced legislation to facilitate these new arrangements. These arrangements are available for appropriately qualified and experienced midwives working in cooperation with obstetricians and health facilities as recommended by the report. These changes enable the clients of midwives and nurse practitioners to access services and medications subsidised by the MBS and PBS. There are currently around 350 qualified nurse practitioners in Australia, generally working in public hospitals. Initially about 50 nurse practitioners were expected to access the MBS and PBS for their clients in certain private and community settings, particularly in primary care and rural areas, from November 2010.

For midwives to be eligible to participate in the new arrangements, they needed to meet advanced practice requirements and to have had collaborative arrangements with doctors. These requirements and collaborative arrangements were developed in consultation with midwives, doctors and other stakeholders. The reform initiatives supported by this legislation allow for incremental reform within a strong framework of quality and safety. It is expected that around 700 eligible midwives will be participating in this measure over the next three years. he government understands the concerns in the community about registration and professional indemnity insurance and how this affects the involvement of midwives in homebirths. Our legislation has expanded Commonwealth support for midwives and nurse practitioners in our community. They improve choice and extend Commonwealth funding for a range of midwife and nurse practitioner services for the first time ever, including providing antenatal care in the community and attending births in clinical settings. None of these bills have made homebirth unlawful.

However, under an agreement made last year the states, territories and the Commonwealth agreed to a two-year exemption for homebirthing midwives who are acting not within the state hospital system but in the private sector. A number of conditions and requirements were attached to that exemption, including that a homebirthing midwife must disclose to a mother who is interested in having a homebirth that they will not be insured for that procedure and making sure that people make an informed choice about undertaking a homebirth. The government asked homebirthing midwives to report each homebirth.

There is currently not any good data across the country of how many homebirths actually occur. Independent midwives are not currently required to notify state and territory authorities or hospitals, nor have they been asked to. We will require, however,

participation in quality and safety frameworks—for example, reporting the results of homebirthing and incidents that are related to it.

The government wants this work to be done collaboratively, by way of a peer review process. The consultation process is being overseen by Victoria through the national registration and accreditation process. The national Nursing and Midwifery Board will provide advice and protocols for homebirthing outside the publicly funded and auspiced services. Privately practising midwives—some of whom currently provide homebirthing services but do it as part of their employment, either with the state or with a private practising obstetrician—would not be affected by these changes as their insurance is already covered through their employment status. Clearly this arrangement will not apply in jurisdictions where no lawful homebirthing is occurring.

The two-year exemption allows plenty more time for those protocols to be established and to be worked on. In the meantime, the arrangements ensure that homebirthing midwives can lawfully continue to provide the services in the jurisdictions currently allowed. They will continue to be uninsured—as they are currently. The government is collecting more data on homebirthing and there will be a process to further work through these protocols that would either bring more homebirthing services into the public system or potentially open the way in the future for an insurance product to be extended to cover them.

Homebirthing programs operate in a number of state and territory systems with participating midwives coming under the insurance cover of the public health system. Midwives who provide maternity services in an independent private capacity, including assisting with homebirths, currently do so without indemnity cover as there are no products currently commercially available.

I have met on a number of occasions with my local representatives of the Maternity Coalition. In fact, I first attended a meeting in my electorate of Dobell on the Central Coast some three years ago where these concerns were raised. They are legitimate concerns about making sure that homebirthing is there as a choice for women. While homebirthing has been very much in the minority—in fact, much less than one per cent of pregnant women choose to give birth at home in Australia—it has nonetheless been at the forefront of innovation in relation to birthing. Water births and the like were products of homebirths. Everyone in this place must be a little concerned at the extremely high rates of caesarean operations in this country—well over 30 per cent, when the World Health Organisation talks about 15 per cent being around what would occur in most communities. On the Central Coast that problem is even greater, with Gosford Private Hospital having caesarean rates in excess of 50 per cent and Gosford Public Hospital having caesarean rates in excess of 40 per cent. So you can understand that women on the Central Coast do want to have options that involve midwives—so that a caesarean is much less likely.

In March 2009, the Council of Australian Governments signed an intergovernmental agreement to implement a single indemnity scheme which came into effect in July 2010. The scheme initially covered 10 health professions—medicine, nursing, midwifery, pharmacy, physiotherapy, podiatry, osteopathy, chiropractic, optometry and dental care including dentists, dental therapists, dental hygienists and dental prosthetists—and psychologists. Under the scheme there is a requirement for professional indemnity insurance as a mandatory condition of registration for all health professionals, including midwives. This is an important part of raising standards and providing public protection for patients and consumers. The Australian government is committed to building on our previous budget maternity services reform packages by working with the states and territories and with key stakeholders, to develop a national maternity service plan to ensure coordination of maternity services across Australia.

Many members have previously spoken about their personal experiences in relation to midwifery. I would like to share with the House some of mine, too. My daughter Matilda was born at Wyong Hospital where the only service is midwifery. So in some areas, workforce shortages mean that choices for women are limited. We had a terrific experience with a midwife. In fact, we are pregnant again and we are going back to the same midwife. Our experience of the midwifery profession was very positive. At Wyong Hospital, there is a room which looks like any room you would have at home with a big bath and a bed and a midwife to guide you. You do not have the option of epidurals because there is not an obstetrician available at Wyong Hospital. Mothers who are at potential risk are automatically transferred to Gosford Public Hospital. The group of mothers who have the opportunity to be involved with a midwife are certainly screened. That is very appropriate in making sure that we maintain safe outcomes for women giving birth. If developments in the birth cause concern, mothers are immediately transferred by ambulance to Gosford hospital, 10 minutes down the road, where obstetricians and medical practitioners are available. In a sense, our region provides a choice through necessity rather than through anything else. am very much in favour of making sure that homebirths are an option because of the terrific experiences that many women have had on the Central Coast, including my wife. This is an opportunity to thank our midwife, Val Paynter, who has assisted in the births of hundreds of babies in the

30 years that she has been a midwife on the Central Coast. She is a great midwife and we were incredibly lucky. She has been midwife of the year twice, so we are indebted on the Central Coast for having someone of her experience there.

This is an important issue and shows that we need to make sure that there are different models available so that women have choice and are given the maximum number of options. Not all women will choose to have birth assistance from a midwife, but those who do should be able to have that option.

This is important legislation that builds on the reforms. It builds on the recommendations made to the government back in 2009. This government has acted on those recommendations. It is important that this bill is supported, and I note that the opposition are supporting it and that is very much appreciated. This is part of the ongoing reform to make sure that women have better choices and that we maintain the high quality and high safety standards that exist in our maternity services throughout Australia. I commend this bill to the House.

Dr STONE (Murray) (12:01): The Midwife Professional Indemnity Legislation Amendment Bill 2011 is a very important piece of legislation. It aims to correct two serious flaws in the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010. Once amended, and the coalition supports this amendment, this will ensure self-employed midwives can access the insurance scheme—what an absurd omission that was at the time.

The amendments also aim to fix up the Midwife Professional Indemnity (Run-off Cover Support Payment) Act 2010. The error in the latter act was a miscalculation which imposed a far higher tax on the premium income of insurers of midwives. The insurer would have paid more in tax than the entirety of the net premium. This has been passed off by the government as a typographical error, but it really is another example of sloppy policymaking that has had enormous implications for the profession of midwifery. It is a profession that has been under strain and stress for generations in this country as the competition continues between the so-called rights of doctors—mostly male doctors—to deliver babies compared to the rights of women and families to have choice, and to have that choice include midwives who are properly and appropriately insured.

Obviously, we the coalition support the amendments to the act. We want to allow self-employed midwives into the scheme which gives a Commonwealth contribution to the insurer for the cost of eligible midwife claims. We support the correction of the so-called typographical error which imposed the wrong tax calculation on the insurer. But midwives continue to wonder what this government has against highly qualified and experienced midwives being able to take out government supported insurance for home births. Particularly for many in rural and regional Australia, a home birth can be not only a preferred way to have the joy of new baby come into the home but also the safest and best option when you are many kilometres away from a hospital or when the travelling conditions are difficult. In some sort of emergency, like our recent floods, a lot of our women are better off by being assured that a home birth is an option if a professionally qualified woman is nearby.

Under this government's policy, midwives assisting with home births are still not able to be insured. They have a two-year exemption for insurance cover, which will run out in June 2012. Why can't these women come under this Commonwealth assisted MIGA scheme right now? The lack of security about their futures and their insurance status is obviously very problematic. Meanwhile, the absurdity is that all midwives—whether they are assisting in home births or not—must have insurance for the ante- and post-natal consultations, which are invariably part of a home birth program. So the whole thing is absolutely absurd. Midwives cannot get insurance for the home delivery, but they must have insurance for their support visits before and after the birth. This system can make for a serious problem, obviously, if a midwife wants to work with a team of other professional midwives but they do not have the special insurance that is required to cover home births and post- and pre-natal consultations.

There is another very serious problem with this legislation and the government's policy, and it again particularly affects rural communities. It is a fact that the Commonwealth insurance program, which uses the Medical Insurance Group Australia, will not insure midwives who are called to assist in fewer than 30 baby deliveries per year. It might be fine in metropolitan Australia for a midwife to give assistance in more than 30 deliveries a year—they may assist in 30, 50 or 80 deliveries a year—but in regional Australia many midwives are very busy and fully employed in doing a range of post- and pre-natal support, but do not assist in more than 30 deliveries a year. Under this scheme they are not insurable because they do not have the magic 30 deliveries a year that make them eligible for this MIGA scheme. I ask this government to immediately address that problem because it is a serious issue for highly professional midwives in rural and regional areas, who often have even more years of midwifery experience than their sisters in metropolitan Australia.

Under this government's policy and the MIGA involvement in the insurance for midwives you need to have at least three years professional post-graduation experience before you are eligible to access the insurance scheme. That is absurd. So a young midwife who has just completed her training, who has

graduated and who is a professional midwife cannot access this government supported insurance scheme for three years. What other profession has that sort of constraint? What does that do to a young woman planning to become a midwife when she realises that for the first three years she is going to have exceptionally higher costs in trying to find some insurance—if she can—to cover that three-year period? It is extremely difficult. refer in particular to Ms Andrea Quanchi. She is a midwife with 25-plus years experience. Her daughter recently graduated and of course she is not eligible for insurance right now. She wants to join her mother as a midwife in private practice. Andrea is a brilliant, professional and highly respected midwife who is the only midwife in private practice serving a large part of southern New South Wales and all of northern Victoria. She is an extraordinary woman doing an extraordinary job. Her services are much sought after, but she is caught in this insurance trap whereby midwives must perform homebirths without insurnce for two years. She is caught in the trap where she cannot bring on newly qualified midwives to assist her in homebirthing because of the three-year rule. She is also caught in the trap where she cannot get assistance from other midwives to do pre- and postnatal consultations with her homebirthing patients because those professional midwives must have the insurance to undertake pre- and postnatal visits.

There was an incident recently in my part of the world during the very serious flooding. Ms Quanchi had a patient who had given birth but, unfortunately, she was on the other side of the floodwaters. She asked a very competent local midwife to undertake the postnatal consultation for her but found that this midwife did not have the insurance. She then approached the local Wangaratta hospital and was told they could not support her because it had been a homebirth and, 'It was her problem.'

The member for Lyne praised homebirthing. In Australia, we should have the option to homebirth and with the birth of subsequent children enjoy the special additional support that is provided to women in the home. As our previous speaker highlighted, in Australia we have some of the highest levels of medical interventions in births in the developed world. An extraordinary number of caesareans are undertaken and too often it seems those caesareans are undertaken for the convenience of the medical profession rather than for the best health considerations of the women who are delivering.

As everybody knows, we have a chronic shortage of obstetricians and gynaecologists in rural Victoria, and indeed throughout rural Australia. That is why highly professional, competent midwives are so critical to the delivery of health services in rural Australia. It again highlights the problem with this government's refusal to amend its catastrophic independent youth allowance policy. The independent youth allowance enabled country students who had finished year 12 and been offered university places—for example, in nursing—to go somewhere else to train, typically in a capital city. Those would be future nurses cannot now access nursing training and midwifery training because too often their families cannot afford the $20,000 or more that it costs for country students to be supported in their studies while living away from home.

We have the absurd situation now from yesterday's budget where another 16,000 skilled migrants will be admitted into rural and regional areas under the regional skilled migration scheme. On the other hand, we have discrimination in the access to the independent youth allowance—

The DEPUTY SPEAKER (Ms AE Burke): Order! I think I have been very generous to the member for Murray. I ask her to come back to the bill before the House.

Dr STONE: The point I was making is that we have a shortage of nurses and midwives in rural Australia. We have a shortage of gynaecologists, obstetricians and GPs who will deliver babies. There is a policy solution to all this. Firstly, immediately remove the three-year qualification period after graduation when a midwife cannot access the new government supported insurance scheme. This government should immediately address the problem of homebirthing and insurance. With the exemption running out in June next year, midwives need to know what is going to happen after that in regard to insurance and homebirths. This government must also realise that a threshold of performing 30 births before you can access insurance is far too high for midwives in rural and regional Australia. Many of these midwives have decades of experience. They may be delivering 25 or 27 babies. There should be a case-by-case assessment of their insurance needs and competencies rather than a 30 baby cut-off in their ability to access this MIGA scheme.

I am concerned that the next generation of midwives who should be from rural and regional Australia and who are most likely to go back and practice in rural and regional Australia will not be able to access tertiary studies because of the new independent youth allowance policy implications. Their families cannot afford to help them live away from home during their years of study. They simply do not have the means.

As a member of the coalition, I support the fixing of the mistakes in these bills before us today, but the legislation does not comprehensively address the problems facing Australian midwives or the problems facing women and families wanting to have safe, well supported births in country areas, particularly those seeking homebirths. In the 21st century what is

happening in Australia is a disgrace. It is akin to the discrimination against midwives that occurred centuries ago. We just have to get over it and understand that women need choices, and that professional midwives must be given the same insurance support and considerations that other professions receive.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (12:14): in reply—In summing up I want to thank members for their contributions to the debate on this bill. Unfortunately, a lot of members have strayed an extraordinarily long way from the topic. I might remind members opposite that to come in here and criticise the situation in relation to midwives, when it is the Labor government that for the first time ever has properly acknowledged and provided access to the MBS for midwives and it is also our government which is the first government to introduce an insurance scheme for midwives, and say that the situation in Australia is a disgrace and that other problems should be fixed, which their government in 12 years never ever addressed in any way, is a bit rich.

The amendment to this particular bill is relatively a minor one, but it is an important step in ensuring that appropriately qualified and experienced self-employed midwives will continue to have access to secure and reliable Commonwealth supported professional indemnity cover. This bill makes sense and gives certainty for self-employed midwives and the women and families that they care for. Like the government's recent investment in the Medical Benefits Scheme and the Pharmaceutical Benefits Scheme for access of patients to eligible midwives, this amendment bill will continue to ensure that there is improved access to maternity services and improved choices for Australian women. That is why our government took this action in the first place and we are very proud of our record. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Ms ROXON: by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Therapeutic Goods Legislation Amendment (Copyright) Bill 2011

Returned from Senate

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

Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms LEY (Farrer) (12:17): I rise today to speak on the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. This bill seeks to introduce much needed improvements to the compliance requirements for job seekers. Unemployment is currently 4.9 per cent and many businesses are crying out for staff, yet job seeker income support for 2011-12 is still estimated to cost taxpayers $7.2 billion. In March 2011, 179,041 job seekers were classified as long-term unemployed, meaning that they have been on income support for 12 months or more. In yesterday's budget the term, which is already in existence but certainly featured in the budget, was 'very long-term unemployed'. That gives us a sense of the nature of this problem. On top of a very sizeable income support budget, billions of dollars is spent by the government to provide job search support.

Whilst I have a few criticisms of the current system, there are countless organisations offering employment services to job seekers nationally. These people are at the coalface and work very hard to place people into jobs. On a personal note it is a privilege to meet people who work in our job service agencies, particularly with challenging individuals. These people have dedicated their lives to getting those people into work and onto a meaningful pathway in life. But noncompliance has costs for these employment service providers and for Centrelink. Having to constantly phone job seekers to ask why they did not attend a meeting are distractions that take away from the core role of the employment services provider—getting someone into a job. It is as simple as that.

We need to ensure that job seekers are given the support they need to take up job vacancies that exist. However, if a job seeker is not attending appointments, they are not going to get off welfare anytime soon. The first stage or an early stage is to attend those appointments. In the last 12 months approximately two million job interviews, activities or provider appointments were missed by job seekers with no valid excuse given. This is a clear indictment of the failure of the current compliance system and of the urgent need for reform.

We need to drastically improve job seeker engagement with employment services providers. I suspect that part of the reason for this abysmal attendance record stems from the fact that many job seekers believe they will not be penalised if they fail to attend an appointment. In all likelihood they may well be right, with only half of all participation reports

lodged with Centrelink being upheld. These are reports provided by the job service agency to Centrelink, which is the agency that must withhold payment for non-attendance.

We know that there are many reasons why people do not make job interviews and we understand that some of those reasons stem from the nature of that person's life. They may be vulnerable, they may be homeless and they may have all sorts of issues with which they are dealing, and those issues are recognised by the system. This is not an approach that suggests that everybody will be put into a category of losing income support should they not attend. But I am waiting with interest to see how this government describes those vulnerabilities in the regulations. In other words, how it draws that very careful distinction between those who need a bit of a push to attend an employment interview and those who, with the best will in the world, cannot.

The Rudd government has to shoulder the blame for watering down mutual obligation with their failed employment services reform legislation in 2008 and letters sent by both the then minister and the department deputy secretary urging providers to turn a blind eye to job seeker noncompliance. This was a clear strategy of the Labor Party, certainly the Labor Left, voicing their disapproval of the concept of mutual obligation. We have also seen Work for the Dole virtually abolished under Labor with the March figures indicating only 9,151 people were participating in Work for the Dole. This program has been remarkably successful in giving job seekers a work-like experience, and Teaching Skills in Demand has come under fire from Labor ever since its inception. This is a clear sign of the lack of commitment the government has to mutual obligation. But the decision that we see reflected in this bill, to get a bit more serious about making job seekers comply with their obligations, is a positive move in the right direction. Unfortunately, it has taken three years to come about, during which time many job seekers have become complacent. Mutual obligation requires people in receipt of income support to make reasonable efforts to look for a job. There are, regrettably, some Australians who do view welfare as a lifestyle choice. A firm but fair compliance regime sends to these people the message that it is not okay to sit at home and cash your welfare cheque with no intention of ever really looking for a job. Income support payments are designed to be a temporary safety net, nothing more. There is a continuum between somebody's obligations to contribute to the society in which they live and society's obligations to look after its most vulnerable and disadvantaged. We in the coalition will never walk away from the obligation that governments have to look after the most disadvantaged—those who cannot cope. But into the love has to come the tough. The tough love approach has been missing from this government's approach with some fairly poor results, particularly for the job seekers themselves.

Welfare dependency is a real concern in this country. There are suburbs where intergenerational unemployment is rife. We have to break the mindset that you can live on welfare from the cradle to the grave, but that is a very tough challenge and it requires a tough approach. Children should not be raised to believe that they are entitled to a lifetime of taxpayer funded welfare, but they need to be shown the benefits and possibilities of a job. That children are growing up in households where no generation has worked—we are into the fourth generation in terms of intergenerational unemployment—underlines the dimensions of that challenge. It is very hard for a child who has never known a parent or role model who has worked for a living to understand the reward a job brings, from both a social point of view and a financial point of view. The best way to help these children overcome the disadvantage that faces them is to help them get a good education and a job.

I mentioned the privilege of meeting people who work with job seekers. Everywhere I go I also meet those who are conducting the programs that try to bring a group of people who have been completely disengaged from the system back into the system and back onto that pathway. Some of those programs work amazingly well, and I thank the providers. I am not going to name them because I would miss out on somebody important.

Just on the weekend, in the west of my electorate of Farrer, near the small town of Pooncarie—which is on the Darling River for those who do not know it—I met somebody who was involved in taking a group of kids from the bush who had never known meaningful employment and training them in horticulture. The training they received would lead to a horticulture certificate II. The feedback I got about this program, which is one of the government's current programs, was that it was not really working very successfully. The young people concerned would come, they would have the sandwiches at morning tea—which underscores the fact they may not have eaten at home—and then they would disappear, because there was nothing actually forcing them to stay there for a day's work. The other problem was that they were completing training that did not really mean much to them at that point in time. There are times when there is much work for those with a horticulture certificate but there is an abundance of people qualified in this area and at the moment there are very few jobs, given the shocking state of our wine grape industry. They could not see a connection between what they were being asked to do and a future job.

My friend was frustrated, quite frankly, because he had put a lot of effort in—he wanted them to get out of the cycle they were in—and people were turning up and not doing what they were supposed to. When he asked them in detail, they said what they really wanted to do was to learn to read and write. They really wanted to learn to read and write because then they could get a drivers licence and could drive. Many of these people, unfortunately, do drive but are not licensed. That was a practical thing that they could see, and it is a piece of education that has been sorely missed. I see some literacy and numeracy funding in the budget—not very much—and I am really interested to see that it does not just dissipate at bureaucracy level but hits the ground in a really meaningful sense.

The point is that in the current environment there is no TAFE course for these particular work experience people to attend that could be signed off as allowing them to participate in this program. They had to do a certificate II in horticulture or some other comparable certificate, but what they really needed was literacy and numeracy change. That comes down to an area in our VET and training system that needs to be looked at carefully. So when we see the headline numbers and when we see that this is the outcome, we really do have to look in detail at the program, and the simple approach often works best.

To finish this story, the fellow I was talking to spent quite a bit of time, out of hours, teaching these young people how to read and write. He put in front of them information that was relevant—not the sort of story books you would see in grade 2 but something they could actually read: road signs, traffic rules and basic instructions. They all came to life. They all loved it and actually saw a meaning and a purpose, and that is the key.

Youth unemployment remains an ongoing concern. We need to address this to prevent longer term social disadvantage. I have spoken with employers desperate to take on apprentices, but they cannot find people willing to take on an apprenticeship and who are capable of doing so. There is currently a seasonally adjusted unemployment rate of 11.3 per cent for people aged 15 to 24. That is just not acceptable. It is so critical that we keep these young people engaged with their employment services provider and that we work with them to help them get the skills and education they need to lift them out of the poverty trap and decrease the threat of social isolation which can occur with long-term unemployment. Long-term unemployment is not that far away for someone who today does not have a job, who lost their job three months ago. The slide from being in that position to being long-term unemployed and struggling to get a job can happen very fast and in quite a dramatic sense that affects your entire life experience. Something we should be aware of with the long-term unemployed is that it would be better for those in the early stages of unemployment to be looked after and helped—that is, perhaps more help is needed at the front end of that experience—before they actually slip into long-term unemployment. Underlying this legislation is a clear and simple message. It is one of responsibility. People must take responsibility for their own lives. If they have a legitimate reason and are unable to attend a meeting with their job services provider or if they cannot attend a job interview then they need to advise in advance. It is simple and it echoes what the vast majority of us take as a given: if you know you are ill, pick up the phone and let your office or workplace know. This is what is being asked of job seekers—not much more than a common courtesy. I know that vulnerable people in difficult positions may not be able to manage this, but we have to take it as just a small thing and a step in the right direction. You may still be in bed, you may be struggling to cope, but you can pick up the phone, you can make the call and you can say, 'I will not be there for today's interview; I need to reschedule.' As soon as somebody re-engages with their employment services provider, their payment will be reinstated.

So, to put it simply, at the beginning, if they do not turn up, their payment is suspended. If they re-engage, their payment is reinstated. Therefore, the responsibility rests with the job seeker to determine how long they will have their welfare payments withheld. In other words, when they re-engage, their welfare payment is reinstated and they will also be back paid. Those job seekers who do the right thing and attend their appointments or reschedule them in advance if they are not in a position to attend will not be penalised. But for those who deliberately shirk their responsibilities there will be a price to pay. Yet it is vital that the most vulnerable of these job seekers are not penalised unfairly. As I said, the legislation is designed to afford a measure of protection, but we need to see how that protection is described in the relevant regulations.

In my describing in a simple sense the principle behind this—of course, like most legislation, this is full of unbelievably complicated detail—the House will note that there are significant requirements on Centrelink. They are that Centrelink act in real time, that Centrelink suspend payments while the person is disengaged and, if the person reconnects, that Centrelink reinstate payment in order to give the person the message that once you are in the system and working to assist yourself and to meet your obligations then your welfare payments will continue.

Those of us who understand the complicated computer systems in our large departments will agree it is quite a tall order. I am concerned that the IT system in Centrelink may not be up to this, with the best will in the world. We saw that the budget is slashing Public

Service numbers, and Centrelink needs to be resourced to do this job properly because the whole principle that underpins this legislation will fall to bits if a person who re-engages with the system actually does not receive their payment and catch up quickly. I know that those who are receiving Newstart allowance—some $239—are not in a position to look after themselves. This is a necessary and tough message, but it also needs the counterpart of the agency acting quickly to reinstate the funding where required. It is pretty scary when you look at some public policy which is designed around IT systems. The response so often when you contact an agency is, 'The system won't allow it.' So we need to make sure that the Centrelink system does allow this. It is a sensible measure which should go a considerable way towards reversing the sharp increase in attendance failures by job seekers. We need to drive home a real work ethic whilst ensuring that the system is both reasonable and manageable.

There are real problems with the current system, and NESA have identified these in their submission to the House inquiry into this legislation. I should note that this legislation was referred to the House of Representatives Standing Committee on Education and Employment. The report was done very quickly. Congratulations to the members. I think it was tabled this morning. NESA, who I just mentioned, are the National Employment Services Association. They are the peak body for Australian employment services, the only national peak body that represent the community, private, public and government sectors. Some of their comments in their submission to the House standing committee are instructive and I think they bear repeating. They make the point that there is clear support for the principle that individuals should take responsibility for undertaking steps to improve their circumstances and not be dependent on the welfare system to the extent that they have the capacity to do so.

NESA also believe that, following a period of implementation, there will be a further opportunity to strengthen the compliance framework to better support job seeker engagement and workforce participation. They indicate that there is more to be done in this area and there are improvements that can be made around the compliance requirements. They note that a considerable investment is made by government to ensure the welfare of its citizens and to provide services to assist them to address circumstances. That is the biggest outgoing cost that governments face, and it is significant. The amendments, NESA says, as outlined in the current bill are considered welcome improvements to the job seeker compliance framework and will provide greater emphasis on engagement and participation. Because they are a peak body, I think it is worth noting that they have endorsed the principle that is at work here.

Just on the subject of the inquiry of the House of Representatives standing committee, there were 10 recommendations. I am not going to read them all out, but there are a couple that I will note because I think that when a committee looks at legislation in detail and takes submissions—and there were some good submissions; they have not all agreed with this and they have not all agreed with the approaches that are in place, but they have still been good submissions—the recommendations that it comes forward with are certainly worth noting. It recommended that a brief, plain English explanation of the proposed changes be produced and made available to job seekers. That is so important. We are talking about people amongst whom many are barely literate. The principle is sound but if we were to confront them with the requirements, even perhaps not in a legislative sense, it would go over the heads of many of them and perhaps even many of us. So that is a good recommendation.

The committee recommended that the Department of Education, Employment and Workplace Relations, the Department of Human Services, employment services providers and other stakeholders work together to develop consistent guidance and training material to accompany the bill. That comes down to resources. The government has to not only announce measures but walk the walk, and resources are needed in this area.

The committee recommended that Centrelink and employment services provider staff be provided with comprehensive training in relation to the measures proposed by the bill and the guidelines. Centrelink have a huge workload. Those of us who have Centrelink agencies in our towns and have a relationship between our electorate offices and those people know how hard they work. It seems that when the government—and this is common with all governments—needs to put a program or something somewhere it often ends up with Centrelink. So they certainly need, as I said, the resources and the training. he committee also recommended that employment services providers be given clear and comprehensive guidance on how to utilise their discretion to submit a participation report on a missed appointment. We need discretion built in, because no government could legislate for every single set of circumstances for a vulnerable job seeker. But the discretion has to be used well. Officers who are required to suspend payments need to have the confidence when the time comes to actually suspend the payment.

The committee also recommended that employment services providers should be advised to utilise all re-engagement mechanisms available to them in relation to vulnerable job seekers. That recommendation comes

from having looked through the submissions, including from ACOSS and some of the welfare rights organisations and headspace. That is what they highlighted—they were worried particularly about young, vulnerable job seekers. We need to be assured that there is not a one-size-fits-all approach. I know there are indicators for those people already in the Centrelink and Job Services system, but again we need to see how their circumstances will be addressed when this actually takes place. Of course the committee recommended that the House pass the job seeker compliance bill, which is clearly what we are doing.

I said that there were real problems with the current system, and NESA have identified those in their submission—in particular, the administrative burden of submitting participation reports is onerous for providers and can in some instances take up to 28 days. The NESA submission says:

> ... where no reasonable excuse is determined, providers generally consider that the more immediate loss of payment will provide better reinforcement and a stronger and more direct deterrent for the reconnection failure.

As I have said, we need those who operate within the system to have the confidence to actually take the step—not easy—to suspend the payment, recognising that it is in the best interests of the job seeker.

In conclusion, the coalition supports this shift to a more rigorous compliance regime—one that is firm, but certainly still fair. Under these rules, job seekers will lose their payment immediately, which in turn should help reinforce in their mind the linkage between welfare and responsibility. I congratulate the government on finally recognising that the coalition's approach in this area is the right one. I commend the bill and the committee's report to the House.

Mr HUSIC (Chifley) (12:39): I support the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. I want to canvass a number of matters, but specifically I refer to the work of my colleague the member for Kingston and the House of Representatives Standing Committee on Education and Employment, which I think has brought down a very considered set of recommendations. It is important for us to step back and put all this within the context of what the government is seeking to do broadly in the area of welfare reform and especially as it sits within the needs of the economy—where we are at; where we sit right now. It is worth noting that some of the things that are confronting the economy have sat in the economy for some time and have been reflected upon by the Reserve Bank for some time. Specifically I refer to the impact that capacity constraints have on the economy, chiefly through, for example, infrastructure road blocks or the impact that skill shortages have on the economy in driving wages up and not having skilled people to drive productivity and help the economy as it moves, particularly in the context of us emerging from the GFC. Productivity has been low for many years and does need to be increased if we expect our economy to continue growing and we expect ourselves to make a mark on the international scene as well.

The challenge for us is to work out how we can get people, particularly those who are long-term unemployed, to participate more fully in the work force and how we can assist those people to obtain the level of personal skill necessary, which is demanded by industry, business and commerce today, and so be able to have a meaningful engagement in the economy. Ultimately, I believe work should not of itself be seen just as an economic activity but as a means for people to pursue their own personal aspirations, fund their activities and provide security and hope in many respects for what they want to do for themselves, their families and those close to them and the communities in which they reside.

Our economy is currently experiencing the equivalent of a sonic boom when it comes to investment, and to ensure that the economy is able to progress as far as it can and as strongly as it can we do need to address infrastructure issues and capacity constraints brought about by skill shortages. Addressing skill shortages lies behind the budget delivered last night. It puts in place significant economic reforms that will help us in the years ahead. This bill and some of the other measures announced by the government have been designed to find a way to add to the pool of employees and skill them up and enable them to meaningfully engage in the economy. From within that perspective, this bill, along with some of the other work done in the budget, is designed to have a meaningful impact.

The bill was referred to the education and employment committee on 24 March for inquiry, and 16 submissions were received. My colleague the member for Kingston, the chair of the committee, tabled the advisory report on the Social Security Legislation Amendment (Job Seeker Compliance) Bill this morning. One thing that is noteworthy, and I think this was reflected upon by the member for Kingston, is the degree of passion for social welfare and the commitment to employment participation. The inquiry drew comments from a range of different perspectives, but clearly people are concerned to ensure that the jobless are engaged back in the economy—but, at the same time, in seeking to meet this objective we need to ensure the conditions imposed are not onerous or counterproductive.

I sought to engage with people in the Chifley electorate on this issue, and I discussed some of these plans with people who had been fortunate enough to graduate from the Green Jobs program in Western

Sydney. anticipated only being there for a short period of time for the graduation and in fact stayed for two hours, canvassing a range of issues with some people who I believe are a credit to their community. We discussed the things that they want to do in progressing from a position where they believed they did not have an opportunity to get a job that was meaningful, beneficial and satisfying to them to a position now where they are looking with a great degree of confidence to where they head. They said to me that when they engaged with job providers one of their concerns was that they were referred to job interviews that they do not themselves feel will provide them with a job that will sustain their interest into the long term. One of the things that I am very mindful of with this bill is that, while you can refer people to job interviews, there obviously has to be a connection with the interests of the person you are referring to those interviews. Interviews are one thing; accepting a final offer of employment is another. But in that meeting and that very positive discussion that I had with young people in Western Sydney who had been unemployed for quite some time they indicated to me that they would be referred to employers for work that they were not interested in.

In fact, I recall that one of the successful graduates said to me: 'The reason I was attracted to this program was simple. I was at a job provider's premises'—this is how simple it was—'and I saw a brochure that was green. I turned it over and it talked about this program. I said instantly that this was what I wanted to do.' So he followed it up. He stuck with the program. This person is now going to be engaged in horticulture in a major Western Sydney council, Hawkesbury City Council. I remember just the enthusiasm on his face and the fact that he said: 'I didn't want to go into a warehouse—it wasn't for me. I didn't want to go into the logistics industry or transport. I wanted to do something with my hands but outside and feeling like I was making a contribution to the environment.'

The key with job providers, as I said, is obviously that referring people on for interviews is just one thing. Making sure that they attend is important, as is checking, if that person does not attend, that they have a reasonable excuse as to why. I note that the member for Kingston indicated today that there has been a recommendation put forward for some moderation in the criteria, so that 'reasonable' rather than 'special' excuses should be taken into account by Centrelink before making a decision on benefits. I think that is an important measure. I was equally moved to consider the point made by the member for Melbourne that engagement with the social security system, social security law and practice as maintained by Centrelink does present people with a challenge in its complexity. The member for Kingston, the chair of the committee, also reflected in her contribution this morning on the importance of having plain English materials available to explain to people these measures that will be enacted, letting them understand clearly what is at stake and their rights and responsibilities under this system.

I think these are important measures. But again I come back to the point that, if we put in place a punitive measure, that will not be to the longer term benefit of the people we are seeking to help. I am encouraged, having had discussions with the member for Kingston on this issue, because I have a deep interest in the bill, particularly for the seat that I represent—Chifley, in Western Sydney, where we have our fair share of long-term unemployed and where retention rates are lower than the national average. In fact, when I reflect on it, political parties of either persuasion have sought to tighten up compliance in welfare reform. It makes for great headlines, but whether or not it has a meaningful impact on the long-term unemployed is the next step that needs to be considered.

In terms of the long-term unemployed themselves, we potentially look to hit a barrier where some of those people are not engaging in the economy for particular reasons—one of which, I would advance, is mental health issues, for example, or disability. What support measures are in place to ensure that they can start to engage with employers and take on work? It is not that they do not have a passion for it; it is that there are barriers that need to be addressed. We always need to be mindful of those. Again, in the consultations and discussions with the chair, the member for Kingston, she said that this was a matter that had come up during the course of the public submissions and meetings that took place. It was reflected upon, too, that for people who did engage in the system who had, for example, a mental health issue or a disability, even if they had short periods of work and then lapsed—for want of a better term, for the purpose of ease of discussion in this debate—they still found a point at which they could re-engage and those periods of engagement lengthened. That is important as well.

As I said, both sides of the House take punitive measures in this regard, and I am certainly not a bleeding heart. I think the priority is to keep people engaged in work, to keep people in a position where they are able to earn money for their own sake and their family's sake and meet the aspirations that they have for themselves and the ones they love. But this problem of long-term unemployment has bedevilled both sides of politics and we need to have (1) a commitment to provide adequate resources and (2) patience so that we will commit over the long term to dealing with this long-term problem. We need to deal with the problem from an economic perspective, because particularly in an environment where we have skills shortages we must get those people re-engaged,

and from a social and community perspective as well. Those are the points that I am very mindful of in this debate, in considering this bill, and in broader welfare reform as well. But this does not deny—both sides of politics share this—that we do need to find ways to keep people engaged in the economy and in the community.

From an employment perspective, particularly through the course of a global financial crisis when 16 million jobs were lost in other advanced economies, I am proud of the fact that in our country we have been able to create more than 300,000 jobs since the GFC began. That included a training program, Work for the Dole projects et cetera. In this year's budget, as I have mentioned, the government is working towards and continuing its commitment to building our future workforce capabilities, especially through training and skilling Australians to boost the economy. It is building on the reforms the government has delivered in education, welfare and employment services. With obtaining a job comes a sense of responsibility and personal commitment, especially for the long-term unemployed for whom motivation to seek a job is difficult. However, there are many opportunities available and means to obtain assistance. The Minister for Employment Participation has previously said that for many years the rate at which job seekers attend appointments with employment services has been around 55 per cent and that the system is demand driven and there are no more waiting lists. This calls for a greater improvement in the appointments designed to help job seekers get into work. The bill improves the relationship of those seeking work and those wanting to help them find work .The proposed bill is a method to encourage job seekers to take steps to attend that first crucial appointment and to continue these appointments to help find work. Attending an appointment, commitment and punctuality are skills that job seekers can take when applying for future jobs.

The suspension of income support payments for job seekers who fail to attend an appointment or participate in an activity with their employment service provider sends a sense of immediacy and seriousness at the importance of attending those appointments and activities to help find a job. If the job seeker fails to re-engage and does not have a reasonable excuse—a reconnection failure for missing their appointments—then there will be a penalty deducted from their next payment. However, if the job seeker then agrees to re-engage and to stay engaged and meet this requirement then payment is restored in full. The bill heads up job seekers to go down the right path and early intervention at the appropriate appointment stage looks at those affected by long-term unemployment. The bill encourages recipients into participation in work and community life and is part of our commitment to welfare reform. I commend the bill to the House.

Mr TUDGE (Aston) (12:54): I rise to speak on and support the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. The bill in question will enhance the current job seeker compliance framework by providing additional incentives for job seekers to engage with their employment service providers and to participate fully in activities designed to improve their employment prospects. The bill is going to introduce suspension of payment for job seekers following an initial failure to attend an appointment or, in some instances, an activity such as training or Work for the Dole. As soon as a job seeker agrees to attend the appointment, however, their payment will be restored with full back payment.

Under this bill all job seekers will be required to attend a rescheduled appointment regardless of their reasoning for missing the initial one. If the job seeker attends the rescheduled appointment they will not be penalised as such. If a job seeker, however, does not attend the rescheduled appointment, payment will again be suspended but this time if they do not have a reasonable excuse for missing the appointment they will incur a reconnection failure and lose payment for each day from the second missed appointment until they do attend a rescheduled appointment—that is, there will be no back pay for that particular period.

Why is this particular bill necessary? There are reasons both in principle and in philosophy and there are also some very specific reasons why this bill is necessary. Let me first outline some of the broader principles why this bill is necessary. The broader principle is that we should be doing everything that we can to reasonably get people off welfare and into work. We do no service to anybody, whether it is to the broader community or indeed to unemployed people, by allowing people to stay on welfare without any responsibilities being attached to that welfare payment. I do not believe that we are a compassionate society by not attaching responsibilities to welfare. In fact, I do not think it is compassionate at all to not attach responsibilities to welfare. I have seen this in my own electorate of Aston where people who become welfare dependent over time and do not accept jobs that are available for them to pursue become debilitated and you end up having long-term welfare dependence and long-term debilitation.

I have also seen this in Indigenous communities at close quarters. I spent a few years working with Noel Pearson in the Cape York Institute where we were working on some welfare reform measures which indeed have become some of the groundbreaking welfare reform measures that are being rolled out in other places across Australia. The insight which Noel Pearson had was that long-term welfare without reciprocity, without responsibility being added to welfare payments, can indeed lead to debilitation. I think that is a very important point which Pearson has

been making very strongly for the last decade. He has spearheaded that effort to get all of us to be thinking differently about welfare—that it should not be a destination in itself but rather rightly be considered a safety net for people in difficult circumstances and that welfare has responsibilities attached to it as well. So that is a very, very important principle which I think we need to stop and pause and think about. That should govern our actions in relation to welfare reform efforts—that is, that there is responsibility attached to welfare payments.

The coalition has been talking about this broad principle for a long time. We introduced in the Howard government the Work for the Dole scheme and we also introduced mutual obligation as a broad principle. These were both very good measures which were put in place. I am pleased that the government is now saying that it also believes in some of those principles. I certainly was concerned, I think it was in 2008, when the employment minister at the time was telling Centrelink officers that they should not be breaching people who had not been delivering upon their job compliance measures. I think it is important that we have a system in place and that it is adhered to. hat is the broader philosophical reason why I think this bill is an important step in the right direction. If we look at the actual specifics, we will also see that action needs to be taken in this particular area. When we look at the data we see that, currently, unemployment is at a low point, about 4.9 per cent. By long-term historical standards we have very low unemployment. At the same time, however, there are 179,000 people in long-term unemployment and there are of course many people who are in short-term unemployment. One of the key economic issues that we have at the same time is indeed a labour shortage, a skills shortage. I hear about it every day in my electorate and we read about it in the newspapers on a daily basis: businesses cannot find workers—sometimes workers at reasonably entry level jobs, low-skill jobs. Of course, there is also great demand for skilled workers. But at the same time that these jobs are going begging only 55 per cent of job seekers are actually attending appointments with employment service providers. So 45 per cent of appointments with job service providers are being missed. In the last 12 months alone, approximately two million job interviews, activities or provider appointments were missed. These are staggering numbers. When only 55 per cent of people are attending their appointments then I think we do need to look more closely at that and strengthen some of the compliance measures. This bill heads in the right direction on that.

The bill itself outlines a broad framework. In some respects, the devil in the detail of this bill will come about by looking at the specifics of what is defined as a reasonable excuse for not attending an appointment. Of course, there are many valid, legitimate reasons for not attending an appointment. You could be in an accident yourself and therefore physically unable to get to an appointment. There could be other very legitimate reasons why you cannot make an appointment and they should be specified and documented so that Centrelink officials are aware of those. But we do not want to make the list so broad that it will be overly easy for a job seeker to avoid having to deliver upon their obligations. We need to carefully think about and carefully define what a reasonable excuse is for not attending interviews or job seeker appointments. We will be watching very carefully what the regulations say in relation to that.

We also need to look at what the burden on Centrelink will be. This bill introduces some additional burdens on Centrelink to ensure that the measures can be enacted and enacted in a timely manner. Centrelink obviously needs to be properly resourced to deal with these additional burdens so that the agency can act quickly and send the message quickly to the job seeker so that the job seeker understands that a penalty will be coming. I assume this will also require additional IT investment in Centrelink's systems for that to occur. That needs to be examined, and I have heard very little about what is going to occur in that area.

There are also some recommendations and other issues which should be addressed concurrently with the introduction of this bill. Some of these came up at the House of Representatives Standing Committee on Education and Employment inquiry into this bill. I was a part of that inquiry. Some of those recommendations are quite sensible. One is the need for additional research or additional data to be collected on exactly why people are failing to meet their job seeker appointments and their requirements under the compliance regimes. The Brotherhood of St Laurence, which made a submission, suggested that we need a more considered understanding through research of the reasons why the various subgroups and subpopulations of job seekers are not connecting well with their service providers. I think the recommendation that additional research be undertaken is sensible.

I will highlight some of the other recommendations that came out of the House of Representatives inquiry that I think the government should consider closely and, hopefully, enact. Recommendation 2 recommended 'developing consistent guidance and training materials to accompany the bill'. I think recommendation 4 is worthy of consideration and implementation. The committee recommended that employment service providers be given clear and comprehensive guidance as to how to utilise their discretion to submit a participation report on a missed appointment. In fact, one issue which came out very strongly through the parliamentary inquiry was that employment service providers do have a broad range

of discretion and that having additional guidelines would help them make responsible and timely decisions.

Let me conclude by, again, reiterating my support for this bill. I think it is a bill which is heading in the right direction as a further measure of welfare reform. As I said previously, welfare reform is something which the coalition has been talking about for some time, and it enacted some important measures when it was in government. It is also an area in which I have had a personal interest and have worked for a period of time. I support the measures. I hope that they do have an impact in supporting job seekers to find work which they can get satisfaction from doing and in getting them off the welfare payment system.

Mr NEUMANN (Blair) (13:06): I speak in support of the Social Security Legislation Amendment (job Seeker Compliance) Bill 2011. Last night in his budget speech the Treasurer talked about jobs, workforce participation and getting for people what the Prime Minister has often described as the benefit and dignity of work. I would describe it as self-esteem and self-belief; that is what it is about. Getting a person a job is the best way to redistribute wealth in this country. The old-fashioned notions that you engage in some sort of Marxist or communistic redistribution of wealth are well and truly gone out of the pantheon of responsible political parties in this country. The idea is to get a person a job. If you create jobs you create wealth, you create financial security and you create self-esteem, not just in the household but in the next generation. Intergenerational poverty is attacked by getting a person a job. Sometimes you need to be tough; you need to be a person who gives someone a prod. A government sometimes needs to do that. Sometimes governments need to express that tough love. Sometimes we need to actually provide an incentive for people to break out of the cycle of the despair and depression of unemployment.

Last night the Treasurer talked about creating infrastructure projects that will create jobs in my home state of Queensland. This bill is about making sure that people will work in those types of projects—projects that will create important wealth across Queensland through the mining boom and across the agricultural sector, in retail and construction and all across South-East Queensland and Queensland generally. What we saw last night was the creation of incentives to work, a carrot-and-stick approach that will deliver a new workplace development fund to create 130,000 new training places over four years. In my home state of Queensland we will see trade apprentice income bonuses for 95,800 Queenslanders, who will receive a $1,700 benefit. In my electorate, 2,786 people will enjoy the benefit of that sort of trade bonus income assistance.

You will see incentives for employment, and that is what we are talking about here in this legislation—incentives to help people to get jobs. Obviously in my electorate we will need that help as we recover from the flood, but we will see that help across Queensland. In Queensland, 48,887 of the very long-term unemployed—people who have been without work for two years or more—will get help to find work and prepare for work, with an additional $2.7 million from 2012 to 2015 to support local employment services as well. We are going to see that across Queensland and elsewhere, and we are going to see that as we get these people back into employment.

Unemployment in this country is 4.9 per cent. In America it is about 8.8 per cent and across the European zone it is about 9.9 per cent. As the Treasurer said in a speech I heard not more than 10 or 15 minutes ago, we do not have a person to spare. So legislation of the sort before us today does fit in with the narrative we are talking about in creating wealth, creating jobs, creating productivity growth and making sure that economic development is spread across the whole economy, particularly in flood affected areas of Queensland.

This bill represents another example of how the federal Labor government is helping unemployed people back to work. I grew up in a household in which my dad was a cleaner at the meatworks and my mum was a shop assistant, so I knew how important a job was in what is traditionally described as a working-class family in Ipswich. I know the importance of hard work to self-esteem, to career possibilities, to being able to fulfil potential, to provide for your family the kind of financial security it needs and to build a worthwhile life of not just affluence but also security. Employment is absolutely essential to creating a productive nation and to supporting families, and to give a firm direction to job seekers is absolutely critical.

This bill implements our election commitment to introduce tougher rules for job seekers. Announced on 11 August 2010 as part of our program was a policy named Modernising Australia's Welfare System. The amendments in this bill will improve the current job seeker compliance framework by providing additional incentives for job seekers to engage with their employment service providers and to participate fully in activities designed to improve their employment prospects.

We have seen over and over how long-term unemployment can destroy self-esteem, create intergenerational poverty and cause whole communities to go into despair, to go into activities of crime and to have poor health outcomes and regression. When communities are not healthy in their economic prospect, people get an unhealthy physical

outlook on life and engage in all kinds of nefarious behaviour. So getting a person a job is a good way not just to reduce criminal activities but also to improve the prospects of regional and rural areas as well as urban areas across the country.

Too many Australians who are without a job and are capable of work rely on unemployment benefits or the like. At a time when our economy is going from strength to strength, particularly enjoying the benefit of the mining boom, we need to make sure we can get people into employment. Talking to manufacturing industries in my electorate, in Ipswich and Somerset, as well as people in the metalworks industries across my electorate and big employers like Swift Australia at Dinmore, where there is one of the biggest meatworks across the country, I hear them crying out for more and more employment. We are seeing more and more people going from, say, the Bremer Institute of TAFE, before they have completed their TAFE courses, onto the mining sector. So we are creating these workforce shortages, scattered around economies west, south and north of Brisbane.

This government is determined to make sure that unemployed people get back in the workforce and can be engaged as productive members of our society. People who have jobs are more likely to engage in civic society. They are more likely to be involved in sporting groups and RSLs. They are more likely to be involved in church and charitable work. They are more likely to help the homeless. They are more likely to be on P&F associations. They are more likely to participate in civic life, because they feel they have a stake in it. So this is good not just for social inclusion but for social equity and for the benefit of our economic development. t times it means that we have to be disciplined; we have to be tough, and the government takes a parens patriae approach when it comes to this. It is a case of adopting a fairly paternalistic approach, but it is necessary. This bill will introduce suspension of payments for job seekers following an initial failure to attend an appointment or, in some circumstances, an activity such as a Work for the Dole scheme. As soon as the job seeker agrees to attend this appointment, their payment will be restored with full back pay. All job seekers will be required to attend a rescheduled appointment regardless of their reason for missing the first appointment. If a job seeker attends the rescheduled appointment, they will not be penalised. In this way, job seekers will learn to understand the importance of taking personal measures to ensure that they find work. When they get a job, if the job starts at 9 am, they cannot just say, 'I'm going to turn up at 10 or 11 am.' What employer would want that? They need discipline in their lives, and the discipline that they will gain in attending these rescheduled appointments will be very important for them. In this way, job seekers will be encouraged to actively look for future employment prospects and will get used to the idea of fulfilling their obligations.

Should a job seeker not attend a rescheduled appointment, payment will again be suspended. But this time, if they do not have a reasonable excuse for missing the appointment, they will incur a reconnection failure fee and lose payment for each day from the second missed appointment until they reconnect. And they will not receive any back pay. That is the stick approach. There is punishment. Reasonable-excuse provisions are going to be tightened so that if a job seeker has a reasonable excuse for not attending an appointment or activity it will not be accepted if they could have given advance notice of their inability to attend. In this way, job seekers will be under no illusions as to the expectation of the federal Labor government that they need to take responsibility in securing employment. In this way, the self-esteem, the pride or the dignity—whatever you want to call it—of work and the value of contributing to the ongoing prosperity of their country and their respective communities can become an important part of their lives. That will be good for them and good for their children as well. If they have not experienced it in the past, it will be good for them to pass on that message—as employers will, no doubt, when they ultimately find a job.

We cannot afford lost opportunities in terms of employment. In an electorate like mine, which includes the two fastest growing areas in south-east Queensland, Somerset at 4.2 per cent growth last year and Ipswich at 3.5 per cent growth, we cannot afford to have people not in employment. The development of the whole corridor west of Brisbane is crucial, and jobs created locally, with people trained and employed locally, are absolutely vital.

This approach involves us engaging in what I would have to describe as some pretty tough big brother tactics. But that is absolutely necessary. We know that job opportunities are crucial. We need to tell people that. We need to tell that to our children and our neighbours and our friends. As someone who has employed dozens and dozens of people in his working life, I can tell you that it is extremely important that you get the right person for the job and that that person knows that they have to turn up on time, be there, work and contribute. This approach looks tough. It is tough. It should be tough, because it will benefit the Australian economy. I commend the legislation to the House.

Dr SOUTHCOTT (Boothby) (13:18): In speaking on the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011, it is worth going back three years to the heady days of Kevin 07 and the first months of the government and all of the things that Labor had promised that sounded so good at the time

but which have turned out to be massive failures. These include the trades training centres, the productivity places program, the GP superclinics and, later, pink batts and school halls. You need to have a memory longer than a goldfish to remember why we are debating this. When Labor were elected they proceeded to dismantle the Job Network and they wound back the principle of mutual obligation that had underpinned the creation of more than two million jobs, more than one million of them full-time jobs.

I have a personal interest in this because, as opposition spokesperson on employment participation from 2007 to 2009, I remember what the Labor Party did. When they came into government, very early on the departmental secretary advised employment service providers to be lenient on job seekers regarding their mutual obligations. But then they came up with this concept of no show, no pay. The opposition warned at the time that this would be a failure—a massive failure—and that it would see a rise in long-term unemployment and do nothing to address welfare dependency. Today, we have the very sorry picture of Australia having one of the highest rates of jobless families in the world. We need to go back and remember why mutual obligation is important.

Work for the Dole is commonly understood as being one of the landmark programs of mutual obligation. Since it was introduced in 1997, more than 600,000 have participated in Work for the Dole. They have gained the discipline and dignity of performing useful work while developing life skills critical to obtaining and keeping a real job. The Labor Party promised to keep Work for the Dole at the 2007 election. But by their actions they have allowed it to decay and become a hollow shell of what it was. Since 2007, Work for the Dole participation has fallen by 60 per cent to less than 10,000. Under the coalition, Work for the Dole projects were designed to address at least one skill in demand. Work for the Dole helped by breaking the cycle of welfare dependency and encouraging a work ethic. It helped to get job seekers job ready. The evidence shows that the longer someone is out of the workforce the less likely it is that they will ever work again. Work for the Dole provides people with a job-like experience, giving them skills and getting them into a work routine. he coalition has always held very strongly that those in receipt of unemployment benefits must recognise that they have a subsequent responsibility to look for work and contribute back to the society that supports them. When Labor were elected, they proposed the introduction of a no-show, no-pay compliance system. Incredibly, this meant that, if a job seeker missed a job interview, if they did not turn up to a Work for the Dole activity or if they did not attend an appointment with their employment service provider, they were docked one day's pay, $44.93 as at 5 December 2008, when it was introduced.

It gives me no pleasure at all to say that the points the opposition made in late 2008 and early 2009 have been proven right. At the time in October 2008 when Labor introduced this failed system, I said:

> In striking a balance between engagement and sanction, the government have got the balance wrong.

I also said:

> Going into the future, we will see, sadly, increased numbers of long-term unemployed if the Labor government have their system for employment services passed by this parliament …

Since then we have seen that the numbers of long-term unemployed have skyrocketed, and they have skyrocketed particularly since the introduction of Job Services Australia in July 2009. At the moment, the percentage of long-term unemployed as a proportion of the total unemployed is over 20 per cent. That is the highest it has been in at least five years. We have also seen huge increases in the numbers of people who are classified as long-term unemployed. On the ABS figures, when Labor came to power there were less than 70,000 Australians who were long-term unemployed. There are now almost 120,000 on the ABS figures. But on the job seeker figures it is even worse than that. On the figures that I have, in March 2011 there were 179,041 job seekers listed as long-term unemployed.

Now, incredibly, Labor's no-show, no-pay system will not even last two years. It was already obvious that this was a massive failure within a year of them introducing it. Unbelievably, in the last 12 months there have been approximately two million job interviews, activities or provider appointments missed by job seekers with no excuses or with unsatisfactory excuses given. This is yet another example of a government which has lost its way and of a government which has been shown to be completely incompetent in addressing the challenges of unemployment and the challenges of welfare reform. The high rate of missed appointments over the last 12 months is clear evidence that the Labor government's watering down of mutual obligation in 2008 with their no-show, no-pay compliance model did not work.

I do not like, as a rule, to quote from myself, but in October 2008 I said:

> The problem with weakening the compliance regime is that it will be much less effective in changing behaviour for the positive. It will become a toothless tiger.

And that is why we are here today. When you hear the government speakers, it is as if they are saying, 'We have to come in and be tough and get more compliance.' This is a classic example of trying to fix a problem that you have created. This was created by the Labor Party, by the government and by the incompetence of your ministers. We said that no show, no pay would not work because there was not enough disincentive. Clearly that is right. There have been

more than two million missed interviews, missed appointments and missed attendances at things like Work for the Dole. This is yet another policy failure from the government. It is a policy failure of their own creation.

This bill seeks to correct the government's own failure by reinstating some tougher compliance measures for job seekers with activity test requirements, and this is a welcome restoration. But it is a totally unnecessary restoration. It is only necessary because the government in their wisdom decided that they would water down mutual obligation—and there are still some problems on that front. Work for the Dole, as I said, is a hollow shell of what it was. Of the new Job Services Australia structure that was announced with so much fanfare in 2008-09, much of it has not even survived this year's budget. It has not even gone for three years and already the government have realised that things like the Innovation Fund are not working, and they have been allowed to fall by the wayside.

The opposition welcomes a firm but fair system to ensure that those receiving income support who are capable of working recognise that welfare is a temporary safety net and not a lifestyle choice. On the specifics of the legislation, in the event of a job seeker failing to attend an appointment or a required activity like Work for the Dole without a reasonable excuse being given in advance, support payments for that job seeker will be suspended. The onus will then be on the job seeker to attend a rescheduled appointment, when their payment will be reinstated with back pay. If the job seeker fails to attend the rescheduled appointment, payment will be suspended indefinitely until they do attend an appointment, with no back pay payable. In addition, the reasonable-excuse provisions are also being tightened to ensure that even if there was a reasonable excuse it will not be accepted if they could have given advance notice for not attending.

In closing, I welcome the acknowledgement by the government that their no-show, no-pay compliance system has failed. The results are there for all to see: two million missed job interviews, appointments and activities and long-term unemployment now at 179,000, compared with 69,900 when Labor came to power. I think it is regrettable that these have been two wasted years for people who are on welfare, for people who are long-term unemployed, but I do welcome the acknowledgement by the government that their system has failed. We are now moving on to Job Services Australia mark 2, and I welcome the changes proposed today to restore tougher compliance measures for job seekers.

Ms O'NEILL (Robertson) (13:30): I rise to speak in support of the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. The task of welfare reform and management is obviously not an easy one; however, it is one of the very important tasks and activities of this parliament. Welfare and participation payments are fundamental in ensuring that an appropriate social safety net exists in this country. It is the Australian Labor Party that has always recognised the great need for appropriate welfare in our society. It is the Australian Labor Party that has always recognised the need for appropriate participation payments in our society. In representing my electorate of Robertson, I am mindful that my work in this place should have a positive, practical impact on not only the lives of those in my electorate but all Australians.

The practical considerations of any changes to legislation should be the dominant purpose for the welfare reform that we are undertaking—practical considerations such as what benefits the Australian community the most, and what is most beneficial for the long-term economic progress of the nation. This bill seeks to provide sensible reform to job seeker compliance. The role of participation payments is to provide welfare for the duration that a person is seeking employment until they are able to attain it. Indeed, under the Australian social security system, job seekers are required to actively look for employment when they receive participation payments.

This bill delivers on an election commitment that was part of the 'Modernising Australia's welfare system' package that was announced on 11 August 2011. The central component of this bill is the incentive it provides job seekers when they are receiving participation payments. The Social Security Administration Act 1999 will be amended to provide for the suspension of a job seeker's income support payment if they fail to attend an appointment or engage in an activity such as training. This provision has the practical effect of providing an incentive for job seekers to attend appointments when required and to participate in activities that will benefit their future prospects of employment.

Under the amendments, the suspension of income support payment will occur after the reporting of an initial failure to attend an appointment without a reasonable excuse, or a failure to participate in training actives without a reasonable excuse. Importantly, full income support payments will be restored when the job seeker re-engages with appointments and training requirements. This provides an important incentive for job seekers to comply with the requirements set down in the act. It is also important that these requirements are complied with not just for the benefit of the national economy and the wise expenditure of funds on welfare payments but also for the financial, social and emotional health of job seekers. Going out each day to look for work and being knocked back can, I think, sometimes be a very disheartening experience. In the

evidence that we heard on this matter during the education and employment inquiry were stories of how critical it was for job seekers to have the engagement with service providers who were able to assist them to continue that journey, to identify areas that they might need training in and to share the experience of sometimes failure in achieving the jobs that they were after. It is vital that they reconnect and continue to share that journey towards full employment, which is so important for all Australians. There is so much to be said for the dignity of work, not just because of the freedom that it gives us and the money that we earn from it and then spend in our own particular way but also because of the connection it gives us with other human beings on a daily basis. People notice when we show up. People notice when we might not be there. Opportunities for care are provided in the workplace in very significant ways. It is not fair that some Australians should miss out on that. The capacity for service providers in this field to help people re-engage should not be underestimated, and that is why these appointments can be really critical in helping people succeed.

Recently, I was involved in an apprentice drive by the Central Coast Group Training, and I wrote to over 500 small businesses in the seat of Robertson about it. I am pleased to report that the group training scheme reached its target of employing 30 apprentices and trainees within 30 days—in fact, it exceeded its target. The vast majority of businesses to which I wrote were small businesses. An example of one small business that did employ a trainee from the apprentice drive was Ozone Express Laundrette. I have seen many generations of young people from the Central Coast transition through our vocational education and training system into small business. I can say without hesitation that I am passionate about youth employment in my region. Group training schemes and apprenticeships are vital in reducing the level of youth unemployment. But this of itself is not effective unless tied to the opportunities that can be provided by employment providers who assist particularly young people in getting into work. We need an appropriate system of compliance to encourage job seekers to go out and get on with looking for work.

The suspension of payments provides the much needed incentive for some job seekers to re-engage quickly with their employment service provider and then when they do what is required they will get paid. In a way, this sort of communication with an employment service provider is an opportunity to practise such skills—for instance, if one of the children is sick or if you are unwell. This is an opportunity for people who might have been out of employment for a long time to practise the skills of managing their life to a point where they are able to make a phone call in advance and connect back in. For people who take that for granted it seems a small skill, but for people who lose agency and a sense of capacity when they have had a few knock-backs, this skill can be something that can fall off. So, obviously, this legislation is going to assist in encouraging people to undertake those common courtesies that are part of participating in a workplace. his bill also reforms the suspension of payments when jobseekers continue to fail to comply with jobseekers' requirements. If a jobseeker does fail to re-engage, their payment will be suspended pending an agreement to re-engage and they will lose payment for each day after this missed appointment. The payment will only be resumed after they attend a scheduled reappointment. This bill provides, through this mechanism, for an early intervention system in the provision of participation payments and compliance with the requirements of engagement in seeking work and attending appointments. The suspension of payment as a result of the initial failure to attend an appointment or engage with training can enable problems related to workplace participation to be addressed early. Additionally, I firmly believe that it is most appropriate to provide the incentive for actively looking for employment early in the job search period. This enables issues in regards to workplace participation to be managed early. Whilst there must also be positive incentives in looking for work, penalties need to operate in regards to failing to comply with the requirements attached to the payment. The requirements that affect the provision of a participation payment must be clear and certain. Under this legislation, the consequences for not attending appointments and activities will be increased in clarity and immediacy and will have a much better effect in terms of helping people make the connection between missing the appointment and then losing their participation payment for that period of time.

These reforms to the provision of income support to jobseekers cannot be taken lightly. It is very important to recognise that, if a person has incurred the penalty of a suspended payment for an initial failure to attend an appointment, payment will be restored with full back payment once the re-engagement occurs. But this legislation does tighten the provisions that enable a reasonable excuse to be provided. The most important change in this regard is that an excuse is not reasonable if a jobseeker could have given advance notice but failed to do so.

I understand that the incentives that are provided under this legislation only partly address concerns relating to unemployment and workplace participation. The most important means of ensuring that jobseekers can find employment is the provision of a strong economy. We saw in the budget last night the platform for ensuring that Australians get work and keep work and that we grow job opportunities in this country. Indeed, it was this government that so successfully

stimulated the economy during the global financial crisis and helped maintain our low level of unemployment. It is this government that continues to work to ensure that unemployment remains low and that jobseekers can transition into employment.

Whilst we do this, we also need to ensure that our social security services are modernised and provide the right incentives to people. As stated, another component of our response to unemployment, especially youth unemployment, is to provide access to training. In this regard, welfare can provide a means to a hand up rather than merely a hand-out. The Australian government is well assisted by organisations such as group training schemes in addition to job training networks that assist in the provision of training to jobseekers. In last night's budget we saw a very practical and significant commitment to that. Additionally, we must also acknowledge the good and effective work done by non-government organisations who participate in this field. Mission Australia and the Salvation Army are just two that spring to mind in terms of working to provide employment opportunities for jobseekers and working to help jobseekers re-form their identity and recover their hopes for participation and the freedom that work offers. These organisations play a great complementary role to the work of government and they engage very effectively with our community and with people who need a bit of a hand every now and then.

This legislation is effective in modernising our welfare system. It does provide incentives where they are needed and it does provide encouragement to stay within the boundaries of appropriate behaviours that would be replicated in the workplace. Employment participation is fundamental if we wish our economy to be strong and if we want to have a strong society. This is a practical reform. It is not based on ideological rhetoric. It is based on a practical consideration of the needs of our system of social security. It is practically engaging and it will be practically applicable to ensure that income support payments are appropriately provided. I believe this legislation will contribute to the generation of a culture in which welfare is not seen as a hand-out but as a hand up. It will certainly encourage the young and the old and the people in between who have been disconnected from the workplace into further engagement with their service provider for the opportunity of jobs that will produce. I commend the legislation to the House.

Mrs GRIGGS (Solomon) (13:42): I rise to offer my comments on the Social Security Legislation Amendment (Jobseekers Compliance) Bill 2011 by recognising that this is indeed a national issue. This bill aims to introduce tougher compliance measures for jobseekers who have activity test requirements. If passed this bill will introduce a suspension of income support payments for jobseekers following a failure to attend participation activities including an appointment with the employment services provider or, in some circumstances, an activity such as training or work for the dole. Unemployment in Australia is currently low at a seasonally adjusted rate of 4.9 per cent in March 2011, with 179,000-odd jobseekers classified as long-term unemployed at the same time. While the latest unemployment figures show that the Northern Territory unemployment is just over two per cent and is the lowest in the country, we are losing more people to interstate migration than are being gained. In my electorate of Solomon, we have a transient population whereby workers will take their skills and trades elsewhere to where they are better paid or if there are no jobs in the Northern Territory for them. In the last month it has been reported in the *Northern Territory News* that this is happening now, with many skilled and semiskilled workers going to higher paid jobs in Western Australia and Queensland. Yet, despite such low national unemployment rates and jobs being available, in the last 12 months across Australia approximately two million job interviews and appointments were missed by jobseekers with no valid excuse given. Jobseekers are required to undertake these activities as part of their mutual obligation, yet it is clear, by the high number of missed appointments nationally, that jobseekers are in fact ignoring their obligations. It is critical that these jobseekers are encouraged to re-engage with mainstream society and actively seek employment in order to break the cycle of welfare dependency.

The coalition requires a fair but firm system to ensure that those in receipt of income support who can work have a responsibility to look for work and contribute back to the society that supports them. In addition to this, they need to recognise that welfare is a temporary safety net and not a lifestyle choice. As the member for Robertson said, we are also supportive of the system giving a hand up.

Debate interrupted.

STATEMENTS BY MEMBERS

Budget

Mr JOHN COBB (Calare) (13:45): I rise today to express my disappointment for the agricultural industry in the budget. Not only has the government delivered nothing for the industry; it has also failed to alleviate the crippling shortage of skilled workers. With the worst drought in the nation's history at an end, our agricultural industry is gradually returning to full production. In order to achieve this, the industry desperately needs skilled workers. The mining boom has been tremendous for the Australian economy but disastrous for Australian agricultural employment. The agricultural sector produces fine, hardworking

employees who are very attractive to the mining sector and are drawn by generous salaries.

Under Labor's budget commitment, $280 million has been provided to boost apprenticeships, but to be eligible an apprentice must be undertaking a trade that appears on the National Skills Needs List. Agriculture and horticulture, as part of that, are not included on that list. Agriculture will not be able to return to its prime position as an economic powerhouse of the nation without new generations of skilled tradespeople. The government has no clue when it comes to agriculture; it needs to listen to the industry and include agriculture in its apprenticeship and training program.

Australian Export Awards: Pivot Marine International

Mr LYONS (Bass) (13:46): I am most pleased to congratulate Dr Jeff Hawkins and Dr Luz Hawkins on their recent success in the 49th annual Australian Export Awards. This is the second year running that they have secured a win in the Export Awards. This is a fantastic achievement. Australia's exporters play a pivotal role in the prosperity and stability of the national economy, with their perseverance and ingenuity creating jobs and new businesses which benefit all of Australia.

Pivot Maritime, operated by Luz and Jeff, is a great example of this ingenuity. Its success in international business deserves recognition, which is why the Australian Export Awards, now in its 49th year, is so important. Pivot Maritime International produces maritime simulators for commercial shipping, recreational boating and defence. But, unlike its competitors, Pivot also operates a simulator, employing its own simulators in its training, consultancy and research services, and working in close partnership with strategic clients to assist them to make optimal use of their simulators. This strategy ensures the company is continually validating and improving the effectiveness and efficiency of its systems. Pivot's target markets include the USA, Asia-Pacific and Europe as well as, of course, Australia. This is a company from Legana in Tasmania. I congratulate Jeff and Luz on their wonderful business in my electorate of Bass. *(Time expired)*

Aston Electorate

Mr TUDGE (Aston) (13:53): This week is National Volunteer Week, so there is no better time than this week to highlight the role of volunteers in our community and to say thank you. Volunteers are the glue that holds together our civil society. Australian volunteers contribute more than 700 million hours of community service each year. Over 5.4 million people volunteer in some capacity each year, a number which has risen from 3.2 million 10 years ago. In my electorate of Aston over 19,000 people volunteer each year for an organisation or group, and this does not include many carers or others who volunteer individually. They do a tremendous job and often put in huge numbers of hours each week, whether it is in scouts and guides, running the local football and netball clubs or participating in local environment groups or local charities.

Last week I had the opportunity to thank some of the volunteers from one of the largest volunteer organisations in my electorate, Bridges, which was formerly known as Knox Community Volunteers. Capably led by CEO Mandi Hyland, Bridges coordinates over 2,000 volunteers to provide transport, social activities and support for elderly residents in Knox. I would like to again express my thanks to the volunteers at Bridges for their tireless work and to all the volunteers in Knox and Whitehorse. You make our community a better place and I am very proud to be your federal representative.

Melbourne Electorate: Carringbush Adult Education Centre

Mr BANDT (Melbourne) (13:53): Last week I visited the Carringbush adult education centre in my electorate of Melbourne. The electorate of Melbourne has the highest number of public housing dwellings of any electorate in the country and the Carringbush centre provides critical learning opportunities for the residents of the Richmond housing estates and the surrounding areas. I learnt a lot from the people I met in Richmond who were engaged in the language and literacy program—their extraordinary skills, their talents, their desire to live a good and peaceful life here in Australia and also their desire to engage in meaningful work. I also learnt about the difficulties they encounter securing jobs, the importance of language, literacy and numeracy classes and their challenges in accessing affordable health and dental care.

In yesterday's budget there are some things that are going to help them, like the beginning of the Greens initiative to put dental care into Medicare, but unfortunately they, like many other migrants and refugees in Australia, have been forgotten. We have, especially in Melbourne, a wealth of people who have come here from overseas and who have often been living in the country for many years, with skills, degrees and qualifications that are going unrecognised. They face barriers to employment, and one of the key ones is language. It is my hope that at some stage the government moves beyond seeing job seekers as people who do not want to work and that instead we begin supporting these people, especially those who face language barriers, into meaningful and decent employment in Melbourne.

Flinders Electorate: Somerville Police Station

Mr HUNT (Flinders) (13:53): I rise, on behalf of the people of Somerville, to welcome the news that the Victorian government has approved the creation of a police station for Somerville. This is overdue news, it is welcome news, it is important news and it will make a difference to the safety and security of families on the streets of Somerville and within the homes of the residents of Somerville. This has been a longstanding campaign and project. Along with my state colleague, Neil Burgess, Councillor Lynn Bowden and many others within the community we have held public meetings, we have had petitions, we have written letters, we have campaigned hard, and this is a great tribute to the people of Somerville. Stage 1 of the project will be the identification and acquisition of an appropriate plot of land for the Somerville police station by the state government. Stage 2 of the project will be the planning of the station in relation to that land. Stage 3 will be the construction and implementation. That project is now underway. The search for land, the search for an appropriate place for a police station and the acquisition of that land is the task right now. In the meantime we want to work with the community to see that they get the police station they have wanted and the station they have deserved and needed. It is a great tribute and a great outcome to the persistence of the Somerville community. *(Time expired)*

Fraser Electorate: Welcoming the Babies

Dr LEIGH (Fraser) (13:53): On 27 March this year I held Canberra's inaugural 'Welcoming the Babies' event at Stage 88 in Commonwealth Park. Over 150 mums, dads, bubs, brothers and sisters enjoyed a perfect Canberra autumn morning while taking the time to engage with local services and other families. As a parent of two young boys myself, I know the challenging moments that one has in raising a family: endless nappy changes, throwing food at dinner time and early wake-ups. For example, my one-year-old arose at 4.15 this morning. That is why I believe it is important to celebrate being a parent and to share survival tips.

I want to thank ACT Playgroups, ACT Health and the breastfeeding initiative, senior child health policy and immunisation officers, Anglicare, the Breastfeeding Association, Bundle Baby Ultrasound, Cafe 2U, DJ Dennis, Gymbaroo, Kidsafe, Kings Swim School, Junior Entertainment, Monkey Mania, Players Football Club, Post and Ante Natal Depression Support and Information, Soul Yoga, MC Laurie McDonald and guest speaker Pam Cahir, and my staff and volunteers from the ACT Labor Party for cooking sausages, staffing our tent and helping other stallholders. I would also like to thank Treasurer Wayne Swan, who pioneered this kind of event, making him 'the father of Welcoming the Babies'. As first-time dad Tito Hasan told me, 'It's been great to see kids having fun. My wife and I see the range of things out there for first-time parents. I'm looking forward to coming back next year.'

McPherson Electorate: Gold Coast Quarry

Mrs ANDREWS (McPherson) (13:54): Boral Resources is pushing ahead with its proposal for a quarry in Tallebudgera Valley within the electorate of McPherson, despite significant opposition from local residents as well as the broader Gold Coast community. My office has been inundated with calls, emails and letters from a community that is outraged over the proposal. So determined is the community to stop the proposed quarry that a community action group called 'Stop the Gold Coast Quarry' has been formed and is actively campaigning against the project. The management committee of 'Stop the Gold Coast Quarry' comprises community representatives Sam Stewart, Robert Balanda, Marco Scholten, Lorraine Cook, Niki Naday and Tony Davis. They are united in their determination to stop the proposed quarry.

A petition tabled in the Queensland state parliament and essentially asking for the development application to be refused received over 9,000 signatures. I have attended several community meetings about this issue, including a recent rally held about two weeks ago. This rally alone resulted in an additional 1,000 signatures for the petition, gathered in a couple of hours.

Residents do not want a quarry in their backyard. They do not want their pristine bushland torn up. They do not want trucks clogging the already congested roads on the southern Gold Coast. They do not want to listen to the noise from blasting, sirens and crushers. They do not want the value of their property to drop. *(Time expired)*

Canberra Electorate: Liz Dawson

Ms BRODTMANN (Canberra) (13:56): Today I rise to honour another Canberra legend, Liz Dawson. Liz is a tireless and tenacious advocate for the homeless and disadvantaged in the ACT. She is one of the brains and drivers behind the Common Ground project here in Canberra which aims to provide permanent housing and structured co-located services for the homeless and people with drug and alcohol dependency and mental health issues. Until recently Liz also volunteered with the Salvation Army and was relentless in pursuing funding for a dental program for the homeless. Liz is one formidable woman and a great source of inspiration for many women here in Canberra. The side-effects of a recent operation seriously impaired her vision but that has not stopped her in her tracks. Instead, Liz is now advocating for the visually impaired in addition to the homeless and disadvantaged.

Liz Dawson's resilience, energy and selfless commitment to improving the lives of others are something to behold. She leaves people decades younger in the shade. In this National Volunteers Week and on behalf of the people of Canberra, particularly the disempowered, I want to thank Liz Dawson for her significant contribution to our community. I would also like to thank the thousands of Canberrans who serve their community through volunteering every day.

Hasluck Electorate: West Rise Disability Competition

Mr WYATT (Hasluck) (13:57): I stand here today to draw attention to the good work of the West Rise Disability Competition in Kalamunda. West Rise is a competition for intellectually disabled people within Hasluck and Perth's eastern suburbs and is the first such basketball competition of its kind in Western Australia. West Rise brings together over 40 people aged 12 and upwards with an intellectual disability and teaches them, through sport, skills such as teamwork and commitment and promotes confidence building. It has proven so successful that it has now expanded into two divisions to allow for more specialised coaching. What is so great about this program is that it is often held alongside mainstream competitions and this inclusiveness with non-intellectually impaired people helps make these people feel closer to the community that they live in.

None of this would be possible without the hard work and dedication of coach and founder Chris Saligari. Chris works at the highly regarded Kalamunda Senior High School education support centre and saw first-hand the benefits of sport for the intellectually impaired. Despite not having any children or family of her own with a disability, Chris took time to start this competition and is ably assisted by her son and coach Michael Saligari and coach Ed Thime. I thank Chris for her commitment to helping others and for starting such a wonderful competition in Hasluck for the east metropolitan's intellectually impaired people. I am proud to be their patron.

Scott Rush

Mr PERRETT (Moreton) (13:59): I rise to acknowledge the great work done by the Attorney-General, Robert McClelland, the Foreign Minister, Kevin Rudd, and many other members, on behalf of Lee and Chris Rush and their son Scott. Lee and Chris are my constituents in Graceville and I want to commend people like Chris Hayes, the member for Fowler, for the great work they have done to ensure that Scott has started the journey to being released from prison. Obviously there is a lot more work to be done but at least this is getting him off death row as the first part of that process.

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

QUESTIONS WITHOUT NOTICE

Budget

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I refer the Prime Minister to the government's $2 billion cut to family benefits, including for those earning as little as $45,000 a year, while its spending on the boat people crisis has blown out by $1.75 billion. Why is the government tougher on families than it is on border protection?

Ms GILLARD (Lalor—Prime Minister) (14:00): I thank the Leader of the Opposition for his question. Let me explain to the Leader of the Opposition the fundamentals of this budget. This budget is bringing the budget back into surplus in 2012-13, as promised. That has meant that we have needed to take a series of tough decisions. We did not want to see in this budget the profligacy of the Howard years during mining boom mark 1. Consequently, when you look at this budget, you see an average increase in expenditure of one per cent, compared with an average increase in expenditure of 3.6 per cent under the Howard government. We are being so rigorous on bringing the budget back to surplus in 2012-13, exactly as promised, because we are determined to continue to deliver to the Australian people a strong economy which gives them the benefit of jobs—750,000 created already, with another half a million to be created in the years to come. So, yes, there have been some tough decisions taken in this budget in relation to savings.

On the family payments question that the Leader of the Opposition raised, let me say what the actual information is.

Mr Pyne: Mr Speaker, I raise a point of order. The Prime Minister was asked a question about the government's spending blow-out on border protection versus its cut for family benefits. She was not asked to give an adjournment speech about the budget in general. She should go back to that point.

The SPEAKER: Order! The Manager of Opposition Business will resume his seat. The Prime Minister was talking about that aspect of the question as the Manager of Opposition Business rose. I am not sure whether some comments are sotto voce just for discussion amongst people, but it might help if people did not speak while I was speaking and then I would not misinterpret it as reflections upon the chair.

Ms GILLARD: The Leader of the Opposition asked me about family payments. For the clarification of the House and for the Leader of the Opposition so that he has the accurate information—and I believe that he is under an obligation to make sure that what he says to the Australian people is accurate—family payments will still increase under this budget. All fortnightly rates will still increase for family tax

benefits A and B. I understand that the Leader of the Opposition does not want the facts but these are the facts. For example, on 1 July the maximum rate will increase by $113 per annum for a child between the ages of zero and 12 and by $146 per annum for a child between the ages of 13 and 15. In relation to family tax benefit B, for the youngest child under five years of age, per family there is a $95 increase annually; for kids aged between five and 18 years, $66 annually.

This budget honours our commitment to increase payments for the parents of teenagers, as we said we would during the election campaign. So parents of teenagers on the maximum rate can look forward to an increase of $4,208 in their family payments if they have a child of 16 to 17 years and $3,741 if they have a child of 18 to 19 years. They are important figures about family payments in this budget and if the Leader of the Opposition wants to accurately talk about this budget, he should be referring to those figures.

The Leader of the Opposition also raised with me the cost of mandatory detention and continuing to process asylum seekers. I support mandatory detention. I believe it is an appropriate policy to check people who come to this country unauthorised—to check their health, to check their security status and to process their claims. So we will continue to fund mandatory detention because it is the right thing to do. We will continue with the Malaysia agreement which has been the subject of discussion in this House this week and which was announced by me and the Minister for Immigration and Citizenship on Saturday. It is a big blow for people-smugglers and aimed at breaking the people-smugglers' business model. It is the right thing to do. It is better than a three-word slogan.

Budget

Mr CRAIG THOMSON (Dobell) (14:05): My question is to the Treasurer. Will the Treasurer outline to the House what last night's budget says about Australia's economic performance and prospects?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:06): I thank the member for Dobell for that question. The budget I handed down last night reaffirms Australia's record as one of the best performing developed economies in the global economy. We have strong growth prospects, we have strong job creation and we are getting the budget back in the black in record time.

We have avoided in this country the very high rates of unemployment that have occurred in other advanced economies and we have avoided the crippling levels of debt that we have seen in other advanced economies. We have a budget bottom line which is indeed the envy of the developed world and levels of deficit and debt which are the envy of the developed world but, despite this strength, we know there has been short-term softness. We know that parts of our country have been badly affected by natural disasters, and we know that many parts of the economy still feel the overhang of the global financial crisis and the global recession, which is also weighing very heavily on government revenues. And of course there are many businesses out there that are certainly struggling under the weight of the high dollar.

But against all of this we know that we have a very big investment pipeline in Australia. We are going to go through an investment boom, with business investment set to reach 50-year highs in the years ahead. That is why we are forecasting growth of four per cent in 2011-12 and 3¾ per cent in 2012-13. And that is why we are forecasting unemployment to come down to 4.5 per cent, because at the core of this budget is our commitment to jobs, jobs and more jobs. That is our commitment. It is not a commitment that was shared by those opposite during the global financial crisis and the global recession. If they had had their way, unemployment in this country would be far higher and deficits and debt would be far higher.

So we are very optimistic about the future of our economy, because we can now build on the strength of our economy as we come through the global recession. That is why the budget gets us back in the black, gets more Australians into better jobs, gives more help to families and, particularly—something we are all proud of on this side of the House—invests in mental health. So the budget is about laying down an economic blueprint for the future so we can succeed in the Asian century and maximise the opportunities for our children and our grandchildren.

Budget

Mr ABBOTT (Warringah—Leader of the Opposition) (14:09): My question is again to the Prime Minister. Will the Prime Minister confirm that the budget allocates $13.7 million for a carbon tax advertising campaign? How can the budget include propaganda for a carbon tax but not the carbon tax itself?

Ms GILLARD (Lalor—Prime Minister) (14:09): To the Leader of the Opposition I say: how quickly they forget. Many may think I am referring to the Work Choices advertising campaign, an obscenity overseen by the Leader of the Opposition and the shadow Treasurer, but actually I am referring to last year's budget papers, because the climate change line item he is referring to appeared in last year's budget papers and has been brought forward into this year's budget papers. So can I say to the Leader of the Opposition, before he starts making inflammatory claims about where line items in the budget have come from, that he should perhaps do some budget study. That allocation for the climate change fund was standing in the last budget.

On the question of memory: the Leader of the Opposition of course was a very senior minister in the Howard government and he may recall the goods and services tax. He may also recall that the then Prime Minister, John Howard, announced that a full two years before he accounted for it in the budget papers. One can only assume from the reaction of the Leader of the Opposition that each and every day of those two years he was running around to the Prime Minister's office saying to John Howard, 'I just can't bear it; I can't continue to serve as a minister while this isn't accounted for in the budget.' Does anybody really think that is what happened? Well, no, that is not what happened, because of course the Leader of the Opposition is always keen to apply a standard to others that he does not apply to himself.

Let us get to the basis of this question. It is because the Leader of the Opposition would prefer to come into this parliament and continue his climate change fear campaign than deal with the matters in the budget. He does not care about a strong economy; he has got no policies or plans for one. He does not care about bringing the budget back to surplus; he has got an $11 billion black hole on his side of the ledger. He does not care about the creation of employment in our nation; he has got no policies or plans that relate to creating employment. He does not care about the future of our healthcare system; when he had the opportunity, he ripped $1 billion out of public hospitals. He does not care about the future of our schools, because he went to the last election promising to rip the best part of $3 billion out of Australian schools. He does not care about Australian apprenticeships, because he went to the last election promising a $2 billion cut to apprentices.

So there is no mystery that the Leader of the Opposition does not come into this place to debate the budget. He cannot and he will not, because he is a big risk to the budget and the nation's economic future—a risky approach taken every day. Every big call required of a leader in this nation he has got wrong, most particularly the calls necessary for the global financial crisis and keeping people in work. We will continue to get the big calls right, we will continue to manage the budget and get it back into surplus and we will continue to prioritise the jobs of Australians, because this budget is centrally about jobs and opportunity for Australians right around the nation—and the Leader of the Opposition has just turned his back on that.

Budget

Ms O'NEILL (Robertson) (14:13): My question is to the Prime Minister. How will the budget deliver on the government's commitment to return to surplus and help families with the cost of living?

Ms GILLARD (Lalor—Prime Minister) (14:13): I thank the member for her question. On delivering our fiscal prudence in this budget, the statistics are there for all to see. As promised, we will return the budget to surplus in 2012-13—back in the black, just as we promised the Australian people. We will do that because the important thing to assist Australians as our economy moves towards full capacity is to make sure that the government is not adding to inflationary pressures. That is why we are determined to run such a tight spending policy. That is why across the forward estimates you are seeing growth in spending on average at one per cent. The last time that occurred in Australia was in 1988 e have delivered a year with a negative in front of increasing growth—that is, spending will go backwards. The Howard government never delivered a year of spending reduction. Rather, they delivered spending growth in excess of three per cent on average even at the top of resources boom mark I. The best thing we can do to assist families with cost-of-living pressures is to keep our economy strong and to bring the budget to surplus so as to not add to inflationary pressures which would then feed into the cost of living for working families.

But we can do some things as well to directly assist working families, to assist families under cost of living pressure, and in this budget we have. We are assisting families with teenagers. Our family payment system has made the old-fashioned assumption that somehow kids leave school when they are very young. We are in a modern economy—we need them to stay in school. So families with teenagers will get special new benefits.

For some of our lower income working Australians, we have pulled forward the low-income tax offset so they can benefit week by week from the money from that low income tax offset to take a little bit of pressure off and to more clearly demonstrate to people the rewards of work. We have in this budget honoured our commitment to include school uniforms in the education tax refund because we want to assist families with the costs of getting kids to school. We have in this budget honoured our commitment to enable families to get their childcare payments fortnightly, because we understand that that too will provide a bit of cost of living relief.

We understand that right around the nation there are families battling cost-of-living pressures. As a government we will be working with them, doing what we need to do to keep our economy strong, to keep people in jobs and employment, to make sure they have decent working conditions when they are there—which is why we got rid of Work Choices—and to provide targeted relief in a budget that will get us back into black exactly as promised.

Budget

Mr HOCKEY (North Sydney) (14:16): My question is to the Treasurer. I refer the Treasurer to his

own budget papers which state that a drop of just four per cent in Australia's terms of trade would wipe out the government's projected surplus in two years time. Treasurer, if Labor ever delivers its first surplus in 21 years, will it not be a surplus made in China and not made in Australia?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:17): The shadow Treasurer is proof that hot air is not an economic policy. The fact is that we are bringing this budget back into the black, we are doing it by making savings, we are doing it in 2012-13 and we are doing it despite the opposition's fiscal vandalism and their refusal to support responsible savings. Fair dinkum! The shadow Treasurer was on television last night. He said on the one hand that it was too tough and on the other hand that we are not spending enough. This shadow Treasurer walks both sides of the street all the time. The fact is that we will come back to surplus because this government has done the hard yards. We have put in place the spending restraints that those opposite were not capable of exercising during their 12 years in government. We have average spending each year over the budget estimates increasing by just one per cent. When they were in power, it was increasing by 3.7 per cent. They went on a spending spree at the height of mining boom Mark I. We are doing the hard yards of bringing the budget back to surplus in 2012-13 by making $22 billion worth of savings and putting in place one of the biggest fiscal consolidations or returns to surplus that we have seen in this country.

The shadow Treasurer quotes some sensitivity analysis from the budget papers. That is not the central forecast in the budget papers and he seeks to misrepresent it. He seeks to misrepresent it for political purposes. We will come back to surplus in 2012-13, because that is the central forecast that we have from the advisers who work both with them as forecasters and with us as forecasters. We are doing it despite the fact that there have been substantial revenue write-downs. We are doing it because we have shown the strict fiscal discipline to bring our budget back to surplus, a discipline that those on that side of the House simply do not understand.

We are coming back to surplus and we are doing it in a responsible way with a very strict fiscal policy and we will do it in 2012-13. We will build surpluses after that and we will continue to apply our two per cent cap. There is a stark difference between the approach of us on this side of the House and the approach of those opposite. What they want to do in reality is to wreck the surplus. If they succeeded in wrecking the surplus, they would put price pressures into the Australian economy and all Australians would be the victims of that.

Mr HOCKEY (North Sydney) (14:20): Mr Speaker, I ask a supplementary question. I refer to the Treasurer's statement that the coalition was reckless with its spending during its term of government. Treasurer, will you confirm that at no stage over the next four years will this government get spending as low as it was in the last year of the coalition, at 22.9 per cent of GDP?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:20): You have to give him points for trying. Our forecasts in this budget show the fastest fiscal consolidation in history and $22 billion worth of savings. The reason we are in a position to come back to surplus in 2012-13 is that we moved to support our economy during the global financial crisis and the global recession. If they had been in charge during that period, deficits would be far higher and debt would be far higher right now. Our deficits and debt are lower than one-tenth of the levels elsewhere in the advanced world because of the courageous decisions we on this side of the House took to support our economy. The consequence of that is that there is low unemployment in Australia at 4.9 per cent, going down to 4.5 percent. If they had been in charge, the starting point of the budget would have been higher deficits and higher debt. What we are doing now is bringing our spending down through a very strict cap.

Mr Hockey: Mr Speaker, I rise on a point of order. My question was very specific. Will the Treasurer indicate where in the budget papers—anywhere—does this government get spending down to that in the last year of the Howard government?

The SPEAKER: The Treasurer will directly relate his response to the question.

Mr SWAN: We are controlling spending in a way which the Howard government was completely and utterly incapable of doing. The spending increases over their period, during the boom and over a five-year period, were 3.7. For us it is one per cent. That is all the evidence you need.

Budget

Mr BANDT (Melbourne) (14:23): My question is to the Treasurer. Our minerals belong to all Australians, yet much of the profit disappears overseas and the mining boom places burdens on the rest of the economy, where most people live and work. My own state of Victoria must compete with the miners for labour and capital, pushing up costs and restraining infrastructure investment. Despite this, the mining sector gets a big leg up in your budget on top of their free kick on the mining tax. Where is the plan for those sectors of the economy that are doing it tough at the moment because of the mining boom? Where is the plan for a sovereign wealth fund that can secure our economy after the boom is over? And, why are the priorities of the new economy, like building a smart

electricity grid for clean energy, being slashed while the mining giants get a corporate tax cut and more taxpayer funded support?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:23): I thank the member for Melbourne for his question because at the very core of the budget delivered last night is a plan to spread the opportunities of the mining boom to every corner of our country and to every postcode in our country. We are responding to the challenges posed by the mining boom which mean that some parts of the economy are stronger than others. And they mean that there will be a patchwork economy out there. Many small businesses and many towns which are not in the fast lane coming from the mining boom will face challenges because of this very strong investment phase into which we are entering. That lies at the very core of all the propositions put forward in the budget last night and goes to the very core of why the government put in place the mining resource rent tax, which will provide a stream of revenue to enable us to spread the opportunities of the boom to every corner of our country and to every postcode. That revenue—opposed by those opposite who have the ridiculous proposition that that somehow the mining companies are paying too much tax—will, first of all, mean that Australians get fair value for the minerals they own 100 per cent and, secondly, to give a helping hand and a lift up to those sectors of the patchwork economy that are not in the fast lane. So the revenue we are using from the mineral resource rent tax goes to invest in infrastructure, particularly in mining regions. That is very important economically. Also, we are going to assist those on low incomes with additional superannuation for all workers whose income is under something like $37,000. The member asked: what do we think about a sovereign wealth fund? With our superannuation accounts we have eight million of them in this country—a creation of far-sighted Labor governments which understood that we need, as a country, to save more. We want to boost in the superannuation savings of low-income workers in our community. And remarkably that is opposed by those opposite.

The other thing we want to do—and this is really important—is give some tax breaks to small business. With the revenue from the minerals resource rent tax we want to give a tax cut to small business, spreading it right around the country. It is very important to give that $5,000 instant asset write-off to small business because that really assists small business with their cash flow. In the budget last night we announced an addition when we said we would allow businesses to write-off the first $5,000 in the purchase of a vehicle like a ute. That will help a lot of contractors out there who are not in the fast lane and a whole lot of those tradies. We have a comprehensive plan to deal with the patchwork economy, to deal with the challenges that come from mining boom mark II, to spread the opportunities of it right around the country, not just with the opportunities coming from the resource rent tax but also in the skilling of our workforce because we need people in every corner and every postcode of this country to be the beneficiaries and the participants in the mining boom. All of the initiatives in the budget are aimed at that.

Budget

Ms BIRD (Cunningham) (14:27): My question is to the Treasurer. Will the Treasurer outline the importance of delivering a fiscally responsible budget and how Australia compares internationally? How is this approach being received and what is the government's response?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:27): I thank the member for Cunningham for her question because we are seeing the quickest return to surplus on record and that is occurring well ahead of comparable countries. Countries like the United States, the United Kingdom, Germany and Canada will not even have halved their deficits of a share of GDP by 2013. In 2013, the major advanced economies will still be in collective deficit of around five per cent of GDP and of course Australia will be back in the black. As I was saying before, we are doing that because we have put in place the essential savings—$22 billion worth of savings, two-thirds of those spending cuts. We are seeing the fastest fiscal consolidation on record.

I have seen some of the statements from those opposite but there has also been a number of statements from the market economists and the rating agencies. This is what the credit rating agency Standard & Poors said:

> The deficits and additional borrowings do not alter the sound profile of Australia's public finances which remain among the strongest of its peer group.

Mr Blythe from the Commonwealth Bank said:

> The Budget meets all the requirements of the government's medium-term fiscal strategy … Our judgement is that this Budget largely delivers what is required from a short-term cyclical perspective. And it represents a step forward in setting up the economy for the longer haul.

That is the correct analysis of what we have done. We have the right fiscal settings for the future: bringing the budget back to surplus in 2012-13 and making sure we do not compound the inflationary pressures that will come from the mining boom.

Of course, the shadow Treasurer has promised to bring the budget back into surplus next year. So everybody in this House is waiting with bated breath to see the Leader of the Opposition come into this House tomorrow night and indicate how he is going to bring the budget back to surplus next year. I would not be too optimistic about his chances of that because, as we

all know, following the last election the Treasury and the Department of Finance and Deregulation had a look at their savings and found there was an $11 billion hole in their savings. We look forward to seeing how they are going to bring forward the savings to bring this budget back to surplus. I think they have already said in the media in the last couple of days that they are opposing something like $3 billion worth of savings. So they are going to start a long way behind. We are all waiting with bated breath to see how the Leader of the Opposition is going to bring the budget back to surplus in the next year. Failure to do so will prove that all they are full of is hot air.

Budget

WYATT ROY (Longman) (14:30): My question is to the Treasurer. I am about to turn 21. No Labor government in this place has ever delivered a budget surplus in my lifetime. Why should anyone believe you now?

Opposition members interjecting—

The SPEAKER: The House will come to order!

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:31): I thank the member for Longman for that question because under our youth allowance changes he would have to keep studying and not go on the dole. This is because we have a fundamental commitment to learn or earn as part of the participation initiatives we have put in place in this budget. So we have a fundamental commitment to a range of initiatives in participation and skills. We have a fundamental participation agenda which makes sure that people have the opportunity to participate in the workforce and make a significant contribution to our country.

It is a very serious question. We will come back to surplus in 2012-13 because we have put in place very strict fiscal discipline—the fastest fiscal consolidation that we have seen on record. We have put forward $22 billion worth of savings and our record stands in stark contrast to those opposite.

Budget

Mr MITCHELL (McEwen) (14:33): My question is to the Prime Minister. How will the budget help keep our economy strong and deliver more jobs for Australia?

Ms GILLARD (Lalor—Prime Minister) (14:33): I thank the member for McEwen for his question.

An opposition member: It is a hard one.

Ms GILLARD: I do thank the member for McEwen for his question because I know, unlike those interjecting, that he is deeply concerned about Australians having the benefits and dignity of work. The story of this budget is a story of getting the budget back into surplus, as our economy requires as it moves towards full capacity. We will get the budget back into surplus in 2012-13, exactly as promised. It is the right thing to do by the economy and it is the right thing to do by families facing cost of living pressures.

But the story of this budget is also a story of jobs and opportunity. We believe in the benefits and dignity of work. We believe for Australians that a life of opportunity starts by having access to a job, and then by having access to skills and training and the means and wherewithal to get a better job—to get the next job and to keep progressing across their working lives. That is why when you look at the measures we have focused on in this budget, in circumstances where we have kept growth in spending so low, we have had to make tough choices but we have deliberately prioritised those things that go to give Australians a life of opportunity.

With the resources boom coming into full swing, and with unemployment moving down to 4.5 per cent, we have a historic opportunity to make a difference in long-term disadvantage in this country and to reach out to those Australians who are on the margins of Australia's life, who are on welfare and who do not have the benefits and dignity of work in their lives. That is, of course, about a pay packet and the choices that a pay packet gives you in your life, but it is also about the sense of self-worth and self-dignity—the personal connections and self-esteem that comes from having a job. We believe in the benefits and dignity of work. That is why we are so proud of having created 750,000 jobs and why we are proud that another half a million jobs will be created in the next two years. It is why we are so proud in this budget of the $3 billion skills package to give people new opportunities to get the skills they need to get their first job, to train again and to get a better job. Of course, the skills package comes with a profound reform agenda so that our training system can meet the needs of a modern economy, meet the needs of modern learners and meet the needs of our industries and businesses that most need access to skills during this phase of our economic growth.

This Labor budget comes with particular care and concern for those Australians who have been outside the mainstream of economic life: the very long-term unemployed, people with disability who can and want to work, single mums with teenage kids who need to get back into the workforce—a lifetime with a pay packet in front of them. These are Australians for whom we have shown care and concern. Yes, we have asked people to step up to new responsibilities and we have met that step-up with new opportunities to get people into work so that they can have a life and a life chance. This is a Labor budget through and through—delivered in the economic circumstances that the nation needs now and delivered by me as Prime Minister with Treasurer Wayne Swan and our economic team

informed by Labor values which centre on giving people the simple opportunity of a job.

Budget

Mr HOCKEY (North Sydney) (14:37): My question is to the Treasurer. I refer the Treasurer to the fact that next year's budget deficit will blow out $10 billion despite a fall in unemployment and stronger economic growth. I also refer the Treasurer to the fact that next year the government is spending $2.2 billion more than it is saving which will make the deficit bigger not smaller. Why is the government making it more likely that the Reserve Bank will raise interest rates in the next 12 months by its own actions of running a bigger deficit and bigger spending in an economy that is growing faster?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:38): I thank the shadow Treasurer for his question. The fact is that over the forward estimates we are saving $5 billion more than we will spend and, as I was indicating before, we will put in place the biggest fiscal consolidation—that is, return to surplus—we have seen since there have been records. We are applying a very strict fiscal discipline and not only will we do it across the forward estimates but we have indicated we will continue to do it until surpluses get back to one per cent of GDP.

The member for North Sydney goes on about the deficit this year and the deficit next year. It is very clear from all of the budget papers that we have had very substantial revenue write-downs, $16 billion worth of revenue write-downs over both of those years. That is what has contributed to the increased deficits in those years. Of course, the cause has been the global financial crisis and the global recession, and the other cause has been the natural disasters in Queensland, which have had a dramatic impact on growth, particularly this year. But the opposition, as usual, must have slept through the global financial crisis, the global recession and the natural disasters in Queensland, because they will never acknowledge the impact of those events on our budget line. They never want to acknowledge that impact because they know that, had they been in power during that period, they would not have moved to do what we did. Deficits and debt would be far higher right now and unemployment would be far higher now had they had been in charge of our economy during that period.

The member for North Sydney asked me about interest rates. I refer him to the statement on monetary policy issued by the Reserve Bank last Friday, which points out that the government is running a tight fiscal policy. It pointed that out and everyone can see it in the budget papers. If you go to the analysts, the market economists and all the rating agencies, they have all commented on the fact that the government are implementing its medium-term fiscal strategy on time. We are doing it and we are doing it successfully, and we are doing it because we have applied ourselves to a very strict fiscal discipline—not a fiscal discipline that those opposite applied when they were in government. I was asked a question about spending. Our spending will get down to 23.5 per cent of GDP, and that is lower than the average when those opposite were in government, bar for one year.

Budget

Mr LYONS (Bass) (14:40): My question is to the Minister for Mental Health and Ageing. How is the government delivering on its commitment to make mental health a priority in this term of government?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (14:41): I thank the member for Bass for his question. For months now Australians have been saying that they want their nation to do better in mental health. The Prime Minister has said, 'For the nation to do better, we need to do more as a national government.' This budget delivers on the Prime Minister's commitment to make mental health reform a priority for this term of government. The budget delivers the largest ever mental health reform package with over $2.2 billion in new measures, including more than $1.5 million announced last night and more than $600 million announced over the course of the last 12 months. Combined with our additional investments in mental health subacute beds through the Health and Hospitals Fund and in the psychiatric workforce, the total commitment by the Gillard government in mental health tops $2.5 billion over five years.

We have listened closely to the voices of millions of Australians who live with mental illness and their families, their carers and, of course, the experts. This package takes action on their advice and I am glad to report it has been warmly welcomed across the sector and across the broader community. The package recognises the diverse impact of mental illness across a lifetime. It will build resilient kids. It will support teenagers dealing with the challenge of emerging mental illness. It will improve access to basic primary-care services for hard to reach groups across Australia and it will target—

The SPEAKER: The Minister will resume his seat. The member for Dickson—

Mr BUTLER: Ask a proper question.

Opposition members interjecting—

The SPEAKER: Order! The member for Dickson on a point of order.

Mr Dutton: Mr Speaker, my point of order is on relevance. I do not know how the minister can be relevant when he is talking about the $580 million they have ripped out of health.

The SPEAKER: Order! The member for Dickson will excuse himself from the House under the provisions of standing order 94(a).

The member for Dickson then left the chamber.

Mr BUTLER: It is apparent that the member for Dickson could not get a question up in tactics today so he had to try a point of order.

The SPEAKER: The minister will go to the question.

Mr BUTLER: This package recognises the diverse impact of mental illness across a person's lifetime. It will build resilient kids. It will support teenagers dealing with the emergence of mental illness. It will deliver more targeted primary-care services across the community and it will deliver targeted, intensive and integrated supports for adults dealing with severe and chronic mental illness. e take the COAG process very seriously, which is why we will be taking more than $200 million to the table later this year to help drive improvements in emergency departments and in supportive accommodation, as well as continuing our plans for a long-term reform roadmap over the coming decade. We will establish the first ever national mental health commission reporting not to any particular department but to the Prime Minister and to this parliament.

Unlike the opposition's policies, these measures are properly costed and they are fully funded. They keep in place the broader health reform measures that the opposition would have trashed, like the e-health record, by better targeted primary-care infrastructure for local communities, like more targeted hospital funding instead of continuing to send the states a blank cheque and, of course, like the GP after-hours hotline. This reform package is comprehensive, it is balanced, it is targeted across the lifespan and it will make a real difference to millions and millions of Australians living with mental illness and their families.

Budget

Mr HOCKEY (North Sydney) (14:45): My question is to the Treasurer. I refer the Treasurer to Mr Ross Greenwood's advice to hundreds of thousands of Australians last night about the budget when he said: 'This does not take pressure off interest rates and interest rates are forecast to rise, and that is where the government had it within its own control.' Will the Treasurer advise Australians what the average mortgage holder will pay extra in mortgage repayments because of an anticipated one per cent increase in mortgage interest rates?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:46): I am more than happy to answer the same question that was asked before, again. The fact is this: the government has in place the fastest fiscal consolidation on record, which is 3.8 per cent of GDP over two years. We have put in place very substantial savings. I have also referred to the fact that, last Friday, the Reserve Bank in its statement of monetary policy pointed to just how tight fiscal policy in Australia is. So any suggestion that, somehow, our fiscal policy—

The SPEAKER: Order! The Treasurer will resume his seat. The Manager of Opposition Business on a point of order.

Mr Pyne: Mr Speaker, the Treasurer was asked how much the average mortgage will rise in terms of interest repayments. He was asked how much extra they would rise because of a one per cent increase in interest rates. He said he was asked the same question as before. He wasn't; it was a different question and I ask you to draw him back to it.

The SPEAKER: The Manager of Opposition Business will resume his seat. The Treasurer has the call and will respond to the question.

Mr SWAN: Mr Speaker, I was making the point that fiscal policy is tight and fiscal policy is getting tighter. That is the point that I was making. Of course it has been the point that has been made today and last night by any number of market economists. I will quote Tim Toohey, Chief Economist of Goldman Sachs: 'It proposes a budget that represents the biggest fiscal contraction since 1970, when comparable data commenced. The budget makes a genuine attempt to keep its commitment to return the budget to surplus.'

The opposition are out there quoting all sorts of people. Moody's said: 'Australian government debt remains the lowest of all AAA rated governments in the world.' The fact is we do have a fiscal position which is the envy of the world. We have low net debt compared to any of our peers and we have the strictest fiscal policy in place as we go forward, not just over the forward estimates but in the years ahead.

What this government will not do is what the coalition government did when, at the height of a mining boom, they went on a spending spree. They neglected to invest in infrastructure and skills and they had 10 interest rate rises in a row. I am sure everybody in Australia understands that. We understand how important it is that government actions do not compound price pressures which flow from the investment pipeline that we are seeing. That is why we have in place a fast fiscal consolidation. The only threat to those fiscal settings are those opposite, and if they want to vandalise the surplus, they will live with the consequences.

Budget

Ms OWENS (Parramatta) (14:49): My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How is the

government supporting Australian families through the budget and are there any threats to this support?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (14:49): I thank the member for Parramatta for her question because she knows that last night's budget delivers for Australian families. We are delivering extra financial assistance for low- and middle-income families, especially those families with teenagers. Of course, it is this government that is also delivering for those families who need intensive support alongside tougher obligations for those families who are living in areas of entrenched disadvantage. We want to make sure that they get the extra help they need to make sure that they can get the skills to make them ready for work so they, too, can share in the benefits of our economic opportunities.

The highlight for families in last night's budget is the increase in family tax benefit part A for those families who have teenagers aged between 16 and 19. This is an increase in the amount of money that families with teenagers will receive and it will be a cost to the budget of around $770 million. That is $770 million to boost support for families. Of course, if you are a family on the maximum rate of family tax benefit part A, that will mean that you will get an increase of up to $4,200 if you have a child aged between 16 and 19 and that child is still attending secondary school. What this will, in fact, do is increase support for 650,000 families over the next five years.

The government is introducing this change because, currently, assistance drops by $150 a fortnight when your child turns 15. Whose policy would that have been? Of course, it was the Liberal Party's policy that they had for 12 years that saw family tax benefit part A drop when your child turned 15. Our reforms, which we introduced in last night's budget, will fix exactly that. he vast majority of Australians who have heard about this reform support it. I do say 'the vast majority,' and you would be surprised to wonder that there are some—not many, but some—who do not. They seem to me to be so out of touch with the needs of families that they are not supporting this idea. You might wonder who I am referring to. It is none other than the member for Sydney.

Honourable members interjecting—

Ms MACKLIN: The member for North Sydney—sorry, Tanya! The member for Sydney is a big supporter. The member for North Sydney, when asked on ABC TV's *Insiders* if he would support the government's extra assistance for families with teenagers, said:

> … I'm curious as to why the government is proceeding with this …

That is what the member for North Sydney said on Sunday: 'curious'. The opposition is curious as to why you would want to give extra support to families with teenagers. This shadow Treasurer is out there with Alice in Wonderland. I will tell you why we want to give extra support to families with teenagers: it is because they cost more as they get older. We want to keep them in school and it is only the Liberal Party that opposes it. *(Time expired)*

Budget

Mr TONY SMITH (Casey) (14:54): My question is to the Treasurer. Will the Treasurer inform the Australian people of the dollar figure in his budget for net government debt in 2011-12, as well as the total dollar amount for interest payments needed to service that debt?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:54): There is no secret about net debt. Net interest payments are $5.5 billion in 2011-12. There is no secret about that at all. And net debt is 7.2 per cent—that is, $106 billion.

Opposition members interjecting—

The SPEAKER: Order!

Mr SWAN: It is truly amazing that those opposite would carry on like this when we have a net debt level which is the envy of the developed world. The reason we have that net debt level is that we moved to support our economy during the global recession, which saved the jobs of hundreds of thousands of Australians and kept open the doors of tens of thousands of small businesses. This was a very important support—

Mrs Bronwyn Bishop: Mr Speaker, I rise on a point of order on relevance. In the new period of the new paradigm answers, when he must be directly relevant—in addition to the requirement within the *Practice* that question time be a time for eliciting information—would the Treasurer please answer the question as it was asked.

The SPEAKER: The member for Mackellar will resume her seat. I think we are now in the older period of the new paradigm. I think that if people were quiet and listened they might get information that they are actually seeking, but they do not hear it because they are not listening. The Treasurer has the call; he will respond to the question.

Mr SWAN: I would like to quote the credit rating agency Moody's. Moody's said about debt:

> Moody's notes that Australian government debt remains among the lowest of all AAA-rated governments.

Of course that is the case. We have one of the best positions in the advanced world, and one of the reasons it is that low is that we moved to support our economy at a time of threat. Those opposite want to continue to pretend that the global financial crisis did not happen, that a global recession did not happen and that it did not wash through or touch our economy. It did, and it had a dramatic impact on revenues and it would have

had a dramatic impact on employment if they had had their way. We moved to support our economy. We took on a modest level of debt to keep Australians in work and to keep the doors of business open, and Australia is all the better for it. We will come back to surplus in 2012-13. We will build surpluses, we will pay down debt and we will do that with a really healthy, strongly growing economy, which would not be the case if those vandals over there had been in charge.

Budget

Mr CHEESEMAN (Corangamite) (14:58): My question is to the Minister for Health and Ageing. How is the government's investment improving and reforming health services and how has this investment been received?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (14:58): I thank the member for Corangamite for his question. I know that when I visited his electorate with the member for Corio the local community received—in some cases with tears in their eyes, as was the case with the nurses at Geelong Hospital—the news that the cancer centre that had for so long been their dream in Geelong was coming to reality. That is because in this year's budget we have allocated $1.8 billion—$1.3 billion of that being spent on 63 projects across the country in regional Australia. This has been received so well in the community that I have to report to the House that something incredibly strange happened. That incredibly strange thing was that the member for Indi actually said thank you. he member for Indi said thank you to the government for the $65 million being invested in the Albury regional cancer centre, which forms part of 24 cancer centres across the country. This has been made possible because this is the government's fourth health reform budget in a row. It is a health reform budget that proves that we did not have to choose between regional Australia and mental health. We did not have to choose between health reform and mental health. We have been able to fund all of those priorities because of the good work done by this government, by the Treasurer and by others and because of the priority that we give to investing in important health services that are needed across the country. Unlike those opposite, we have been able to fund each and every one of those commitments.

I know in communities such as Wagga, Palmerston, Hervey Bay and Bega—all across the country—people are very grateful that these investments have been made. Of course, my friends, who are sitting together—the member for Lyne, the member for Denison, the member for O'Connor and the member for New England—have also had their communities very enthusiastically receive news of our investment in hospitals not only in their electorates but in many other electorates as well. We are not just investing in infrastructure. The sorts of initiatives that the minister for mental health has already taken the House through show that we are serious and show the community that we will listen to their concerns. I want to take this opportunity to thank not just the minister for mental health but all of the advocates that he worked very closely with to make sure that this package was truly going to meet the needs of the community. It would truly meet the needs of those young people who needed support, it would not neglect the needs of children, it would look at the needs of adults with severe and persistent mental health problems and it would put pressure on our state colleagues to work with us to invest more to make sure that our hospital services whether they are in the acute system, the hospital services, or whether they are in the community, working with GPs and psychologists and others, provide better services for those who have been falling through the gaps for far too long.

But the real question now for the Leader of the Opposition, having seen the fourth health reform budget in a row, is for him to be able to articulate on Thursday what, as a former health minister, he would prefer to do in these areas and to tell us for once how he would actually fund those initiatives. We know last time when he tried to fund some of these packages that he wanted to stop funding e-health, even though as health minister he promised to. He wanted to close super clinics. He has never once said whether he supports these regional hospital projects across the country, and it is about time he told us if he did.

Budget

Mr RUDDOCK (Berowra) (15:02): My question is addressed to the Prime Minister. Prime Minister, why is the government cutting the budget of ASIO, Customs and deferring or cancelling $2.4 billion worth of defence projects when it cannot protect and secure our borders?

Ms GILLARD (Lalor—Prime Minister) (15:02): I thank the member for his question. What I can say to the member is that if he studies the details of the budget papers and particularly the announcement made by the Minister for Defence last week, he will find that there has been some movement of capital for issues associated with the procurement of that capital and then of course there have been arrangements made on the civilian side, the public service side, of Defence for new efficiencies, which will occasion a reduction in jobs—that is true—but they are on the public service side. So the member asking the question should not be seeking to mislead Australians and to pretend that the positions that the Minister for Defence has been referring to are positions that are in some way associated with patrolling our borders. The truth is and the truth remains that this government has more assets

patrolling our borders than ever before. The member who asked the question has some expertise in relation to judging these issues, and he should use that expertise—

Mr Pyne interjecting—

The SPEAKER: Order! The member for Sturt is warned!

Ms GILLARD: The member who asked the question has some familiarity too with the complexity of dealing with asylum seeker questions. What the member, I think, should recognise on a fair reckoning is that the statement put out by me and the Prime Minister of Malaysia, a joint statement, is an innovative approach under a regional framework to a truly regional problem. When you are dealing with this problem, if you are not working regionally then anything you seek to do will ultimately come to nought. So we will continue to pursue our work as announced by the minister for immigration and me on Saturday, and I would counsel the member and the Leader of the Opposition that, amongst all the distortions they are currently engaged in with the Australian community, they do not add misrepresenting the defence position of this nation to the list.

Budget

Ms SAFFIN (Page) (15:05): My question is to the Minister for Infrastructure and Transport. Minister, how will the budget help drive reform and investment in the area of transport infrastructure and particularly for the Pacific Highway?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:05): I thank the member for Page for her question and her ongoing commitment to infrastructure on the Pacific Highway. Like the member for Richmond and the member for Lyne, she has campaigned long and hard to make sure that we deal with this most vital of roads that has been identified by Infrastructure Australia as an absolute priority.

Last night's budget provided additional funding of $1.02 billion for the Pacific Highway, bringing the federal government contribution to $4.1 billion over seven years. That compares with our predecessors who contributed $1.3 billion over 12 years of neglect. Indeed, if the former government had contributed at the same rate as this Labor government, the Pacific Highway would now be fully duplicated, finished, done and dusted. You would expect, as the member for Lyne and the member for Richmond and the member for Page and others have welcomed this announcement, that across the board this would get support. But, of course, we have an opposition that cannot read the budget papers and simply does not understand infrastructure. The member for Cowper has actually been out there saying that this is just a reallocation of funds, that there is nothing new there. The budget papers make it clear that of the $1.02 billion $270 million is a reallocation agreed between the government and the O'Farrell government and $750 million of that is absolutely new money. It is adding up to an additional 1.02 billion, and the clown over there, the shadow minister, just says, 'Oh, it's not. Forget about what the budget papers say.'

The SPEAKER: Order! The minister will withdraw.

Mr ALBANESE: I withdraw. It is now since 2009 that I had a question on infrastructure from the shadow minister opposite. So you have the local member for Cowper and when he goes and has a look at the work taking place—today more than a thousand workers are in place working on the Pacific Highway—and what is happening on the Kempsey bypass, well, maybe it's a mirage! Well, I tell you what: the incoming New South Wales government have built a viewing platform at the Kempsey bypass so they can look at our dollars at work, so they can look at our jobs taking place. The shadow Treasurer has gone further. The shadow Treasurer has said that this is just for planning and he cannot understand why it is just for planning. It is not. What it will do is enable construction to be brought forward including on the Frederickton to Eungai section, which is where the Clybucca bus crash happened all those decades ago. Two decades ago it happened, but it has taken this government to provide the funds. We provided $58 million for planning in 2009. Now we have provided an extra billion dollars to make sure that construction can be brought forward. This is a government that believes in nation building. This is a government that is delivering.

Budget

Mr MORRISON (Cook) (15:09): My question is to the Minister for Immigration and Citizenship. I refer to the requirement to repair and rebuild the Villawood and Christmas Island detention facilities following their incineration and destruction during the recent riots at those centres. What will be the cost to taxpayers of this rebuild and can the minister refer the House to the page in the budget papers where that figure is stated?

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (15:10): I thank the honourable member for his question. I cannot refer him to the page in the budget papers because it is not in the budget because it is covered by insurance policies.

Mr Morrison: Mr Speaker, I rise on a point of order. My question was: what was the cost?

The SPEAKER: Order! The member will resume his place.

Budget

Mr GIBBONS (Bendigo) (15:11): My question is to the Minister for Regional Australia, Regional Development and Local Government. How will the budget help regional communities embrace the challenges of an economy in transition?

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (15:11): I thank the honourable member for Bendigo for his question, because he has been a passionate advocate for his region, his patch of the great Australian economy that is in the Bendigo region. The budget rightly identifies Australia as an economy in transition, and of course if we are to meet the challenge of what that economy in transition means it does require us to look at the initiatives and the funding proposals that help us diversify the economic base. Also it is not just a question of getting the programs in place; it is essential that we get the delivery mode right. And the truth is that the budget also recognises that delivery must recognise the patchwork nature of the economy because it is giving greater emphasis to delivery through the lens of localism through the regions.

As for the programs that are important, in addressing one of the key ingredients as to how we transition an economy, how we drive the economic diversity, it is skills development, because without the skills, without building the skills base, we run into a self-imposed constraint. Accordingly, the budget makes significant commitments to targeted incentives to develop the skills. It does it through the National Workforce Development Fund and it is complemented by significant initiatives that improve participation. It also identifies 16,000 places under the Regional Skilled Migration scheme. But if they are to work properly for the various patches, so if we are to get the patches working properly, we have to have the input at the local level that identifies what their needs are, where they identify what their skill shortages are and what their training needs are. They access these programs by a matching of skills required with skills supplied.

That is why another pleasing dimension of this budget is the extension of the opportunity to local employment coordinators, in conjunction with the regional development network that we have established, to undertake skills audits so that regions themselves can best identify and match. The last time that this was effectively done it was done by a Labor government. It was done by a Labor government with me as the minister for education. That was when we introduced the area consultative committees whose task was to match supply with demand. This was a terribly effective program. When the others inherited office they kept the area consultative committees in name but never utilised them to their full capacity. They sent them off on a regional rorts program. The member for Indi would well remember one of those regional rorts because it was the cheese factory in her electorate that was on the nose, went bust—wasted money. But the truth is that we are going to go back to this successful model. This budget lays the foundation for it. We did it then and we will do it again. It will only happen under the stewardship of a Labor government.

Ms GILLARD: Mr Speaker, I ask that further questions be placed on the *Notice Paper*.

Mr Pyne: Mr Speaker, the agreement that we reached with the government and the crossbenchers at the end of last year, on 6 September 2010, said at paragraphs 4.3 that question time will conclude no later than 3:30 pm—it is quarter past three—enabling 20 questions each day in the normal course of events. The point is that there have only been 19 questions today. It is not yet 3.30 and therefore the opposition has the next turn for questions, and 20 questions would then allow us, because question time has not finished at 3.30, to ask our next question.

The SPEAKER: Order! The House will settle down. There is no point of order. Proceedings have occurred as is allowed by the standing orders. The member for Menzies has been very well behaved. As a reward for his good behaviour, I wish to inform the House that it is the 20th anniversary of his election at a by-election on 11 May 1991 and I think that individual members' significant anniversaries of that nature should be acknowledged in the House, and I do so sincerely.

PERSONAL EXPLANATIONS

WYATT ROY (Longman) (15:17): Mr Speaker, I wish to make a personal explanation.

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

WYATT ROY: I do, Mr Speaker, most grievously.

The SPEAKER: The honourable member may proceed.

WYATT ROY: I have never spent a day on the dole, contrary to the remarks of the Treasurer in this place today.

COMMITTEES

Selection Committee

Report

The SPEAKER: I present the Selection Committee's report No. 19 relating to the consideration of committee and delegation business and private members' business on Monday 23 May 2011 and bills referred to committees. The report will be printed in today's *Hansard* and the committee's determinations

will appear on tomorrow's *Notice Paper*. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of committee and delegation business and of private Members' business

1. The committee met in private session on Tuesday, 10 May 2011.

2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 23 May 2011, as follows:

Items for House of Representatives Chamber (10.10 am to 12 noon)

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements

1 Standing Committee on Education and Employment

School Libraries and Teacher Librarians in 21st Century Australia.

The Committee determined that statements on the report may be made—all statements to conclude by 10.20 am.

Speech time limits—

Ms Rishworth—5 minutes.

Next Member—5 minutes.

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

2 Standing Committee on Education and Employment

Statement announcing the new inquiry into mental health and workforce participation.

The Committee determined that statements on the inquiry may be made—all statements to conclude by 10.30 am.

Speech time limits—

Ms Rishworth—5 minutes.

Next Member—5 minutes.

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

3 Standing Committee on Economics

Review of the Reserve Bank of Australia Annual Report 2010 (Second Report).

The Committee determined that statements on the report may be made—all statements to conclude by 10.40 am.

Speech time limits—

Mr C. R. Thomson—5 minutes.

Next Member—5 minutes.

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

4 Parliamentary Joint Committee on Corporations and Financial Services

Access for Small and Medium Business to Finance.

The Committee determined that statements on the report may be made—all statements to conclude by 10.50 am.

Speech time limits—

Mr Ripoll—5 minutes.

Next Member—5 minutes.

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

5 Parliamentary Joint Committee on Corporations and Financial Services

ASIC oversight.

The Committee determined that statements on the report may be made—all statements to conclude by 11 am.

Speech time limits—

Mr Ripoll—5 minutes.

Next Member—5 minutes.

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

6 Standing Committee on Regional Australia

Announcement in relation to the Murray-Darling Basin inquiry.

The Committee determined that statements on the inquiry may be made—all statements to conclude by 11.05 am.

Speech time limits—

Mr Windsor—5 minutes.

[Minimum number of proposed Members speaking = 1 x 5 mins]

7 AUSTRALIAN PARLIAMENTARY DELEGATION TO BHUTAN AND MONGOLIA

Australian Parliamentary Delegation to Bhutan and Mongolia, 9-12 July 2010.

The Committee determined that statements on the report may be made—all statements to conclude by 11.10 am.

Speech time limits—

Ms Livermore—5 minutes.

[Minimum number of proposed Members speaking = 1 x 5 mins]

PRIVATE MEMBERS' BUSINESS
Orders of the Day

1 HOME INSULATION PROGRAM (COMMISSION OF INQUIRY) BILL 2011 (Mr Hunt): Second reading (from 21 March 2011).

Time allotted—remaining private Members' business time prior to 12 noon.

Speech time limits—

Mr Hunt—10 minutes.

Next 3 Members—10 minutes each.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 10 mins + 2 x 5 mins]

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

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

PRIVATE MEMBERS' BUSINESS
Notices

1 MR S. P. JONES: To move:

That this House: (1) notes that as the world emerges from the Global Financial Crisis: (a) in Australia unemployment of 5 per cent is low by international standards; and (b) the Australian Government's Debt to GDP ratio is lower and its fiscal consolidation faster, than in most comparable

countries; and (2) agrees that the Gillard Government's fiscal strategy to assist business and communities to recover from this crisis while managing inflation and removing the structural deficits from the Federal Budget is the right course of action for Australia's long term economic prosperity. (Notice given 1 March 2011.)

Time allotted—30 minutes.

Speech time limits—

Mr S. P. Jones—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

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

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

2 MS J. BISHOP: To move:

That this House: (1) restates its support for the motion moved by the then Prime Minister and passed by this House on the sixtieth anniversary of the State of Israel, and in particular: (a) acknowledges the unique relationship which exists between Australia and Israel, a bond highlighted by the commitment of both societies to the rights and liberty of our citizens and to cultural diversity; (b) commends the State of Israel's commitment to democracy, the rule of law and pluralism; and (c) reiterates Australia's commitment to Israel's right to exist in peace and security, and our continued support for a peaceful two-state resolution of the Israeli-Palestinian issue; and (2) notes with concern the fraying of the traditionally bipartisan support amongst Australia's political parties for the State of Israel, and in particular the: (a) resolution by Greens councillors on Marrickville Council for a boycott of Israel, supported by Labor councillors; (b) policy adopted by the NSW Greens for an Israel boycott; (c) decision by the NSW Labor Party to preference the Greens candidate for Marrickville ahead of other candidates who did not support an Israel boycott; and (d) decision by Labor and Greens councillors on Moreland City Council, Melbourne, to allow the anti-semitic group Hizb ut-Tahrir to use Council premises in August 2010 despite Hizb ut-Tahrir publicly calling for the slaughter of Jewish people, and its enthusiasm for Osama bin Laden. (Notice given 10 May 2011.)

Time allotted—40 minutes.

Speech time limits—

Ms J. Bishop—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]

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

3 MS RISHWORTH: To move:

That this House: (1) recognises the devastating impact of early onset dementia on the lives of sufferers and their families; (2) notes that: (a) individuals who suffer from early onset dementia often face unique challenges including obtaining an accurate and early diagnosis and finding appropriate accommodation and care facilities; and (b) early onset dementia sufferers are generally still physically active, engaged in paid employment and many still have significant family responsibilities at the time of their diagnosis; (3) acknowledges that these characteristics often mean that sufferers of early onset dementia require support services tailored to their unique circumstances including: (a) accommodation with appropriate support and activities specifically for their age; (b) support for family members to understand and cope with the impact of the disease especially for young dependent children; and (c) support for the individual and their families in managing their reduced capacity to work and inability to fulfil family responsibilities, such as parenting, as a result of the disease; and (4) calls on all levels of government to work together to appropriately support those suffering from early onset dementia and their families. (Notice given 1 March 2011.

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

Speech time limits—

Ms Rishworth—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

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

Items for Main Committee (approx 11 am to approx 1.30 pm)

PRIVATE MEMBERS' BUSINESS
Notices

1 MR OAKESHOTT: To move:

That this House: (1) notes that 28 May 2011 marks the fiftieth anniversary of Amnesty International, a global movement of over three million supporters dedicated to defending and protecting human rights; (2) recognises the important role Amnesty International continues to play in promoting and protecting human rights and shining a light on human rights abuses around the world; (3) acknowledges the many achievements of Amnesty International, including its: (a) integral role in the development, promotion and ultimate adoption of the United Nations Convention Against Torture in 1975, it being awarded the Nobel Peace Prize in 1977 and the Sydney Peace Prize in 2006; and (b) successful campaigning for the release of thousands of political prisoners around the world; and (4) notes that from 1961 till the end of 2010 the organisation: (a) conducted at least 3341 missions to research human rights abuses around the world; and (b) produced and published an estimated 17 093 reports and public documents including the annual human rights report which is now produced in 25 languages; and (c) issued over 31 000 urgent actions for individuals at risk. (Notice given 10 May 2011.)

Time allotted—20 minutes.

Speech time limits—

Mr Oakeshott—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

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

2 MS VAMVAKINOU: To move:

That this House: (1) acknowledges the Federal Government's National Consumer Credit Action Plan, particularly phase one of the plan which came into effect on 1 January 2011 and provides for licensing of all credit providers, new responsible lending requirements and access to external dispute resolution for all consumers of consumer credit; (2) notes that phase two of the National Consumer Credit Action Plan will be considered by the Government in 2011, which will include consideration of new rules to apply to small amount short term loans (often known as payday loans); (3) calls on all Members of this House to consider and consult with relevant community organisations on the impact of small amount short term loans on vulnerable constituents, particularly the impact of very expensive interest, fees and charges which can be detrimental to household budgets and reduce the ability for people to manage their day-to-day finances; and (4) calls on the Minister for Financial Services and Superannuation to improve the operation of the consumer credit market in Australia by ensuring that small amount short term loans are not damaging to families and households, by replacing the myriad of existing state-based interest rate limits with a single, national limit on the fees and interest that can be charged by short term lenders. (Notice given 21 March 2011.)

Time allotted—30 minutes.

Speech time limits—

Ms Vamvakinou—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

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

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

3 MR HOCKEY: To move:

That this House: (1) notes the Government's decision to delay the Tax Summit from June to October 2011; (2) considers that any genuine Tax Summit will properly review and report on Labor's proposals to introduce a national mining tax and a carbon tax; and (3) decides that no legislation to impose a national mining tax or a carbon tax be considered by the House until after the October Tax Summit has reported. (Notice given 21 March 2011.)

Time allotted—50 minutes.

Speech time limits—

Mr Hockey—10 minutes.

Next 3 Members—10 minutes each.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 10 mins + 2 x 5 mins]

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

4 MS HALL: To move:

That this House: (1) notes that cardiovascular disease: (a) is a heart, stroke and blood vessel disease; (b) kills one Australian nearly every 11 minutes; (c) affects more that 3.4 million Australians; (d) prevents 1.4 million people from living a full life because of disability caused by the disease; (e) affects one in five Australians, and two out of three families; and (f) claimed the lives of almost 48 000 Australians (34 per cent of all deaths) in 2008—deaths that are largely preventable; (2) notes that cardiovascular risk factors include: (a) tobacco smoking; (b) insufficient physical activity; (c) poor nutrition; (d) alcohol consumption; (e) high blood pressure; (f) high blood cholesterol; (g) being overweight; (h) having diabetes; and (i) kidney (renal) failure; (3) notes the importance of knowing the warning signs of heart attack: (a) discomfort or pain in the centre of the chest; (b) discomfort in the arms, neck, shoulders, jaw and back; and (c) shortness of breath, nausea, cold sweat, dizziness or light headedness; (4) notes that recognition of heart attack and early response increases cardiovascular awareness, saving lives and preventing related disability; and (5) acknowledges that promotion of healthy eating and increased exercise will lead to healthier lifestyles and a reduction in cardiovascular disease. (Notice given 18 October 2010.)

Time allotted—30 minutes.

Speech time limits—

Ms Hall—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

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

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

5 MR BROADBENT: To move:

That this House acknowledges the: (1) one-hundredth anniversary of International Women's Day on 8 March 2011 and celebrates the achievements of women throughout the world; and (2) need to continue to fight against the barrier that stops women achieving equal rights and equal opportunities throughout the world. (Notice given 1 March 2011.

Time allotted—remaining private Members' business time prior to 1.30 pm

Speech time limits—

Mr Broadbent—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

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

Items for Main Committee (approx 6.30 to 9 pm)

PRIVATE MEMBERS' BUSINESS
Notices

6 MR K. J. ANDREWS: To move:

That this House: (1) notes that: (a) 24 May 2011 marks the centenary of the launch of an international competition to design an Australian national capital; and (b) the winning design for Canberra: (i) by the American architect, Walter Burley Griffin, was announced in May 1912; and (ii) was a collaboration between Griffin and his wife, Marian Mahony Griffin; and (2) calls on the National Capital Authority to work with the Parliament to arrange an appropriate celebration of the centenary of the choice of the Griffin design for our nation's capital. (Notice given 10 May 2011.)

Time allotted—20 minutes.

Speech time limits—

Mr K. J. Andrews—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

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

7 MS PARKE: To move:

That this House: (1) notes that: (a) by resolution 57/129 of 11 December 2002, the General Assembly designated 29 May as the International Day of United Nations Peacekeepers to: (i) pay tribute to all the men and women who have served and continue to serve in United Nations peacekeeping operations; (ii) recognise their high level of professionalism, dedication and courage; and (iii) honour the memory of those who have lost their lives in the cause of peace; (b) on 29 May 2011 Australia joins with other nations to commemorate United Nations workers who provide life-saving assistance to millions of people around the world; who work in conflict zones and areas of natural hazards; and who place their own lives at risk in the line of duty; (c) Australia has been a strong supporter of United Nations peacekeeping operations since the first mission in 1947, and is one of the top 20 contributors to the United Nations peacekeeping budget; (d) the United Nations' total peacekeeping budget is US$7.8 billion, or half of one per cent of global military spending, indicating that building and keeping the peace is overwhelmingly cheaper than the pursuit of war; (e) there are over 122 000 military and civilian men and women working in 15 different United Nations missions around the world, who are not there for personal gain, rather, they are engaged in maintaining peace and security and in building the political, social and economic infrastructure required to ensure conflict zones can make the transition to peace on a sustainable and lasting basis; (f) in the last decade, more than 1100 United Nations peacekeepers have died while striving to help those most in need in some of the world's most hostile environments, with recent examples being in April 2011, when: (i) 28 United Nations staff and 5 non-government organisations workers were killed in a plane crash in Kinshasa in the Democratic Republic of the Congo; and (ii) 7 international United Nations staff were killed in an attack on a United Nations compound in Mazar-e-Sharif in northern Afghanistan, which was the third direct attack against United Nations personnel in Afghanistan in the past 18 months; and (g) United Nations and other humanitarian workers are increasingly being targeted for political and ideological reasons; and (2) commends the vital work carried out by United Nations peacekeepers and other humanitarian workers and calls upon all United Nations member states to ensure the safety and security of United Nations peacekeepers and other humanitarian workers, and to appropriately punish perpetrators of violence against such workers. (Notice given 10 May 2011.)

Time allotted—30 minutes.

Speech time limits—

Ms Parke—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

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

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

8 MR PYNE: To move:

That this House: (1) acknowledges the effectiveness of programs initiated by the former Coalition Government such as 'Primary Connections' and 'Science By Doing', that support professional development for teachers to effectively engage primary and secondary school students on science curriculum; (2) recognises the need for Australian Government support of teachers, allowing them to access the support and training they need to teach the new national curriculum in science; (3) notes the: (a) Organisation for Economic Co-operation and Development evidence which indicates that science literacy in students is declining in Australia compared with other countries; and (b) concern of the Australian Primary Schools Principals Association, that the Australian Government has not provided a funding commitment to the Australian Academy of Science beyond this financial year to continue the 'Primary Connections' and 'Science By Doing' programs; and (4) calls on the Australian Government to make clear its funding commitment in relation to these programs which are vital to support teachers. (Notice given 24 March 2011.)

Time allotted—30 minutes.

Speech time limits—

Mr Pyne—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

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

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

9 MR ZAPPIA: To move:

That this House: (1) notes that: (a) Australian road laws and vehicle compliance standards vary between each of the States and Territories of Australia; and (b) those variations are causing confusion and uncertainty to Australian motorists; (2) calls on the Minister for Infrastructure and Transport to urge the States and Territories to adopt, through COAG, uniform road laws and motor vehicle registration compliance standards. (Notice given 24 February 2011.)

Time allotted—30 minutes.

Speech time limits—

Mr Zappia—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

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

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

10 MR ROBERT: To move:

That this House: (1) notes that: (a) military service is unique and comes with inherent risks not applicable to other public service jobs; (b) Australia's service personnel, past and present, after giving so much to their nation, deserve to live out their lives in the knowledge that they have financial

security; and (c) approximately 56 000 retired military personnel who are members of the Defence Force Retirement and Deaths Benefits (DFRDB) scheme and the Defence Forces Retirement Benefits (DFRB) scheme have their military pensions indexed only to movements in the Consumer Price Index (CPI); and (2) calls on all Members to support the: (a) concept of the unique nature of military service; and (b) Coalition's policy to index the military pensions to members of the DFRDB and DFRB schemes who are aged 55 and over, to the higher movements in the CPI, Male Total Average Weekly Earnings or the Pensioner Beneficiary Living Cost Index. (Notice given 2 March 2011.

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

Speech time limits—

Mr Robert—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]

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

3. The committee determined that the following referrals of bills to committees be made—

Standing Committee on Economics:

• Competition and Consumer Amendment Bill (No. 1) 2011

• National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011

Standing Committee on Social Policy and Legal Affairs:

• Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011; and

Joint Committee on the National Broadband Network:

• Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:17): Documents are tabled in accordance with the list circulated to honourable members earlier today. I move:

That the House take note of the following documents:

Education and Employment—House of Representatives Standing Committee—Advisory report on the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010—Government response.

Migration Act 1958—Section 486O—Assessment of detention arrangements—2011 Personal identifiers 620/11, 621/11, 623/11 to 627/11, 629/11 and 630/11—

Commonwealth and Immigration Ombudsman's reports.

Government response to Ombudsman's reports.

Debate adjourned.

BUSINESS

Suspension of Standing and Sessional Orders

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:18): I move:

That standing order 31 (automatic adjournment of the House) be suspended for the sitting on Thursday, 12 May 2011 and at that sitting, after the Leader of the Opposition completes his reply to the Budget speech, the House automatically stand adjourned until 10 a.m. on Monday 23 May 2011 unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour of meeting.

In speaking briefly to this motion, on behalf of the government, I offer congratulations to the member for Menzies. It is indeed a great honour to serve for 20 years in this chamber.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Budget

The SPEAKER (15:19): I have received a letter from the honourable member for North Sydney proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The government's failure to deal with cost of living pressures on Australia's families in the budget.

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

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

Mr HOCKEY (North Sydney) (15:22): At 7.30 last night the Treasurer rose to his feet to deliver his budget speech. His opening words were, 'This is a Labor budget.' Well, most Australians turned off at 7.31, as soon as he said that. Why? Because being a true Labor budget it delivered bigger debt, bigger deficits and bigger spin. The deficits in this budget, the stuff that really matters to Australians today, are growing. The budget deficit this year has grown in the last six months from $42 billion to nearly $50 billion. That means the government is borrowing $135 million every day just to fund the deficit. The budget deficit for next year, which is the appropriation bill that this House is going to vote on, is actually growing from $12 billion to $22.6 billion.

The Treasurer expects us to believe the fairytale story and for the Australian people to accept—with this year's budget deficit situation deteriorating because of external circumstances and the government's increase in its own expenditure, and next year's budget deficit increasing, including increased government expenditure—the only budget narrative the government had today, and that is that in two years time they will bring the budget back into surplus. That is the only narrative they had in this place today—to promise

something that they promised last year, to promise something that they promised the year before. But the difference is that with the Labor Party it is 50 per cent promise, 50 per cent excuse. he debt of Australia, the net debt of the government, is now $106.6 billion—in dollar terms, the highest of all time. It is a deterioration in the net debt figure from $94 billion. Buried deep in the budget papers we have now discovered that the government is going to ask the parliament to increase the amount of debt issuance to $250 billion in gross terms. Of course, they are going to use the excuse of Basel III to maintain what will be since World War II the largest debt issuance in our modern history.

What does this all mean? For everyday Australians it means that the interest on the Labor Party debt will increase to $18 million a day every day for the next four years. It means that by the fourth year of this budget, interest will rise to $7½ billion. And the government expect us to believe the fairytale story that somehow they are going to bring the budget back to surplus with fiscal discipline. They sold and spun in the budget speech last night $22 billion of so-called savings. Ignore the fact that a third of that was tax increases. Even so, $22 billion, and now people are becoming more aware that the government is spending $19 billion of that $22 billion. But most intriguingly, and this is where the rubber hits the road, next year—in the year when we have stronger economic growth, where we have unemployment dropping to 4.5 per cent, where the government is running a bigger budget deficit—in that year the government is going to spend $2.2 billion more than it is saving. These much lauded savings that are going to bring the budget whirring back to surplus, in the budget where the rubber hits the road they are spending $2.2 billion more, and it is not even an election year. Growth is going up to four per cent but employment growth is actually slowing.

If we cut through the spin of this incompetent Treasurer, what we can recognise is that he is desperate to get adulation. He talks about the emotion of putting together a budget, how he is sleepless at night about the difficulty and challenges associated with the Australian economy, an Australian economy that he lauds as the best in the world. Yet he is so sleepless, he is so lost, he is suffering such insomnia.

Employment growth is slowing even though this government is desperate to spin half a million jobs being created over the next two years. That is an employment growth rate of just 2.2 per cent. It is less than the last three years of the Howard government at three per cent and, what is more, it is less than the last 12 months of this government itself, which had employment growth of three per cent, with 320,000 jobs created in the last calendar year. And somehow they think that it is a momentous achievement for them to be in the business of overseeing an economy creating half a million jobs in two years when the same economy created 320,000 jobs in the last 12 months.

On inflation, what I think was quite alarming was that last night, when you dig deep into the budget, the core inflation figures indicate that inflation is going up to three per cent, the top of the Reserve Bank band, by June 2013. Currently it is 2.25 per cent. We are in an environment where the Reserve Bank has clearly indicated it is going to take action. I want to make it perfectly clear to the Australian people and this parliament that Wayne Swan and Julia Gillard are going to own every interest rate increase from here on. They are going to be responsible for making life harder for everyday Australians and not easier. They had the chance in this budget. They had the opportunity to make the hard yards, and they failed that test because they lack courage. They talk courage but they display no courage. They talk surplus but they deliver deficit. They talk net debt as a negative and now they are going to deliver a significant increase in net debt.

This is a government that has never met its budget targets. I say to you why, Mr Deputy Speaker. It is because this government does not have internal discipline. They lack the processes for actually making hard decisions, as illustrated by the fact that they leaked $400 million in cuts in medical research and did not proceed with it. They leaked that they were going to cut childcare benefits and then did not proceed with it. What did they do? They cut families by $2 billion. It is something I said to the Leader of the Opposition in the lock-up: I cannot believe this government is reducing the real increases in the family tax benefit for families on $45,000 a year. Why would they do it?

Mr Bradbury: It is a supplement.

Mr HOCKEY: He says it is a supplement. It is not real money: is that it, sunshine? It is not real money. Two billion dollars is not real money. Somehow it is in your budget, so either it is real money and it is really going to affect Australians or, as the member for Lindsay would say, it is not real money. I say to you, sir, that Australian families are struggling, and particularly in your electorate of Lindsay. Your budget is indifferent to the plight of your people. Your budget is ignorant of the fact that everyday Australians are struggling: they are finding it harder to pay for higher electricity bills, for higher mortgage repayments, for higher fruit and vegetable prices, for higher petrol prices. This is a government that is overseeing a deterioration in the living standards of middle Australia. And why? Because of their own fiscal recklessness.

There is one figure set that illustrates this more graphically than any other. It is the fact that since Labor was elected the Public Service in Canberra has increased by 20,000 employees. Last night in the so-called tough budget the government increased the size

of the Public Service by a further 1,100 employees, including 200 in the Department of Prime Minister and Cabinet alone and 55 in the Department of the Treasury. So at that time, when they are talking tough and expecting Australians to cut their cloth, this is a government that is going on a binge, a binge that is based on politics and not policy. f course, in the budget there are reflections of their policy failures, which Australian families are now paying for. The $1.2 billion blow-out in the computers in schools program grew a further $200 million in last night's budget to $1.4 billion. The government's failed border protection policy has grown out by an additional $1.75 billion, and I suspect we will hear more about the growing bill for their failed border protection policies. What about the $111 million that is going to have to be spent mopping up the failed pink batts policy? How about that one, Mr Deputy Speaker? Of course this all reflects the fact that the Labor Party cannot rein in its spending. The Treasurer keeps talking about spending growth. He is working off a very high base because of course the government went for the credit card during the financial crisis, handing out $900 cheques, building school halls, installing pink batts, putting solar panels on roofs—they did it all. They smoked the credit card at the moment when Australia could not afford to have an excessive fiscal stimulus. It turns out that Australia gets a silver medal, or maybe even a bronze medal, for the biggest fiscal stimulus in the world as a percentage of GDP, and now we are paying a heavy price for it.

At no time in the forward estimates—and wasn't the Treasurer caught out by this today!—or at any time has the government's expenditure as a percentage of GDP been as low as it was in the last year of the Howard government. The Treasurer says that we were a profligate government—

Mr Shorten: You were.

Mr HOCKEY: yet nowhere in all of the budget figures at any time does the Labor Party ever get to the 22.9 per cent of GDP of the coalition in its last year. Then, belatedly, in a defensive mood, the Treasurer comes into this place and says, 'Oh, well, look at the average of the coalition. We are less than that.' So I looked at the average of the Labor Party so that we can compare apples with apples. Under the coalition on average over all of that period, including the very difficult period when we had negative growth during the Asian financial crisis, the coalition's percentage increased significantly, as it does when the economy comes down—the percentage of government expenditure rises as a percentage of GDP—but on average the Labor Party has been spending 24.6 per cent of GDP and the coalition just 24.03 per cent. When you add in the revenue and expenditure associated with the carbon tax at $26 a tonne—boom, boom! It all goes.

Do you know what, Mr Deputy Speaker? This is the challenge for the government: assuming there are no major new policy initiatives over the next two years, assuming the carbon tax is not going to have any impact on the budget, assuming there are no other challenges ahead, assuming that the terms of trade will remain at the highest level in 150 years, assuming that old Penny Wong can control the Prime Minister as she claimed to do. My goodness, what a mud wrestle! Senator Penny Wong claimed that she was going to control the Prime Minister's excessive demands for spending. I say to you: this mob will never deliver a budget surplus. This mob will never have the courage to deliver a budget surplus and, as the member for Longman said so vividly earlier, in question time, in his entire lifetime Labor have never delivered a budget surplus. Even though he was conceived in a surplus he was delivered in a deficit. It just goes to show what a celebration it was when Labor last delivered a budget surplus, and when Labor delivers a surplus again we will all give a good cheer and have a great party.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (15:34): I listened carefully to the shadow Treasurer's speech. I think he has missed a lot of what happened in the budget last night, so I am pleased to assist and to be a torchlight of clarity in this debate. I am pleased to switch on the lights.

Australia is experiencing an economy in transition. We need to get our policy settings right. We on this side of the House understand that our economy is changing, and we need to make sure that government policies change to assist Australians to prosper from the transition of our economy. There are transformative forces at work in our world. On this side we understand the growth in the emergence of Asia. We understand that our population is growing older. We understand that information is king in the modern era and that the information pipeline is going to be a fundamental driver of economic organisation. We understand that, along with the high commodities prices in the mineral boom, we are also expanding as a services economy. We also understand that we need to change to a low-pollution economy.

This budget is an attempt to get away from sound bite style policy, which is, tragically, so beloved of the opposition. It is a search for systemic ways to make our nation more sustainable, more innovative and indeed more competitive. It is to help us make the transition into a digital economy, a low-pollution economy and an economy which can spread the benefits of the mining boom throughout all parts of this nation. After all, if the global phenomena of climate change and the global financial crisis have taught us anything at all it is this: everything and everyone is connected and change is not optional; it is inevitable. That is why this budget is so important. That is why Treasurer Swan's

fourth budget is such a very good one. It is a statement of purpose, and the purpose is to secure our future his budget endeavours to tackle the cost of living issues and it builds upon Treasurer Swan's previous three budgets. Let us go through some of the contributions of the government to tackling the cost of living. People are paying lower taxes. Someone on $50,000 a year is paying $1,750, or 18 per cent, less tax than in 2007-08. The tax to GDP ratio—a statistic which was cleverly, selectively and disingenuously ignored by the opposition spokesperson who just gave us his contribution—has dropped from 23½ per cent in the last year of the Howard-Costello regime, when we came to office, to 20.3 per cent in 2009-10.

Since September 2009 we have tackled the cost of living pressure on pensioners by increasing the age pension. It is up $128 a fortnight for single pensioners and around $116 for pensioner couples. We have developed the education tax refund. This is where families can claim up to 50 per cent of their education costs, up to $397 per year, for every child in primary school and up to $794 for each child in secondary school. There are over one million families and 1.7 million children who have already benefited from this education tax refund. We have also extended the education tax refund to school uniforms. Parents now will be able to claim up to 50 per cent of the cost of uniforms incurred from 1 July 2011—yet again helping with the cost of living pressures.

In this budget we were pleased to announce the increase of $4,200 to families who are receiving family tax benefit A. We have committed to increasing it up to $4,200 a year per teenager to help families meet the costs of older children still at school and to encourage more teenagers to stay at school. From 1 January 2012 we will increase the maximum payment rate of family tax benefit A by around $160 per fortnight for teenagers who are aged between 16 and 19 years who are in school or studying for an equivalent vocational qualification. This is going to benefit 650,000 teenagers turning 16 over the next five years.

But of course the best way to deal with the cost of living is to ensure that people have a job. Having a decent job is the best way to deal with cost of living pressures. Since 2007, under the stewardship of our Treasurer, we have overseen the creation of 700,000 new jobs, in mining, retail, health and the skilled trades. That is 550 jobs a day, every day, since Labor took office. And now there are over 440,000 Australians in training or apprenticeships. They are getting real training for careers in construction, automotive, furnishing, tourism, plumbing and hairdressing. We will increase the number of apprenticeships over the next three years by another 50,000. Liberal policy, I am afraid to report to the House, is to cut $2 billion from training and to sack 80,000 trainees.

When we look at this cost of living debate and what this budget contributes, we need to further put the facts in black and white. If you have got children in child care, you will get the choice of claiming childcare payments more regularly—getting the money in your pocket and off the bill you have. As I said, if you have children at school, you will be able to claim for their school uniforms. If your children are teenagers, we are increasing the family tax benefit payment by about $160 per fortnight. Also, importantly, if you are one of 50,000 single parents, tax rates will be cut by up to 20c in the dollar. If you want some training, to obtain a higher wage, as I have said, we are creating 130,000 training spots. If you want to be an apprentice, or if you have a teenage son or daughter who wants to be one, we will give more support for people to complete their training, through mentoring guidance and allowing good apprentices to get their qualifications quickly. If you are a tradesperson or a small business, if you are buying a new ute or car which is necessary for the business, you will be able to claim $5,000 back in tax. That is real help in terms of the cost of living.

If you are a low-income earner, you will get more in your pay packet each week through the advance payment of the low-income tax offset. If you are finding it tough to get a job, there will be 35,000 wage subsidies for the very long-term unemployed job seekers, to help them get a job, and 30,000 training places for single and teenage parents, to help them get the skills they need. Importantly—and dear to my heart—if you have the challenges and the financial costs which arise from having a disabled child in the school system, we will be contributing $200 million to the special schools and the school systems of various states in order to better support disabled children getting an education. If you are worried about your local hospital, there is $3.4 billion for emergency departments and elective surgery. There is $613 million for new medicines and making immunisation more affordable. If there is a teacher in your family, or you are a family that places a lot of value on the quality of your child's teacher, there is $425 million to reward our top performing teachers across the country.

This is a real list of things which go to the day-to-day lives, the lived experience, of people in the suburbs and regions of Australia. But I would not want the House just to take my word for the benefits of this budget. I will quote David Koch, who is a very well-known commentator. He said in today's paper—and it is a fair assessment:

> The overriding theme is that if you don't have a job, or if you earn a comfortable income, there are no more easy Government handouts.

Perhaps that is what is worrying the opposition. Kochie also said:

> Compared with the rest of the world we are an economic miracle. Economic growth will be reasonable (after the

hiccup of the natural disasters), inflation on target, unemployment falling and—

despite the Chicken Little prognostications of those opposite—

Government debt tiny compared with the rest of the world.

Kochie could be viewed to be a commentator for the government, but he is not. He is independent, as I know the shadow Treasurer thinks. If Kochie were not sufficiently convincing and compelling, CommSec Chief Economist Craig James, who is hardly a member of the Marxist international, said:

Overall, it is a smart Budget, right for the times and challenges ahead.

Meanwhile, the ratings agency Moody's, who are hardly *Green Left Weekly*, have reconfirmed our AAA rating and said:

… Moody's notes that Australia's government debt remains amongst the lowest of all AAA-rated governments.

The chief economist of UBS, Scott Haslem said:

The bias towards reduced spending over new taxes to offset revenue shortfalls is commendable.

UBS says that what the government has done is commendable. Heather Ridout of the Australian Industry Group has said:

We believe this budget is very solid on the fundamentals. It makes a solid investment in skills … I think it will take pressure off interest rates in the longer term.

But again it does not stop there with the commentary. On Bloomberg, it says:

Australia's government will end 23 years of spending growth to ease inflation from the biggest mining investment boom in the nation's history.

But of course the opposition would not rate CommSec, they would not rate UBS, they would not rate Kochie, they would not rate Bloomberg, because they do not agree with their view of the world.

I think it is important, when we are having a debate about who is doing the best in terms of the budget, that we understand that this budget is not formed in isolation. Politics is not a one-horse race; it is a two-horse race. We have to see what the opposition would do. We all remember last year when the Leader of the Opposition got up and gave a speech and made some political points and, at the end, said, 'By the way, the shadow Treasurer will deal with the costings in our propositions at the Press Club next Wednesday.' So we all waited with bated breath—what would the shadow Treasurer say the following Wednesday at the National Press Club? Unfortunately, he got up and said nothing. He said, 'Actually, that is the shadow finance minister's job.' So what we have is sort of the opposition equivalent of the Three Stooges: 'It was not me; it is him.' 'No, it is not me; it is the other person.'

The more important point is not even the gaffe of last year. The issue is this: good budgets are not centrally just about politics and parties. They have to be about good policy; they have to be about the future. So we need to have a good-faith debate here. This budget week is not just a test of the government; it is a test of the opposition. If the Liberal-National Party coalition have real alternatives that they truly believe in, they should set them out. They should set out their alternatives—anything less than that is absolutely wasting the opportunity.

On the issue of getting the budget back into the black, the shadow Treasurer made some rather garrulous comments on 4 May and again on 6 May—indeed on any day that you talk to him. But on 4 May and 6 May he made it clear that he could get the budget back into the black by next year. When in Australian politics will there be any accountability for the comments of the shadow Treasurer? We all know that it took the Leader of the National Party to slap him down over his motormouth comments on trusts, when the shadow Treasurer said that trusts should be taxed in the same way as companies. It did not take long for the red warning light in the National Party bunker to go beep, beep, beep. And I have no doubt that the Trussinator was on the phone saying, 'This is not coalition policy.' I could just hear the Nationals going: 'Oh my god! The moose is loose; he is out again and he is making policy on the run'.

I think that what we need to do here is to make sure. Perhaps we need a little bit of National Party iron rigour— the wheaty hand in the glove—saying to Joe Hockey, 'Mate, what is our policy? What is our plan? What are we going to do? It is all right for us to bag the government—okay, that is one thing. What are we going to do?' All we have is their costings from the election and we all remember the $11 billion black hole. Tony Abbott fronted up, ran around the 36-hour—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The Assistant Treasurer ought to refer to other honourable members by their titles.

Mr SHORTEN: Indeed. The Leader of the Opposition, which he was then and thankfully still is now, was running around on a 36-hour New South Wales law and order binge, where he was clearly submitting himself as the candidate for premier in the state election. But he did say, 'We have $50 billion in savings up our sleeves, in our gear.' But after the election, when they were forced to demonstrate at least some degree of financial rigour, there was an $11 billion costings black hole. Indeed when we were dealing with the floods package—very necessary to help with the reconstruction of terribly flood affected areas—they said, 'We can find cuts,' and we all know how that descended into farce. The shadow foreign

minister told the shadow leader, 'You are not cutting foreign aid,' when in fact the opposition leader was trying to use One Nation's policy on cutting foreign aid. Of course we do not talk about the war now, do we?

Returning to what is most important: I have submitted to this House today what we are doing to tackle cost of living pressures. I have submitted that this is a budget about getting us back into black by 2012-13. This is a budget which is about creating more jobs and spreading the benefits of the mining boom across all of the economy. We are an economy in transition; we need good policies in this country. But the challenge tomorrow night for the opposition is saying, 'If we do not like what you are doing, what is our plan?' The challenge for them is to demonstrate that they will not just keep this economy in deficit, unlike yesterday's capable Swan budget.

Mr TRUSS (Wide Bay—Leader of The Nationals) (15:50): The government's 2011 federal budget is an absolute shambles. There is no plan; there is no vision; there are no solutions. The Treasurer told us at the beginning of his budget speech that it was a Labor budget with Labor values. Budgets that are a shambles, without a plan and without a vision are Labor values. That is what Labor budgets are all about. If, perchance, the economic circumstances improve, Labor have no idea how to deal with it. When tough decisions need to be made to reduce government expenditure, they disguise the expenditure with the traditional Labor value, the traditional Labor way of fixing problems: new taxes.

We hear a lot about $22 billion worth of so-called savings in this budget, but a third of that amount is actually new taxes. And the great big new carbon tax is not to be seen or heard of in this budget. It is the tax we dare not speak of, except of course when it comes to funding the promotion campaign—the campaign for the tax that is not even mentioned in the budget.

We all know that this budget will do nothing to deal with the problems of struggling families. Labor's extra spending means greater pressure on interest rates and the near certainty of extra interest rate rises this year. Inflation is on the march, but the budget does nothing to halt that advance. And over everything is the threat of the carbon tax, which hangs like a sword over the heads of every family, every small business and every community across the nation. his Labor budget is all about a return to Labor's core values, with attacks on the people Labor always hate. Bring out the old class prejudices again—an assault on people who care for their own welfare by taking out private health insurance, one of Labor's pet hates, and on families who save up so that they can fund in advance their children's university fees, also on Labor's hit list. And what about single-income families, how they have been assaulted in this budget with removal of the dependent spouse rebate and the changes to the family tax benefits? All of this makes it more and more difficult for a family to decide that one of the parents will stay home to raise the children. Indeed, in future, under Labor's plan, the single-income family will become a thing of the past. It seems that is also one of Labor's core values.

The other thing about Labor budgets is all the overgrown rhetoric—grand statements, commitments about the biggest this, the biggest that, the largest programs of all kinds—but when you search through it all you find the numbers are not real. There is a $2.2 billion mental health strategy but they do not bother to mention the mental health programs they have axed to help fund it. They do not bother to mention that some of this is just restoring money they have taken away from programs like headspace. It is a big headline. That is what they are interested in. The absolute classic at this has always been the minister for infrastructure. When you read his press statements they always say 'the biggest road project of all times'. He has been well and truly caught out with his statements in relation to the Pacific Highway—a big banner headline 'More funding for the Pacific Highway':

> The Gillard government is prepared to increase its investment in this road by $1 billion as a part of the 2011-12 budget.

Then he goes on to talk about what this extra funding will achieve. He makes it clear that there is an extra $1 billion in the budget for the Pacific Highway. He tried to defend himself in question time today when the member for Cowper quite rightly pointed out that this is not $1 billion extra for the Pacific Highway. This is not $1 billion worth of new money. He said the member for Cowper should go back and read budget paper No. 2, which has all the details about this item. Let us go to page 267 of budget paper No. 2 and remember that Minister Albanese is claiming he is providing $1 billion of extra money for the Pacific Highway. Page 267 says of this $1.02 billion:

> Of the contribution, $700 million has been previously provisioned for in the budget.

So of the $1.02 billion, $700 million has been previously provisioned. It is not new money at all. It is re-announcing the same money which was announced previously. He did acknowledge that of the rest, $270 million was in fact money which has been taken off other projects in New South Wales. So $970 million at least of this money is not new money at all. The next thing he went on to say was that this money was going to deliver us a better Pacific Highway but if you read his press statement, he says:

> This extra funding will complete necessary detailed planning for the remaining sections of the highway.

Detailed planning! It is not as though the minister went off on his own path on this one. That is also repeated in the budget document—a whole billion dollars spent on planning. Planning! They go even further by saying that if this money is matched by the New South Wales government further construction might be able to begin. They are waiting for the New South Wales government to put up the money to actually build the road. Yet the minister is trying to take credit for it all. However, he has caught himself out again because in 2009, when announcing the new N1 road network in Australia, he said that the Commonwealth would pick up 100 per cent of the cost of building the Pacific Highway. He was letting the New South Wales government off their traditional fifty-fifty share. It seems that the old destitute, hopeless Labor government in New South Wales was to be let off making any contributions, but the moment they have been relieved of office he expects the new incoming coalition government to pick up 50 per cent of the funding. So if there is going to be one centimetre of bitumen provided to the Pacific Highway in addition to what is planned as a result of this budget the minister says it has to be provided by New South Wales. This is the brave new investment. This is the new regional policy the Independents have been so willing to embrace. They are so quick to mouth the Labor rhetoric about new increased expenditure in the region.

The regions are going to get another 100 bureaucrats in the regional development department but they are not going to get any significant new expenditure. There is another announcement about $4.4 billion over 10 years but nearly all of that money is dependent upon there being a mining tax, and what a lose-lose situation this is for regional Australia. If you do not have a mining tax, you do not get any of the money that has been promised to the Independents and others for regional projects, but if you do get the mining tax, you lose the jobs, the investment and the initiative that is necessary in regional communities to make them grow. This is Labor's lose-lose regional development policy. What they offered to the Independents and what is in this budget is less than what would have been delivered by a coalition government had we been elected. It is less, but for the Independents Labor tries to bulk it up by bringing in the traditional funding out of other portfolios, concentrating it all in a regional bucket and making it into a large number. Is anyone suggesting that there would not have been hospital funding—extensions, construction—if this new bucket had not been created? Of course, regional areas would have got something of a share. Are you suggesting there would not have been money for regional roads if it were not for this new bucket? All that has happened is that the titles on projects have been changed but there is no serious new money available for regional communities.

What regional communities will have to pay is a heavier share of the burden, the changes to the fringe benefits tax, because country people have to travel further than people in the city. The tradies and the others who need their vehicles to travel around are now going to have the fringe benefits tax concessions cut. Those sorts of things will adversely affect regional areas.

Look at the agriculture budget. What a sad and sorry sight that is. While Minister Albanese has scores of pages of press releases, there are only two pages for the whole of the department of agriculture because there is nothing there. Another $32 billion has been taken away from it and there is no new expenditure on quarantine. This budget strategy has utterly failed. It has utterly failed regional Australians. It will deliver nothing for our communities. A government who can think nothing more than to introduce these costs is truly delivering on Labor values. *(Time expired)*

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (16:00): I rise with great interest in being able to contribute to this debate, although I find it somewhat hypocritical that the member for North Sydney would come forward and draw attention to one of the biggest contradictions in the budget response he has led for the opposition. As anyone who has followed any of the interviews that the member for North Sydney has given over the last 24 hours would know, the contradiction is that, on the one hand, he wants to tell everybody that the budget handed down last night was too savage and ripped away at the heart of so-called middle-class welfare, as people out there say, but, on the other hand, he wants to tell us that it was not nearly savage enough. It is somewhat confusing and somewhat hypocritical but the member for North Sydney will get his opportunity, through his leader, tomorrow night to spell out in clear detail exactly what this confused position will ultimately mean for the Australian people.

I saw that the member for North Sydney raised the issue of cost of living pressures. I note that the issue of cost of living pressures has been raised with him on numerous occasions over the last couple of weeks in relation to specific measures that the government has indicated will provide relief to families from those cost of living pressures. On each occasion that any of these initiatives have been put to the member for North Sydney, he has failed to commit himself and his party to supporting these measures to provide relief to those families facing these pressures. On each occasion when he has been asked whether or not he supports the government's initiatives the best he could do was to fail to agree to support the government's initiatives and respond by saying the following, which I quote from *Australian Agenda* on 4 May:

At this stage the best support the Government can give is to get the budget back to surplus as soon as possible and take some of the upward pressure off interest rates.

Then on 8 May on the *Insiders* program he was asked the question again. I think it was Barrie Cassidy who tried to pin him down on whether or not he would support these measures which would provide relief to families. Once again, he refused to confirm that he would support those measures and the best he could come up with was to say:

If you want to take pressure off families, if you want to take upward pressure off interest rates, you have to get back to surplus as quickly as possible.

We agree that you have to get back to surplus as quickly as possible. That is why the budget that the Treasurer handed down last night charted out a pathway for a return to surplus in 2012-13. I know we have heard from the member for North Sydney that he thinks that somehow he is going to deliver a surplus sooner and I guess we will all see whether or not that is possible when his leader comes forward and sets out his party's plans tomorrow night. I think we all wait with bated breath to see that fiscal consolidation. That clearly would be the fastest fiscal consolidation known to man if that were to be achieved, but we will wait and see exactly how he intends to achieve that.

So we have the member for North Sydney out there raising issues of concern about the cost of living pressures. I note that he has failed to acknowledge any of the measures and we will see tomorrow night whether he supports the measures that this government is proposing to ease those cost-of-living pressures. There are many. If you have children in child care, for example, apart from having benefitted from the increase in the childcare tax rebate from 30 per cent to 50 per cent that this government introduced—

Mr Haase: You want to freeze it.

Mr BRADBURY: The member opposite is so confused about these matters that he somehow thinks that this has something to do with family payments. I will come to the family payments in a minute, but I am talking about the childcare tax rebate. We increased the rebate from 30 per cent to 50 per cent for out-of-pocket expenses. In addition to that, in this budget we are now providing families with a greater capacity to access those benefits sooner and in a more timely fashion. Those are the sorts of things you do if you want to relieve some of these cost of living pressures on families.

The member opposite wanted to buy into the debate over family payments and the family tax benefit. I am sure that the member would be much more supportive of our proposition than the member for North Sydney has been. It is a proposition that seeks to provide parents with family tax benefit relief if they have teenage children who are continuing high school. This is one of the anachronisms of the system. It is antiquated, it is old fashioned and it reflects a time when not as many children went on to study in years 11 and 12. As we know, more and more young people are doing that and we encourage that because ultimately it will increase workforce participation, it will give those kids a better chance of getting a job and in the end they will end up with better income. We encourage this, but the pressure that families have been feeling has been acute. That is why we have been committed to delivering an increase in the funding that is available through the family tax benefit for parents with teenage kids. For some families that will mean an improvement of up to $4,000 a year. It is a significant improvement that will relieve those cost of living pressures.

You do not hear anything on that today from the opposition, but we did hear something on this point from the shadow Treasurer the other day when he came out and said it was 'curious.' As the Minister for Families, Housing, Community Services and Indigenous Affairs indicated today, his position has become curiouser, curiouser and curiouser. Unfortunately, he is so confused about it that none of us know where he stands on this issue. I tell you what, this government will be proceeding with this reform. It will put more money in the pockets of families as they try to help their kids go on to higher studies. n addition to that, we have expanded the availability of the education tax refund and one of the eligible items will now be school uniforms. This will provide relief to families who are facing cost of living pressures. In addition to that, if you are an apprentice, you will have the benefit of obtaining higher bonuses and more access to mentoring. If you are a tradie or a small business, you will have access to the new instant write-off up to $5,000, and we have expanded that to include utes and other motor vehicles used by tradies and other small businesses. In addition to that, we have invested a considerable amount of money in schools for children with disabilities which will help families already stressed and under financial pressure because of all the pressures they face raising children with disabilities. They will now have access to more assistance in their schools as a result of these measures.

These are the very real and tangible things that were outlined in last night's budget by the government that will relieve some of those cost of living pressures. They build upon a record of a government that have delivered many improvements that have assisted with the cost of living pressures. We could mention the $46.7 million worth of tax cuts between 2008-09 and 2011-12, the $3 billion to establish the education tax refund, the $1.6 million that was the enhancement in the childcare tax rebate, not to mention our historic reforms to the pension—increasing the rate of the

pension by $128 per fortnight for singles and $116 per fortnight for couples.

During this debate, we have had some discussion about interest rates and the opposition say that they believe the best thing you can do for families is to take pressure off interest rates. The best thing you can do to take pressure off interest rates is to not oppose the savings measures in this budget. The Leader of the Opposition has already indicated they will block the $3 billion. Every savings measure those opposite block will put more pressure on interest rates. They will put more cost-of-living pressures on the very people whom this government are determined to help. We will secure the passage of this budget through the parliament because it is important that we do that to deliver relief from cost-of-living pressures. Every time the opposition want to block the $3 billion worth of measures, they will be hurting the people who need relief.

Mr TONY SMITH (Casey) (16:10): The saddest thing about that 10-minute self congratulation from the Parliamentary Secretary to the Treasurer is that he truly believes what he was given to say. This budget delivered last night fails on almost every ground, and that is rare. It is a budget that fails in substance. It is a budget that betrays the Australian people. It is a budget that knowingly increases the cost-of-living pressures that Australian families and small businesses face. Before last night's budget, Australian families and small businesses knew for sure that cost-of-living pressures, which have increased in recent months and years, would increase again thanks to the carbon tax. They did not know that before the election, but they knew it for sure last night thanks to the Prime Minister's backflip. They now know for sure, following last night's budget and the failure of the Treasurer, that that will be matched with increases in interest rates which will increase even further cost-of-living pressures.

The government's failure on the budget has been identified by commentators here in Canberra and right across Australia. Alan Kohler described it as a budget on a 'wing and a prayer'. You do not need to take our word for it. For those backbenchers opposite, that respected economic commentator also said:

> Any decent CFO would be embarrassed by this budget. There has been an $8 billion blow-out in this year's deficit since the Mid-Year Economic and Fiscal Review last November, a $10 billion blow-out in next year's deficit. The return to surplus the year after, requiring a $26 billion turnaround in the bottom line in 12 months, simply ignores what is happening and plugging in the same economic parameters for 2012-13 as before.

Robert Gottliebson, whom colleagues quoted in question time, made similar points.

A lot has been said quite rightly about debt. With this government, we know that the level of net government debt in dollar terms is going to be incredibly high, north of $100 billion. In 1996 when we won government from those opposite, we inherited a $96 billion debt. The Australian public are acutely aware of the cost of debt. They are acutely aware that the interest payments needed to service that debt is money that cannot be spent on day-to-day programs. They are acutely aware that the higher the level of net government debt the more pressure on interest rates. They are absolutely aware of that which is why it is like extracting teeth to get this Treasurer to name the figure for which he is responsible. Today he stated that figure. He mumbled it out. Do not take my word for the fact that this is a deceitful Treasurer; take the word of the former finance minister, who has written in his book and has belled the cat on the fact that this tactic, first in 2009, of not mentioning the budget deficit figure in the budget speech and trying to conceal the dollar figure of net government debt by referring only to the percentage of GDP was, in fact, a deliberate tactic. He has written about it in his book. What he said—and I would like those opposite to do what they normally do and howl interjections, because you will be interjecting against your own former colleague—was:

> Their—

former Prime Minister, Kevin Rudd, and the Treasurer, Wayne Swan—

> understandable concern about handing a political weapon to their opponents—

in naming this figure—

> was more than offset by the ridicule that this apparent attempt to deny reality invited.

It was an attempt to deny reality. That tells us a couple of things about this dishonest Treasurer. The public have had many examples over the last three or four years of where this government cannot be trusted. When we see the Treasurer refuse to name that figure, he is doing so to deliberately conceal it from the Australian people. He mumbled it out in question time today, but last night when interviewed on *Sky Agenda* we had the incredible spectacle where he was asked by David Speers about the level of net government debt. David Speers said: 'What sort of peak debt are we now looking at?' The Treasurer responded: 'The peak of net debt will be 7.2 per cent in 2011-12.' David Speers asked: 'But how many in dollar terms? How much in dollar terms?' Wayne Swan replied: 'Well it's relatively modest,' and listen to this, 'I haven't got the figure on me at the moment.'

This Treasurer would have you believe that he is so incompetent that he does not know the dollar figure of the net debt for which he is responsible in the budget he has just delivered to parliament. In the contest between telling the truth and concealing the level of that debt from the public he would have you believe

that he has no idea—and my friend and colleague with me at the table would agree, we think he has mostly no idea. But even we cannot accept that he would not know that figure, if only for the reason that we know from the exhibit released last week, the book of the former finance minister, that this was a deliberate tactic to conceal the level of the debt. The Treasurer even knowing that still ploughs on, like some sort of out-of-control lawn mower over wet grass, with the same inane, ridiculous strategy thinking that the Australian people will somehow be prevented from knowing that net government debt will peak at $107 billion. We even had the finance minister today, again, on Adelaide radio try and refuse to reveal the figure. She could only do it for a couple of answers and we had to ask the Treasurer today to state the figure.

The $107 billion—the $106 billion and some change in the Treasurer's view—is the most generous construction that can be put on it. That is, of course—as my friend the member for Groom knows, having been a minister in the previous government—the level of debt, but is not the level of fiscal deterioration. This government did not start with a debt position; it started with savings. In fact, it started in 2007-08 with $44 billion in the bank. This is like having a credit card with $44 billion in it and ready to go before you rack-up a dollar of debt. It is a $150 billion deterioration.

I was looking through the Treasurer's first budget. Every budget speech from the Treasurer has had some element of deception. We had temporary deficits one year; remember? In his first budget, when you look down at the same table that lists the level of net government debt—on page 10.8 in this year's budget for those opposite—you would not have guessed that what was projected for this time, 2011-12, was $106 billion, but in savings, not debt. He has managed to transpose the whole show.

Ms SMYTH (La Trobe) (16:20): I am very pleased to speak this afternoon in this debate about the cost of living, and it is very good to see that the opposition has decided to play catch-up in today's MPI because yesterday they certainly had no interest in the economy or budget settings and the way that it impacts on ordinary Australians. They had no interest in the way that this government is responding to the cost-of-living pressures that face Australians. They had no questions to ask and, frankly, today's efforts by the opposition in question time were not terribly much better.

This afternoon there is apparently a newfound interest in these issues from the other side of the chamber. Those of us on this side are extremely happy to talk about the way that this government is responding to the real needs of Australians through this budget and how we have responded to it since coming to office. Let us have a look at some of the practical measures that this government has been responsible for. In skills and training we have been ensuring that skills and training opportunities for young people in electorates such as mine are available to ensure that they have productive working lives and to enable them to meet living expenses. In my electorate of La Trobe the most recent commitments made in last night's budget mean that around 2,500 apprentices in my electorate alone will be able to benefit from Labor's investment in apprenticeships, which will enable more people in my electorate to ultimately get skilled jobs. Our commitments in relation to families with children have been fairly significant since coming to office and were expanded upon in yesterday's budget. We are providing families with children with the support that they need through increases to family tax benefit part A. Around 5,000 families in my electorate are affected by this commitment. They will receive an extra $4,200 per child aged between 16 and 19 years old. I am sure that those 5,000 local families will appreciate the meaningful and practical effects of our commitment to responding to their cost-of-living pressures.

During its term of office the Howard government certainly talked the talk of supporting pensioners and older Australians, but it took this government, in its first term and against the backdrop of a global financial crisis, to make a meaningful commitment to pensioners in real and financial terms. We have supported pensioners with a historic increase in the pension. Since September 2009 we have increased the age pension by $128 per fortnight for singles and $116 per fortnight for couples. We have also delivered an improved pension work bonus so that age pensioners can hold onto an extra $125 per week of their income from work. These are practical measures, real measures, things that the Howard government refused to do during more than a decade in office.

Meaningfully, since coming to office we have provided tax cuts three years in a row—$46.7 billion in cuts. We have also committed $1.25 billion in this budget to delivering up to $300 more in the low income tax offset during the year. We established a $300 billion education tax rebate and in this year's budget we have extended that rebate by $460 million to cover school uniforms. Again, this is something the Howard government, during a decade in office, had absolutely no interest in pursuing.

We have increased the childcare rebate, by $1.6 billion, from 30 per cent to 50 per cent of out-of-pocket expenses. We have made the childcare rebate more flexible to allow families to access those benefits sooner and we have implemented a historic Paid Parental Leave scheme so that parents can be supported after the birth of a child. We have also committed nearly half a billion dollars under the Teen Dental Plan. These policies and reforms run right across areas from childcare to education, taxation, pensions, superannuation and skills development. They

are meaningful measures that are tangible to ordinary Australians, and certainly to members of my electorate.

With the announcements made in yesterday's budget, Australians will know that we have increased our already significant commitments to boosting employment and making sure that all Australians are given an opportunity to participate in work and take home an income. We on this side of the chamber know that these are things that respond to cost-of-living pressures. They are things which give options to working people, pensioners, families with children and to young people looking to develop skills and ensure they have a meaningful job and career. They are things which give them the opportunity to meet cost-of-living pressures. In addition to doing all of these things in the context of the financial crisis and the natural disasters around the country, which have had a significant impact on our budget measures, we understand the need to make significant and transformative economic changes. That is why our budget will ensure that there are settings in place to put downward pressure on inflation. We are investing in our workforce. We are investing in infrastructure. I notice that in this matter of public importance discussion the Leader of the Nationals declined to mention any significant means by which those on the other side of the House would contribute to our national infrastructure development and the jobs associated with any such development.

We know that the most important thing for Australian families, for all Australians and for the future of our country is ensuring that more Australians than ever have the security and dignity of work. That is why we acted swiftly to protect 200,000 jobs in the face of the global financial crisis, an event which seems to have escaped the opposition's interest and has been excised from their collective memory. Our commitment to ensuring the security and dignity of work for working Australians is reflected in our proudest achievement in government: the creation of over 750,000 jobs since coming to office. It is also why we have the settings in place for the economy to generate around 500,000 new jobs within the next couple of years. This sets the opposition in stark contrast to us. They made no effort to support our efforts to stimulate the economy in the face of the global financial crisis. Jobs were at the bottom of their list of priorities.

The opposition was asleep at the wheel during the last resources boom. We are not and we will not be. We are determined to ensure that the minerals resource rental tax will give all Australians a better share in the proceeds that come from our mineral wealth. This is something which will ensure that all Australians can profit from those mineral wealth gains, that there is a level of equity for Australians and that we can support significant programs into the future.

Despite all these things, the opposition are yet to present anything constructive or positive which would indicate how they would respond to the cost-of-living pressures which they are seemingly concerned about today—though perhaps not tomorrow, because they were certainly not interested in them yesterday during question time. On the one hand, the opposition assert that they will restore the budget to surplus by next year; on the other hand, they continue with their boundless spending commitments. I know that those spending commitments were made with gay abandon in my electorate during the last federal election campaign. There were a variety of election 'commitments' made by the former Liberal member for La Trobe which were not included in the costings of the coalition prior to the election. There were more than $80 million worth of election commitments in my electorate alone. This indicates the level of fiscal responsibility that runs right the way down from the leaders of the coalition to their individual members and candidates in local elections. Given that the opposition will make a swifter return to surplus while making these spending commitments, and not saying what their spending cuts are likely to be, presumably someone on the other side has the colour copier out, because the only way they can achieve those two ends is to start printing money. e know what happened the last time they tried to achieve spending cuts at the same time as making their election commitments. We know that there was an $11 billion black hole that was independently verified and tested. We know that the opposition has form when it comes to inaccurate representations of their economic commitments, and I certainly expect that to be the case tomorrow night.

The DEPUTY SPEAKER: Order! The discussion is now concluded.

BILLS

Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010

Returned from Senate

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

COMMITTEES

Electoral Matters Committee

Consideration of Senate Message

The DEPUTY SPEAKER (Hon. BC Scott): I have received a message from the Senate transmitting a resolution agreed to by the Senate on 11 May 2011 relating to the referral of an inquiry to the Joint Standing Committee on Electoral Matters and an amendment to the resolution of appointment for the purposes of this inquiry. Copies of the message have been placed on the table for the information of honourable members. I do not propose to read its terms, which will be recorded in the *Votes and*

Proceedings and *Hansard.* The Senate requests the concurrence of the House.

The message read as follows—

(1) That the following matter be referred to the Joint Standing Committee on Electoral Matters for inquiry and report by 30 September 2011:

Options to improve the system for the funding of political parties and election campaigns, with particular reference to:

(a) issues raised in the Government's Electoral Reform Green Paper - Donations, Funding and Expenditure, released in December 2008;

(b) the role of third parties in the electoral process;

(c) the transparency and accountability of the funding regime;

(d) limiting the escalating cost of elections;

(e) any relevant measures at the state and territory level and implications for the Commonwealth; and

(f) the international practices for the funding of political parties and election campaigns, including in Canada, the United Kingdom, New Zealand and the United States of America.

(2) That, for the purposes of this inquiry only, paragraph (3) of the resolution of appointment be amended to read:

That the committee consist of 12 members, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 4 Members of the House of Representatives to be nominated by the Opposition Whip or Whips and 1 non-aligned Member, 2 Senators to be nominated by the Leader of the Government in the Senate, 1 Senator to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators

Mr GRAY (Brand—Special Minister of State for the Public Service and Integrity and Special Minister of State) (16:31): I move:

That the message be considered immediately.

Question agreed to.

Mr GRAY: I move:

That this House concurs with the resolution transmitted from the Senate with the following amendment:

After Paragraph (2), insert:

(3) For the purposes of this inquiry only, the resolution of appointment be amended by inserting the following paragraph:

(3A) That participating members may be appointed to the committee. Participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of a member of the committee, but may not vote on any questions before the committee.

Question agreed to.

BILLS

Electoral and Referendum Amendment (Provisional Voting) Bill 2011

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate's requested amendments—

(1) That the following matter be referred to the Joint Standing Committee on Electoral Matters for inquiry and report by 30 September 2011:

Options to improve the system for the funding of political parties and election campaigns, with particular reference to:

(a) issues raised in the Government's Electoral Reform Green Paper - Donations, Funding and Expenditure, released in December 2008;

(b) the role of third parties in the electoral process;

(c) the transparency and accountability of the funding regime;

(d) limiting the escalating cost of elections;

(e) any relevant measures at the state and territory level and implications for the Commonwealth; and

(f) the international practices for the funding of political parties and election campaigns, including in Canada, the United Kingdom, New Zealand and the United States of America.

Mr GRAY (Brand—Special Minister of State for the Public Service and Integrity and Special Minister of State) (16:33): I move:

That the amendments be agreed to.

As members would recall the Electoral and Referendum Amendment (Provisional Voting) Bill 2011 will repeal the requirements for provisional voters to provide evidence of identity as a precondition of their votes being included in the count for an election. This requirement was put in place by the previous government in 2006. It resulted in a situation where provisional votes were dealt with in a way that was inconsistent with the treatment of other types of declaration votes—namely, absent, postal and pre-poll votes. By repealing the requirement for provisional voters to provide evidence of identity, all declaration votes will be treated equally.

The bill replaces the requirement to provide evidence of identity with a test similar to that used in previous elections. The test provides for the divisional returning officer to compare the signature on the provisional vote envelope with the signature of the elector on previously lodged enrolment records if there is any doubt as to the bona fides of the elector.

This bill is supported by the Electoral Commission, which in its submissions to the inquiry by the Joint Standing Committee on Electoral Matters into the 2010 federal election and matters related thereto

recommended that the requirement for the production of evidence of identity by provisional voters should be repealed. The government will be supporting the amendments to the bill moved by Senator Xenophon and agreed to by the Senate. These amendments provide for the divisional returning officer if not satisfied that a signature on an envelope is that of the elector must make all reasonable attempts to contact the elector to require them to provide evidence of identity.

We see these amendments as providing a desirable safety net to prevent what would be otherwise valid additional votes from being discarded. They are a substantive improvement to the bill, and we will support them. I commend the bill to the House.

Mrs BRONWYN BISHOP (Mackellar) (16:35): The opposition is supporting this amendment, as we did in the Senate, for the following reason. When we amended the legislation and put in place that those people wishing to cast a provisional vote should provide proof of identity we did so to protect the integrity of the roll. The minister makes the case that that meant we treated provisional votes as declaration votes different from other declaration votes, but of course the government by its own hand, by allowing pre-poll votes to be dealt with on the evening of the count, instead of being dealt with as they previously were, means that those declaration votes are already dealt with differently.

We were concerned, and so opposed the change to the legislation that would do away with proof of identity. Senator Xenophon's amendment will make more work for the Electoral Commission and I would have preferred it, and the opposition would have preferred it, if the responsibility had remained with the individual to ensure that they brought their proof of identity. I would point out that in the 2010 election somewhere between 75 and 80 per cent of people who wished to cast a provisional vote did so by providing that proof of identity. So that was an improvement over the 2007 position. Clearly, it was becoming accepted by those who wished to cast that sort of vote. By supporting the amendment as moved by Senator Xenophon it does mean that the concept of the need for a provisional voter to provide a proof of identity is an important one. Also I think it is important to recap as to why a person cast a provisional vote. The first point is that you were not found to be on the roll when you presented yourself. The second is that somebody had already voted in your name. The third is that the DRO simply did not like the look of you. The fourth is that you are on the confidential, secret roll because of security or other reasons that are acceptable. The way the government had drafted its amending bill meant that it was simply saying that the DRO had to compare the signature on the envelope with the existing signature. It is quite possible and indeed probable that in many instances there was no signature to compare it too. In the state election in New South Wales they had a similar provision where they had begun the process of automatic enrolment so there would be no signature because people were automatically put on the roll. So we believe that the concept of returning to the legislation the requirement for proof of identity is a step in the right direction. We would still at a future time in government revisit this because we believe it is the only way that you can adequately protect the integrity of the roll. The Electoral Commissioner, when he put in his submission to the Joint Standing Committee on Electoral Matters, or JSCEM, made it quite clear that one of the key parts, if not the key part, of his task was to protect the integrity of the roll. We do see cases of multiple voting and we see that they are not followed up, and those are issues that we will be addressing in that committee. But for the purposes of this bill and this amendment, I say very firmly that returning to the legislation the concept that a provisional voter can be required to produce proof of identity is a step in the right direction. Therefore we support the amendment.

Question agreed to.

Aviation Transport Security Amendment (Air Cargo) Bill 2011

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (16:40): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Customs Amendment (Export Controls and Other Measures) Bill 2011

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (16:41): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (16:42): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Trans-Tasman Proceedings Amendment and Other Measures Bill 2011

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (16:43): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mrs GRIGGS (Solomon) (16:44): As I was saying earlier today, the coalition requires a firm but fair system to ensure that those in receipt of income support who can work have a responsibility to look for work and contribute back to the society that supports them. In addition to this they need to recognise that welfare is a temporary safety net and not a lifestyle choice—a hand up, not a handout.

On the other hand, in 2008 the Rudd Labor government watered down mutual obligation, introducing their no show, no pay compliance model, which saw job seekers docked a day's welfare payment for failing to attend interviews. The department and the minister were writing to providers asking them to be more lenient on those who breached the rules. Since then, the coalition has advocated for more stringent and appropriate compliance mechanisms as Labor's no show, no pay compliance model has been a failure. It is clear that there was neither a real financial disincentive for job seekers to comply with their activity test requirements, nor an enforced administration of this scheme.

This current Labor government has also failed job seekers by increasing the amount of time a job seeker spends out of work and unengaged in activities like Work for the Dole. This further increases their separation from the workforce as they are not engaging in job-like activities and are unable to get into a routine. Let me remind members of this House that, as was the case with border protection, the Howard government had a proven formula for Work for the Dole. New figures reveal the coalition's Work for the Dole program is being killed off under this federal Labor government, with 3,000 participants slashed from the scheme in the last eight months of 2010. Since 2007, when the Labor government started withering away Work for the Dole, they have increased long-term unemployment under their passive welfare model, where people are required to be unemployed for 12 months or more before this Labor government will fund a work experience activity. Evidence also suggests that the longer someone is out of the workforce it becomes less likely that they will work again. Now the Gillard Labor government are looking at slowly bringing back past Liberal government policies. The coalition has strongly advocated that Work for the Dole should become mandatory for people under 50 who have been receiving unemployment benefits for more than six months.

The Social Security Legislation Amendment (Job Seeker Compliance) Bill has a number of key points which should be noted. Firstly, it seeks to introduce tougher compliance measures for job seekers who have activity test requirements. Secondly, it will suspend income support payments for job seekers who fail to attend an appointment or activity like Work for the Dole without a reasonable excuse given in advance. When the job seeker does attend a rescheduled appointment their payment will be reinstated with back pay. Where the job seeker fails to attend the rescheduled meeting and fails to provide an adequate excuse then payment will be suspended until they do attend an appointment. No back pay will be payable for this period. Thirdly, reasonable excuse provisions will also be tightened, so that even if a job seeker has a reasonable excuse for not attending an appointment or activity on the day it will not be accepted if they could have given advance notice that they could not attend and failed to do so.

I note that there have been some concerns received on this bill from various community groups outside my electorate. These include that this legislation is too punitive and that it fails to clarify the circumstances in which job seekers will not be required to give prior

notice of their absence. The coalition is satisfied that the wording of the legislation is such that if a job seeker does have a valid reason for missing an appointment and was not in a position to advise the provider beforehand then their payment will be immediately reinstated. Like the coalition, the people of my electorate are supportive of Work for the Dole and mutual obligation. In Solomon, as in many other electorates around the nation, there are a range of community projects where unemployed people can contribute back to the society that supports them.

In conclusion, I would like to reiterate the support of the coalition for this bill. I hope that these reforms will do as intended and that all job seekers will benefit from moving from welfare to work. My only concern is to ensure that the administration of these reforms is carefully implemented so as to not to bring an additional burden to the already stretched Centrelink staff.

Mr HAYES (Fowler—Government Whip) (16:49): I join with others in rising to support the Social Security Legislation Amendment (Job Seeker Compliance) Bill, because it is quite frankly what it takes to do something positive in affecting people peoples lives through employment. The Gillard government certainly takes employment participation seriously, because we know the positive impact that having a job has on somebody's life. We know also that there are deleterious effects on the lives of people who do not have the opportunity to work. Whilst we wish to do everything we can to encourage people to take up the challenge of getting a job, at the same time we are a government of compassion and I think we do reflect that long-held Australian principle of lending a helping hand to people in need, particularly when people in various circumstances are doing it tough. Getting that balance right—I suppose therein is the conundrum. What we have before us in this bill is an honest attempt to ensure that that balance is right. Through the amendments in the legislation, it has achieved the right balance in supporting those who are doing it tough in our community and in encouraging workforce participation by providing an incentive for those people to go the extra mile in gaining a job.

Over the past few days we have heard a lot from the Prime Minister and Treasurer about the importance of jobs. The issue of jobs was front and centre of the budget that was introduced yesterday Nevertheless, our unemployment rate is the envy of the world and is something Australians should be proud of, something I think we have all collectively worked very hard to achieve and something that we should continue to improve to ensure that we continue to enjoy the fruits of our economic prosperity.

I think Wayne Swan got it right when he said there is not an Australian to waste. We have all got a role to play in this, and one of the things we can try to do is ensure that we have full workplace participation. Yesterday's budget was all about maximising Australia's employment potential to continue our growth. It included essential training programs and incentives for a wide sector of the community, from young apprentices to people on disability support. In my electorate alone, these programs will have an enormous impact. I do know that, for instance, Hoxton Industries provides employment opportunities for over 100 people with disabilities. It has been operating in my electorate since 1969 and is doing a fantastic job. I try to visit them on a reasonably regular basis and Nicole Bruce, the general manager, and all those involved in the supervisory team of Hoxton Industries do a great job in providing opportunity for people with disabilities. It is good to say that last night they were recognised by being awarded $1.1 million to continue their great work in south-west Sydney.

I have often said in this place that people are not necessarily having the best of days, and I admit I have one or two of those. But go and visit this place and here are people who have been dealt a pretty hard hand in life. It always impresses me that what they want to do is to turn up for work. They want to feel that they are wanted. They want to feel that their services are appreciated. They want to feel that they have a sense of worth. I do not mind admitting that when you are feeling a bit down you go there and, I tell you what, Mr Deputy Speaker, it does lift your spirits to see these people who really want to come to work and want to engage in talking to you about everything else, including the football. But they genuinely enjoy the opportunity of going to work because it actually fulfils something in their lives. I am very proud to be part of a government that can recognise that and proud of the $1.1 million that has just been delivered to Hoxton Industries, amongst many others. I have got to say that when I go to various functions with the local Chamber of Commerce, whether it be in Liverpool or Cabramatta or elsewhere, as I have indicated to many employers, if you are not going to jeopardise your bottom line, if you are not going to cut short your return to your shareholders, if you can actually direct work to places such as Hoxton Industries that provide opportunities for people with disabilities, that is a very good thing to do for your community. As I say, I am very proud of what they achieve and I will continue to work as closely as I can to support their interests because I know that they do a fantastic job for all of us.

But on the other side of the coin we need to ensure that our welfare system is also encouraging those that can work to do so. We need to provide, I suppose it is fair to say, a carrot and stick approach which reflects how seriously this government takes the issue of workforce participation. Clearly on any reading of this amendment it does just that. As part of the

Modernising Australia's Welfare System policy, announced in August 2010, the government gave a commitment to introduce tougher rules for jobseekers from July 2011. These measures will apply to all jobseekers on participation benefits, including parents, though it will not impact on family payments, which is an important element of the amendment.

The crux of this amendment is that it imposes financial penalties on jobseekers who fail to comply with appointments, or mandated activities such as training, without a reasonable excuse. Once the jobseeker re-engages, payments will be restored. I think that is probably a fair balance. If a jobseeker is successful in obtaining a job and does not report to work, we know what happens then. They do not get paid and more than likely they get sacked. There is an aspect to this of making sure that this also builds upon the co-responsibilities that apply in respect of welfare payments. In our society we do look after people who find themselves in hard times, we do look after people who fall through the cracks, and we help them remediate their position, help them to get back. But it does require a measure of self-help in all that as well. So if somebody does not turn up for their appointments, does not undertake training they have been required to do, the Commonwealth will not continue with their payments until such time as they re-engage. On behalf of those we represent, we are responsible for administering the public purse, so that is a fair thing. It delivers on the government's election commitment to introduce tougher rules for jobseekers. There is a need for a tightening of the system, and this government has shown that it is up to the task. The Disney report released in September 2010 says just that. It sought the tightening up of the regime around participation payments to encourage people to engage in a level of self-help with a view to obtaining a job.

This amendment will also simplify the system for jobseekers so that they can focus on their most important task, and that has got to be finding a job. t is going to be a situation where people will want to participate. They will need to attend the interviews which have been arranged for them by their job search agency and they will need to undertake the training that has been mandated to help them become employable. I know this is stating the obvious, but this is trying to help people help themselves.

I am proud to represent the electorate of Fowler in the south-west of Sydney and I know this will be of benefit to people in my electorate. I am not terribly proud of the fact that we have one of the highest youth unemployment rates in the country. We need to ensure that young people between the ages of 15 and 24 are engaged in either education or employment, because we all know what the answer is if they are left on long-term unemployment; the answer is that they stay on it. This is trying to provide the incentive not to fall into that trap, because of what it means for them and for our communities in this country.

We know that, by and large, people are keen to work. They are keen to work hard. They are keen to have their labours appreciated. They want to participate in the workforce and they are keen for the opportunities that are being provided for them under these programs. We have just got to make sure that there is a certain amount of disciplined balance that goes into achieving that. Unfortunately, there are also some people who have been left behind. Clearly, they were left behind under the administration of the Howard government, who failed to invest in skills and apprenticeship training when they had the opportunity to do so. The Howard government were very good at using the stick, there is no question about that, and taking payments away from people who did not comply. They did it. But what they failed to do was invest in skills development and training support needs for the unemployed. They failed to invest in having people job ready. They failed to do all that before we got hit with a mining boom. Most of our tradesmen, including my sons, went to make significant dollars working up in your neck of the woods, Mr Deputy Speaker—at Emerald and other places up there.

Mr Chester: So Howard caused the mining boom now!

Mr HAYES: I am sure the member for Gippsland had a very similar experience, actually. What the Howard government failed to do was invest in the training of young people to participate in that growth in jobs. Filling those vacancies that occurred in Sydney, Melbourne and everywhere else was very much the responsibility of a government that sat back, sat on its hands and failed to invest in training and skills development over the period when it had the opportunity to do so.

We know that the issue of employment participation is more complex than just punishing the long-term unemployed. It is about skilling and reskilling people and providing them with a suitable incentive, as I said from the start, so that they can actually go the extra mile and get the job. There is a certain amount of hunger associated with that and, to some extent, we need to encourage people to have the drive to actually go and do that. We need to break that chain, particularly in long-term unemployment. We cannot be a modern society, a compassionate society, and tolerate long-term generational unemployment. That is not compassion; that is not something that you would expect from a modern society that cares about people and the future of the country.

This is particularly the case as we address the issue of long-term unemployment. This is an important amendment. It is an amendment that will send a message to all those seeking work that we as a

government take their search for work very seriously. This amendment will demonstrate that the Gillard government's commitment to workforce participation to ensure the continued growth of the country is certainly addressed. It is certainly an amendment that deserves the support of both sides of this chamber because it goes not only to looking after the interest of individuals, not only to looking after generational aspects of having a job and what that means to your children into the future; it sets the example that shows you can achieve in this country through education and participation in the workforce.

I commend this amendment bill to the House and I, for one, am very keen to advocate in support of the amendments throughout my electorate because I know this is where we will see considerable benefits over the years to come as there is greater participation in the Australian workforce and the breaking of the scourge of long-term unemployment.

Mr CHESTER (Gippsland) (17:04): I rise to speak in relation to the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. In doing so I will raise several issues of concern to my community, some of which I believe have broader national implications. But I cannot resist commenting at least a little on the member for Fowler's contribution. He is a member who I find to be very thoughtful in his comments, as a general rule, and I agree with a lot of what he said, particularly about the need to keep young people engaged. I take great exception to his assertions that the Howard government did nothing in relation to skills and training, but that is a debate for another day.

It is worth noting that the Rudd government actually watered down the mutual obligation in 2008, introducing their 'no show no pay' compliance model, which saw jobseekers docked a day's welfare for failing to attend interviews. It is all very well to have a soft heart in this place, but there is no excuse for a government having a soft head. I am afraid it was a soft-headed response by the Rudd government. The high rate of missed appointments is a clear indication of the failure of Labor's compliance regime, which I do not believe provided sufficient disincentive for many people. In March 2011 there were 179,000 people classed as long-term unemployed in Australia, and in the past 12 months leading up to that period approximately two million people missed job interviews. I think that is a fair reflection that there was nothing to ensure the compliance of those people who were meant to attend activities with the providers.

I have spoken in the past about the need to reform our welfare system, particularly as it relates to young people in receipt of unemployment benefits. I do get the chance to speak to many young people in my community, as I am sure many other members do, particularly in our secondary schools, and I always encourage them to aim high to achieve their full potential and to never sell themselves short. Just because they come from a regional community, there is no reason to sell themselves short and think that some things are beyond them in their future career prospects. also tell them that they really should treat unemployment as being a situation of last resort for them, in terms of receiving unemployment benefits. There is no-one that I ever speak to in secondary school that regards being long-term unemployed as a career goal, so I think there is something that goes wrong from those mid-secondary school years to when the young people are actually seeking work. That is where we need to make sure that, as a government, we have a firm hand but a supporting system. That is a critical issue for us: to help young people in those very difficult transitional years as they move out of secondary school and into the workforce.

I am concerned that for some young people who may go off the rails, for whatever reasons, the option of receiving unemployment benefits has become too easy. I support an overhaul of the unemployment benefits system, with a view to making sure that people who can work are actually working. That is not intended as some sort of punishment to these people in any way whatsoever. I believe we do these young people a huge disservice if we allow them to remain on unemployment benefits without ensuring that there are some very stringent obligations on them to make a contribution to our community.

Programs like Work for the Dole and Green Corps have been successful in many parts of Gippsland in providing opportunities for young unemployed people to develop a work ethic, to develop new skills and to make a meaningful contribution to our community. They should not be seen as any form of punishment. I would advocate that we find a new name for the Work for the Dole program, something that is far more positive and encourages people to feel that they are actually making a contribution to the community rather than it being some sort of punitive measure.

There are, however, concerns with the program and concerns with the compliance regime. I have had the opportunity to speak to coordinators from different agencies who are involved in these types of work activity programs and work based training programs. They have met with me and described the problems that they are having in making sure that long-term unemployed people are meeting their obligations. In a typical case, a training allowance may be provided for someone to work in some sort of Green Corps type program, and they will be given clothes and suitable equipment to participate in that program. Sometimes there is some financial incentive involved. The problem starts if they turn up on the first day but on subsequent days they simply do not turn up and

participate at all in the activity they are meant to be participating in. The problem continues when the agencies submit to Centrelink a participation report and Centrelink does not actually breach the people involved; there are no sanctions applied to them.

I can understand the situation from the side of the Centrelink staff faced with a disgruntled client, someone who is making all sorts of claims as to why they could not reasonably attend that activity or work training program. It is probably easier in many cases for the Centrelink staff to simply wave it through and allow the person to not be breached. But it goes to the core of what we are talking about here today in terms of the compliance measures.

There are people out there right now who are taking the Australian taxpayers for a ride. This type of rorting of the system has to stop. We need to set higher standards of workforce participation. In that sense, I do support the new compliance legislation before the House this evening. In her second reading speech, the Minister for Employment Participation said:

> As soon as Centrelink is advised that a job seeker has missed an appointment with their employment services provider, or if the provider believes that the job seeker has become disengaged from an activity they are supposed to be participating in, Centrelink will suspend the job seeker's payment.

That is a positive step. I know there are a range of issues to do with what are reasonable excuses and ensuring that the most vulnerable people are not adversely impacted unnecessarily by this new approach from the government, but I certainly support the general thrust of the new compliance regime.

I would like to note a submission from Mission Australia to the inquiry into this legislation. Mission Australia supported the proposed amendments, saying that they 'are critical to ensure the compliance regime is not too lenient and has a more immediate effect,' the point being that, unless there is a direct and obvious effect on the job seeker at the time of the actual breach, the impact of such sanctions is likely to be diminished.

The Mission Australia submission also highlights the high number of participation reports that are being overturned by Centrelink. That is something I referred to earlier. The majority of participation reports are overturned on 'reasonable excuse' grounds. Around 20 per cent of the reasonable excuses upheld by Centrelink were on the grounds of a medical reason where specific evidence was not provided. That goes again to the core of the issue: we really must be expecting some level of credibility to the excuses being put forward, and these reasonable excuses must be legitimate if we are to ensure that people are meeting their obligations.

I would like to stress that, in the comments I am making tonight, I am not seeking to typecast people on unemployment benefits simply as dole bludgers just because they are not in full-time employment or gainfully employed in the community. For many people, it is a source of great embarrassment. There is financial, social and emotional difficulty associated for those who are genuinely unemployed. But we do have to provide additional motivation for those people in our community who simply refuse to comply with their obligations. I believe that a new form of mutual obligation is necessary. I understand the government has made some announcements in the budget. For my liking, they simply do not go far enough. I believe that, if you are fit and able to work, then after a period of between three and six months of being unemployed we really need to make sure that you are actually doing something sort of community based project where you will have the opportunity to make a meaningful contribution to the community in which you live.

There is an unlimited amount of work that could be done in our community through a range of community projects like Work for the Dole or Green Corps. Look at any coastal community. There are a number of things that you could be doing, such as foreshore reparation works, rubbish removal, improving community halls and sporting facilities and even helping older people to remain in their homes longer. There are a whole range of tasks that are available and out there in the community. People could learn new skills and participate in these tasks, even after they have only been in receipt of unemployment benefits for a comparatively short time.

I believe that even in that short period of time, three to six months, there is a real impact on the morale of the person involved. They can get into poor habits in terms of their work ethic and end up being disconnected from the community in which they live. So I do not think we are doing anyone any favours by just handing out unemployment benefits without some reasonable expectation that the recipients will then make a contribution to the society that has provided them. here are also sections of my community where we are now faced with the entrenched welfare dependency problem of second and third generation welfare recipients. If you have never seen someone get out of bed and go to work, if you have never experienced the discipline of providing for your own family, if you have never felt the pride and growth in self-esteem which comes from making a contribution to the community and if you have never seen anyone in your immediate family doing that either, it is very difficult for you to break out of the welfare cycle. I believe that we need to do more in this place—and in that regard I welcome this new compliance regime—to encourage that work ethic, particularly amongst the families in my community which have had such a reliance on welfare over a long period of time.

Passive welfare really does destroy life and I do not think we need to look any further than the Indigenous community in Gippsland. Too many people in that community have been receiving benefits for many years without any expectation whatsoever of doing some work in return. I think we really need to understand that the issues facing Aboriginal families in Australia do not reside purely in the Northern Territory or other remote areas. The passive welfare system that has developed over many years—most of it well-intentioned, but unfortunately poorly directed—has destroyed families in my community. Gippsland right now has many young people growing up in quite hopeless environments. I believe that paid employment is the way out of poverty for these people and that the decency of a job leads to a wide range of very positive outcomes.

The issues I am talking about that are facing the Indigenous people in my community are centred around health, education and jobs. It is a vicious circle if any one of these boxes is not ticked. We need to ensure that, at a very early age, our Aboriginal children are being well looked after. Healthy kids who are well looked after at home go on to do well at school, they go on to enjoy their education and they go on to lead successful lives. It is easy to say that; it is very hard to provide that in every local community.

On the flip side, there are children who witness violence or abuse, who are neglected in some way or who are not properly checked by doctors or nurses at an early age and develop health problems. These children are starting behind the eight ball when it comes to the education sector, so naturally they do not get the opportunity to develop the skills required for them to go on into the workforce.

It is an enormous challenge for us to break that cycle of welfare dependency in our Aboriginal community and we need to keep working very hard with the service providers to make sure that we have individual families taking responsibility and helping these children achieve their full potential. We can run all the programs we want—and governments from both sides of politics have tried many programs—but, at the grassroots level, the people themselves have to want to make some changes.

There is some terrific work being done in my community, particularly in Morwell, Sale, Bairnsdale, Lake Tyers and Lakes Entrance, where there are elders in the community who are doing a power of work. But in many cases I fear they are swimming against the tide. I have had the opportunity in recent times to participate in an activity at Lake Tyers Mission, where there has been a fishing competition. It was designed to get young kids together with their families to participate in a good, friendly, healthy outdoor activity without any alcohol and without any pressure whatsoever being placed on the community. It was a great event and it helped to bring everyone together to start thinking about what we can do to provide a more functional community throughout Gippsland. Many of the primary schools and sporting clubs in my electorate are working overtime to engage with the local Aboriginal community as much as possible. We need to break down those barriers, to provide opportunities and to make sure the Aboriginal community is involved in everything that we do in Gippsland.

The government, to its credit, has funded a major new childcare and kindergarten facility in Bairnsdale which should assist, I believe, in getting young children ready for school—to help send them on their way and make the most positive step possible. At the moment we have too many young Aboriginal kids who are starting their prep school already behind. They are already a year or two behind their counterparts in the classroom. Unfortunately they get disenchanted and too many of them drop out of the school system as young as 10 or 12 years old. As I said, we are making some improvements and many people are committed to the cause.

I accept that there are no easy answers. If there were easy answers, these situations would have been fixed many years ago. But I want to bring these issues to the attention of the House and to make the point that the urban or regional Indigenous experience in Australia is, in many ways, as perilous as that of the more remote communities that we hear so much about and which attract a lot of the media attention. I think we need to do a lot better to make sure that our Aboriginal communities are engaged in community life. In particular, I believe there is an opportunity for us to work much more closely with our sporting clubs. People from those communities often excel at sporting activities and that provides a bridge for them to get more involved in mainstream activities. I believe very strongly in local solutions to local problems. I think the opportunities are there for us to work in this place for the betterment of all people in our community, particularly those Aboriginal members of our community who are falling so far behind in Gippsland at the moment.

Mr CRAIG THOMSON (Dobell) (17:20): It is a pleasure to follow the member for Gippsland, who has made a very thoughtful contribution today. He has obviously thought long and hard about the effects of unemployment in his community. It is not often that I get up following the member for Gippsland and say that I agree with most of the sentiments he has expressed, but I do today. He has outlined well the issues about the importance of personal responsibility in looking for jobs, but he has also emphasised the need for opportunities for people to get the proper education and have access to jobs—particularly in relation to Indigenous Australians. The important

issues of Aboriginal health and life expectancy need to be looked after.

The approach on employment that the member for Gippsland has outlined is the approach the Australian Labor Party has adopted. I look forward to the member for Gippsland actually supporting the budget that the Treasurer brought down last night, because if ever there were a budget focused on jobs, health and education, it was the one last night. That is clearly the flip side to implementing welfare system measures relating to obligations and personal responsibility, which this bill is about. So I am looking forward to seeing the member for Gippsland coming across to this side and supporting the budget in a wholehearted way, because I know he is very genuine person who expresses his views in this place in a very forthright manner, as he has today. Clearly he is supporting the Swan budget of last night. he Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011, which I am speaking in support of today, will allow for immediate suspension of a job seeker's income support payment if the job seeker fails to attend an appointment with their employment service provider or attend an activity under certain circumstances and allows the penalty amount for a reconnection failure—applied when a job seeker fails to attend are a scheduled appointment—to be deducted from the job seeker's next payment. It tightens the reasonable excuse provisions to require jobseekers to give prior notice if they are unable to attend an appointment or activity on a particular day. Both the current compliance framework and the new arrangements take into account the individual circumstances of job seekers in rural and regional areas—which both the member for Gippsland and I are—and of course this is very important. Allowances are made for transport or communication difficulties which may impact on job seeker's ability to meet their participation requirements or where it may not be possible to arrange a new appointment with an employment service provider in the next two business days.

The bill will introduce suspension of payment for job seekers following an initial failure to attend an appointment or, in some circumstances, an activity such as training. If the job seeker then agrees to re-engage as required, payment will be restored with full back-payment. It is a measure which has the stick there but does not have the punitive nature of penalising the job seeker in the long term. Its aim is to have them reconnected with the system so that they can get the assistance they need. If the job seeker then fails to re-engage, payment will again be suspended pending agreement to re-engage, but if they do not have a reasonable excuse they will lose payment for each day from their second missed appointment until they do attend a rescheduled appointment. This penalty will be deducted from their very next payment, rather than from their second next payment as is required under the current legislation.

Reasonable excuse provisions will also be tightened so that, even if a job seeker has a reasonable excuse for not attending an appointment or activity on the day, it will not be accepted if they could have given advance notice of their inability to attend but failed to do so. This is important in relation to the type of behaviour one would expect if a job seeker were in employment. We should not be setting lower standards for a job seeker than we would expect from an employee. This starts to match up those obligations.

Job seekers with vulnerability indicators on their Centrelink record—such as those who are homeless or who have a mental illness—will not have their payment immediately suspended following the first non-attendance, although they will continue to be subject to the other arrangements I have already outlined.

This bill delivers on the government's election commitment to introduce tighter rules for job seekers. Available data supports the need for some tightening of the system. After some improvement immediately following the introduction of the current compliance framework in July 2009, attendance rates at provider appointments fell during 2009-10.

Suspension of payment provides a strong immediate incentive for job seekers who miss appointments to re-engage quickly. When a job seeker's payment is suspended following a missed appointment, they get all their money back once they do what is required of them. This is an effective way of encouraging compliance without taking the punitive approach of immediately applying a penalty that the job seeker cannot get back.

The Disney report into job seeker compliance, released in September 2010, recommended that the government consider introducing payment suspensions if the attendance rate at provider appointments did not significantly improve within 12 months or so. Although the tougher rules measure was announced before the report was released, recent appointment attendance data suggests that this pre-emptive approach is justified.

Just today the House Standing Committee on Education and Employment tabled its advisory report on this bill. The committee's chair, the member for Kingston, has said in the report that the importance of fostering and enhancing employment participation cannot be overstated. The member for Kingston also said:

> The benefits of employment stretch far beyond the receipt of a pay packet. Employment participation brings not only economic security, but also dignity, purpose, and direction. A central element of fostering employment participation is

encouraging job seekers to communicate and interact with employment service providers through attendance at appointments. The bill seeks to encourage job seekers to do this.

Specifically, the committee recommended that a plain English redrafting of the changes proposed by the bill be produced to combat the existing complexity of the social security system and ensure that job seekers fully understand their obligations under the proposed changes.

The committee also recommended that the word 'special' be removed from the proposed reasonable excuse provision in the bill in order to eliminate an unnecessary layer of complexity and ensure equitable and clear implementation of the measures proposed by the bill. Other areas of interest highlighted by the committee include the development of consistent guidance and training material for front-line staff; the provision of comprehensive training to front-line staff; the collection of data on why job seekers miss appointments without a reasonable excuse and the undertaking of a review of the impact of the measures proposed by the bill; the provision of additional training and guidance to front-line staff in relation to vulnerable job seekers; and, the monitoring of possible increased workloads for front-line staff.

The amendments in this bill will enhance the current job seeker compliance framework by providing additional incentives for job seekers to engage with their employment services providers and to participate fully in activities designed to improve their employment prospects. Immediate suspension of payment, either with full back payment on compliance or with resumption of payment upon compliance, is consistent with the government's broad approach to job seeker compliance, which focuses on early intervention and the use of immediate corrective action to keep job seekers on the right path. The amendments should simplify the system for job seekers in that the consequences of not attending appointments and activities will be clearer and more immediate. These amendments are not intended to increase penalty numbers per se. The principle that no job seeker should actually lose payment without warning or a second chance to comply will remain in place.

Employment services providers will still have the discretion not to initiate compliance action in most circumstances and will still be able to use the contact request arrangements when they want Centrelink to contact a job seeker for them without taking compliance action.

I was very pleased to hear in last night's budget that the Wyong local government area which takes up most of my electorate on the New South Wales Central Coast has been chosen for extra help in getting young parents and families skilled up and educated so they can enter the workforce. This is the other side of getting people into jobs which the member for Gippsland highlighted in relation to saying that there needs to be opportunities for jobs and there needs to be education. he Wyong local government area has been chosen from just 10 areas around Australia to receive a $304 million boost in the budget for this help. The comprehensive package recognises the skills and employment disadvantages of the area and has been specifically designed to help boost job rate numbers in Wyong shire.

Again, I go back to the contribution of the member for Gippsland when he said that the best solutions in relation to jobs are local. The announcement last night in the budget in relation to these 10 areas—the 10 worst-hit areas in relation to employment—was that local solutions were going to be developed with this money. We are looking forward to these local solutions in the Wyong shire. I am sure, as I mentioned earlier, that when the appropriation documents and all the measures of the budget come into this House we will welcome the member for Gippsland over to this side to vote in support of those documents, given the statements that he made in his contribution to this debate.

The comprehensive package that was announced last night recognises the skills and employment disadvantage of the area that I represent and it is designed to boost jobs in that area. This is great news for my area, which has long been disadvantaged with low education and skill levels and has previously missed out on the sort of help needed to get us on par with many other regions in Australia in relation to employment.

We know that many teenage parents leave school early without year 12 qualifications and end up as long-term welfare recipients, with negative consequences for them, their children and their families. The new package announced in the budget will help teenage parents in Wyong get a better job so that they can provide for their children as they grow older. From 1 January 2012, teenage parents in the Wyong LGA who have not finished year 12 or equivalent and are receiving the government's parenting payment will need to meet an individually crafted participation plan.

But this is not just about toughening up the rules for job seekers; they will also be given support to help them meet their extra responsibilities and milestones. In Wyong, support for teenage parents will include access to quality child care while they are studying or training, with close to 100 per cent of their childcare costs covered. They will also receive support from Youth Connections services to help them enrol in and attend school, TAFE or other training. And teens will also be supported with their parenting responsibilities

through play groups, parenting education classes, early learning programs and mentoring.

This package supports young parents to engage their children in early education, and development opportunities to gain skills and education for themselves. It enables teenage parents to position themselves to enter the labour market once their youngest child is aged six, when participation requirements mean they need to commence at least part-time work. The measures support families who are at risk of disadvantage by ensuring they will have access to the services they need to fulfil their goals. The measures achieve this in a way that recognises the autonomy of parents and their responsibility to provide for their children. The $304 million package provides for several initiatives across the 10 places and of course includes the Wyong LGA.

The budget last night and this legislation here today are both part of a government strategy that looks at making sure that individuals take responsibility for their own actions in terms of participating. The changes to this bill that we are talking about today but also the measures that were announced in the budget last night look at making sure they have the absolutely essential opportunities, support, mentoring and ability to gain skills that mean they will be able to go into gainful employment. This bill also places an emphasis on responsibility for attendance.

Getting Australians into the workforce is a matter of personal dignity for those who are out of work at the moment. It is an opportunity for them and their families to be provided for and an opportunity for this country. With 4.9 per cent unemployment at the moment and a tightening labour market, we need increased participation rates. So everyone wins in making sure we get people out of the dole queues and into employment. That is why the measures that this government has introduced both in this bill and also, most importantly, through the budget last night are ones that anyone in this place who is interested in getting people back into employment should be supporting. So I look forward to the support of both sides for this bill but, as importantly, I look forward to the support of everyone in this parliament for the measures announced last night by the Treasurer to make sure that we help Australians get back into the workforce and get jobs in which they can truly participate in this economy. I commend this bill to the House.

Mr RAMSEY (Grey) (17:35): I rise in support of the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. The greatest piece of welfare any government or any person can give to another is in fact a job. It is a plain truth, because we know that with a job comes a whole raft of other things like self-respect, better education for your children and more likely better health outcomes. A job is the most important thing to improve the standard of living of any Australian or, indeed, anyone in the world.

I am privileged to be the Deputy Chair of the House Standing Committee on Education and Employment. We were responsible for the review that was done on this legislation and the recommendations that came back to the House. We thought it was reasonably cut and dried in that we had flagged on this side of the House that we were in general in support of the government's legislation. But in the end the review process was quite beneficial to the legislation in general and certainly in drawing up the guidelines of the legislation. I believe there may even be a small amendment moved at the completion of this debate to one of the terms. But in particular it gave an opportunity for the industry to air some of their concerns and ongoing issues with the way that the job seeker arrangements are dealt with, and it gave us an opportunity to express the view that the language should be very clear and that people should understand what is going on here. One of the recommendations was that things should be in plain English because often the people that are dealing with it at this end of the field are not well educated and they need to easily understand what is going on. Another interesting thing for the committee was the quite wide support through the industry, if not the welfare lobby organisations, for this move to tighten up these obligations. We recommended that there be a comprehensive training package and that the department be required to collect data on the reasons why people are no-shows for interviews and appointments so that we can better understand what it is that drives them and perhaps find better ways to get them to participate. In the end, you cannot give people a job if they are not prepared to participate or are not interested in participating in the process.

One of the other recommendations was that, after a full year of operation, the data be analysed and the department have another look at how the regime is operating. There was also a recommendation concerning vulnerable job seekers. Initially I was a little concerned about this insofar as it sounded like a watering down of the process, but we do need to consider what a vulnerable job seeker is. They may not have a home or may have a mental disability, so I think the recommendation is well founded and we should be very careful not to alienate those who are unable to help themselves in this process. It is very much pointed at getting those who are able to help themselves and better themselves involved in the process and making sure that they make the most of their opportunities.

There are some confusing messages here. While we support the government's legislation, there have been quite a few times when this government has sent mixed messages to the electorate and to the people at large. I

remind the House that the Rudd government watered down the terms of mutual obligation in 2008, and how the government must sometimes wish that they had left well enough alone with some legislation. If we turn our minds to the current interceptions of people trying to come to Australia in boats, perhaps the government may reflect that some of the settings that were on the clock when they took over the job 3½ years ago were in fact good models. They may well look back on mutual obligation in the same way.

In a very closely related field, I am reminded that the government also relaxed the regime surrounding the Work for the Dole program at about the same time, in 2008. Previously, if someone had been on the dole for six months then they may have been required to attend a Work for the Dole program. That was changed to 12 months. That may not seem all that much of a change, on the face of it, but I have talked to a number of people who have coordinated Work for the Dole groups, and the program has been gutted as a result of that change. Because there was that six-month break, they ran out of customers. The work crews were abandoned and those who were running the work crews moved off to find new employment. It is just not that easy to line some of these things up again in a hurry. The Labor Party has long been uncomfortable with Work for the Dole provisions, but it has been a very popular program—and not only popular; it has been instrumental in engaging those people who were choosing to be unengaged in the process. While that does not strictly relate to this part of the legislation, it is certainly a related issue because we are talking once again about trying to get people engaged in a process.

We can put this in the context of a bucket of measures where the government have shown inconsistency. I will not go into any detail on any of them, but I simply list them. I mentioned the asylum seekers. The government were going to adopt the save the Murray report, but of course then they did not adopt it. They were to have a CPRS, but then they were not to have a CPRS. They were never to have a carbon tax, and now they are to have a carbon tax. They were going to have a green card, but of course now we are not going to have a green card. We were going to have cash for clunkers and now we are not. In my electorate we were to have an MRI machine and now we are not. The government were going to introduce a dental scheme, and now we find in yesterday's budget that it has been deferred. We were definitely going to have a mining tax and now we definitely may be going to have a mining tax, if we can ever work out the detail. And we were always to have surplus budgets, but of course we have not seen one of those yet, either.

I just bring these inconsistencies to this part of the debate. This is why people in the electorate, the Australian public, are becoming confused with the message. I am very happy that the government has seen the light on the issue of re-engaging those who may not wish in the first instance to seek a job, to get them back on board. That is why I am happy to support the legislation, but the government should take great care before it mucks around with things that are working okay.

Mrs D'ATH (Petrie) (17:43): It is my pleasure to speak in support of the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. This is certainly an important bill and it fits in very well with the budget announcements made by the Treasurer last night. It is important because it seeks to enhance the current job seeker compliance framework. The bill has come about as part of the Modernising Australia's Welfare System program that the government announced on 11 August 2010. The government made a commitment at that time to introduce tougher rules for job seekers from 1 July 2011. Well, here we are, once again fulfilling a commitment that we have made to ensure that we do introduce tougher rules for job seekers and to deliver those rules from the 1 July 2011 commencement date.

We have heard a fair bit from those on the other side, including the member for Grey, about changes that the government made back in 2008 in relation to re-engaging workers. hat those on the other side have failed to mention on each and every occasion that they have spoken on this bill and on the changes made in 2008—and we know they do not like to talk about this issue—is the fact that there was a global financial crisis occurring at that time. Consequently, because of the risks of job losses occurring at that time, there were changes made in relation to programs dealing with the unemployed to provide greater flexibility during those very difficult times for our economy. We are fortunate now, in 2011, to be in a position where unemployment is down to 4.9 per cent. We have a skills shortage and we have people in our society right now, in our local communities, who can re-engage with the workforce. Our job now as a government is to look at how we can set in place a framework that provides incentives to get those people to re-engage. That is what this bill seeks to do.

Yes, it does put in place punitive measures if people seek to ignore their responsibilities in relation to trying to re-engage where they are capable of doing so. This bill aims to get job seekers to participate fully in activities designed to improve employment prospects. The mechanism that it seeks to use is to say that when a person does not attend an interview or an appointment then they will have their entitlements suspended. That only occurs if the individual does not notify that they cannot make the appointment. So it is not a case of simply being unavailable to attend an appointment; it is only in circumstances where they fail to give any reasonable excuse for not attending or fail to make any contact. There is a safety mechanism there

that, if they reschedule and they attend that next appointment, they will get the money reimbursed. However, if they reschedule and once again fail to attend, there can be a suspension of their payments and a reconnection failure.

So there is a punitive mechanism to say that you will have to sacrifice some of your entitlements if you do not seek to re-engage and you are capable of re-engaging. The government have said that we recognise the benefits and the dignity that come with work. We want to ensure that those who are currently not engaged in the workforce make all reasonable efforts to re-engage and that they understand the responsibility that comes with making appointments and attending those appointments whenever possible. Like any worker with a job, if you are unable to attend then you must make contact. If you have a job and you cannot go to work that day, it is unacceptable to just not turn up. You must make contact. Those who are not in the workforce must recognise that they have an equal responsibility if they cannot make an appointment. It is important, however, that we point out that there is still discretion with the employment service providers in relation to whether they issue a participation report. It is important that they use their discretion in relation to vulnerable job seekers and that they use every opportunity and mechanism to help re-engage those workers in the workforce. We must ensure that those vulnerable job seekers are considered in relation to this bill.

I will also make mention of the House of Representatives Standing Committee on Education and Employment, of which the member for Grey is the deputy chair and the member for Kingston is the chair. I am also a member of that House standing committee. Some very important evidence came from the inquiry into this bill. The evidence that was gathered and the comments of the committee have been detailed in our report, which was tabled this morning in this House. But what is important to note in the report of the committee are some of the mechanisms that the committee has recommended underpin this bill. They relate to ensuring consistency in guidelines across Centrelink and the employment service providers, and training on the system to ensure that it is implemented correctly and fairly.

It is important that we make sure that there is support for Centrelink staff in relation to workloads arising from this mechanism. We should also make sure that there is proper guidance for the Centrelink staff on how to implement this legislation. Those comments, of course, should apply in regard to all programs that employment service providers and Centrelink implement. We should ensure there is consistent guidance. We should ensure that there is comprehensive training provided so that the legislation is implemented in the way it was intended, that it is being implemented fairly and that discretion is being used in an appropriate way.

We note in relation to that discretion that we should be making sure that Centrelink staff and employment service providers are adequately trained and aware of the possibility that job seekers have undisclosed vulnerabilities. This is a very difficult area. A job seeker may not necessarily identify that they are vulnerable, whether because of a health condition, family circumstances or other circumstances. We need to better train our Centrelink staff to raise their awareness of those undisclosed vulnerabilities, to train them to assist those people and to manage the situation and those people's needs appropriately.

There are two other recommendations I want to make mention of. Firstly, the committee recommended that the Department of Education, Employment and Workplace Relations and the Department of Human Services collect and publish data in relation to why job seekers without reasonable excuses miss appointments. t is accurate—and those members who have spoken who have read this report or who are committee members have already drawn this House's attention to the fact—that there is very little data that is collected and published and in some areas there is basically no data on reasons for missed appointments. This data is important for us to ensure that the programs we put in place are adequate. To get the outcomes that we seek we need to be able to collect and publish that data and be tracking that data and looking at the outcomes.

The other recommendation, which is recommendation 1 in the report, is that a brief, plain English explanation of the proposed changes and the obligations that will stem from them be produced and made available to all job seekers as soon as practicable. You might say, 'Well, it's just obvious that we would do that.' But the reality is that we need to make sure, if we are going to have these changes come about from 1 July this year, that job seekers who are going to be bound by these new job seeker compliance laws are very clear as to what they mean and what the obligations are on the individual job seeker so that they can ensure that they are complying with these requirements.

I have talked generally about the bill, what it seeks to achieve and the recommendations of the committee. Before I finish may I say, and I have mentioned briefly already, that I believe this amendment to the social security legislation dealing with job seeker compliance goes hand in hand with the commitments that the Labor federal government made in the budget last night in relation to jobs, employment, re-engaging workers, skills and incentives to employment. Looking at the incentives to employment that were announced in the budget, we are providing incentives to provide training and work experience for those very long term

unemployed. I know that there are over 1,300 long-term unemployed people in the electorate of Petrie—people who have been without work for two years or more. The funding that was announced in the budget by the federal government last night will assist those people to get local employment services support through training and work experience and by providing a wage subsidy to encourage employers to engage those long-term unemployed people. That works hand in hand with the job seeker compliance and trying to get the unemployed re-engaging with the workforce.

Of course, that was not the only announcement in relation to supporting jobs and trying to increase skills in our workforce. We announced improved incentives in the tax system and we announced restructuring of income support for single parents to promote and support participation by providing, from 1 January 2013, single parents on Newstart allowance with up to an extra $3,900 per year through a more generous income test, at the same time that grandfathering will be phased out for parenting payment recipients when their child turns 12 to more closely align eligibility with other recipients. Importantly, the government will also provide up to $103 million to support single parents through training, career advice and other services. This is another way of re-engaging people with the workforce.

We are implementing new initiatives to introduce participation requirements for people with disabilities. I know there are people with disabilities in my electorate who want to re-engage in the workforce. We need to provide them with the assistance to do so. We need to provide support and encouragement to employers to hire those people. We have new programs. We are extending the government's 'earn or learn' requirements to those aged 21. This is part of the broader changes to the youth allowance which will delay eligibility for Newstart allowance by one year and reward young workers with a more generous income test. Again ,we are trying to encourage those young people who have left school to get into the workforce or to take on further education.

I have already announced the initiatives in relation to the very long term unemployed, and we will have a new approach to disadvantaged locations. I think that these initiatives announced in the budget by a federal Labor government—and it would only be a federal Labor government that would implement such initiatives to ensure that workers re-engage—complement what we are now debating in this House in relation to job seeker compliance and will help people in our communities to ensure that they can have the dignity of work.

Ms HALL (Shortland—Government Whip) (17:58): I rise to support the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. In doing so, I would like to put on record my strong support for all initiatives that help people move from welfare to work. In my previous life before entering parliament, I worked with job seekers, both those that were in receipt of disability support pension and those that were disadvantaged and long-term unemployed, so I know that there are a number of issues that impact on their ability to move from welfare to work. I am pleased that this legislation was referred to the House of Representatives Standing Committee on Education and Employment and I support the recommendations of the committee.

It is imperative that legislation and information that is given to job seekers be in plain English. It is important that the people who are involved in implementing this legislation develop and follow consistent guidelines and that there is training material that accompanies the bill. It is also important that Centrelink and employment services staff are provided with comprehensive training, as is the committee's recommendation. It is also important that employment providers be given clear and comprehensive guidelines in relation to this legislation. It is interesting that the committee recommends that the Department of Education, Employment and Workplace Relations and the Department of Human Services collect and publish data on the reasons why job seekers miss appointments without reasonable excuses. he committee also recommends that the department undertake a review of the impact of these proposed changes and that employment service providers be advised to utilise all re-engagement mechanisms available to them in relation to vulnerable job seekers.

The committee recommends that additional training and resources be provided to Centrelink staff. That is probably a very good point for me to come in on. Since this bill was introduced into the parliament I have spent quite a bit of time liaising with officers who work in the Centrelink offices in my electorate. They have expressed some concern to me about this legislation and the impact it will have on their workload and on a certain subset of job seekers. I am sure that those issues that have been raised by Centrelink staff, people who work each and every day with the long-term unemployed and people who are failing to attend appointments, will be looked at during the review.

I should also put on the record that I have been speaking with a number of job service providers within my electorate. We are working on a very innovative program in a very disadvantaged area of my electorate, probably the most disadvantaged area in the whole of Australia, on a number of issues that are preventing people from returning to work. The majority of the population in that area are on some sort of Centrelink payment. We are working together to try to develop an innovative approach with job seeker providers across state and federal and even local government lines to

see whether we can come up with an approach that will help people.

I do have a little concern that perhaps some people will have their payments suspended for a variety of reasons. People can have their payments cancelled because of circumstances beyond their control. We all know that getting payments reinstated can be a rather cumbersome process. I am sure that the Minister for Employment Participation and Childcare will be looking at this issue very carefully in the review. I think changes such as this that are designed to increase people's participation in work are vitally important because if people do not go along to their appointments with Job Network providers then they will find it very difficult to move from welfare to work. We just have to be very mindful that, with legislation such as this, we are not actually going to put in place barriers that will achieve a perverse outcome, the opposite outcome to the one we are seeking to achieve. For some people it will facilitate their meeting those appointments, but others may be faced with the situation where they get a call to go to work late in the day and they have to decide, 'Do I turn down paid work because I can't contact the Centrelink office before I go to work or during that time, or do I go to work and then miss the appointment and have to go through the process of having Centrelink payments reinstated?' which they would have to go through because it is a valid excuse.

Maybe there will need to be some finetuning of this legislation further down the track. I support initiatives that will assist people to move from welfare to work. It is vitally important. We have a skills shortage. I welcome a number of the initiatives in the budget that are designed to assist the long-term unemployed to move from welfare to work. I think the wage subsidy schemes that are included in the budget will assist the long-term unemployed and will redress some of the disadvantage they have when they are competing for jobs within the workforce. I have worked with job subsidy schemes in the past and I know they work. I know that people can be employed under a job subsidy scheme and then end up in a long-term job. Nothing gives a person more dignity than being able to work. But I do think that we have to monitor this legislation very closely to ensure that the people whom we are seeking to assist by encouraging them to attend appointments are not disadvantaged. I have every confidence that the minister will ensure that the department does this and that the legislation will work to benefit those people who are unemployed rather than disadvantage them.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (18:05): I thank all members who have contributed to this debate. Our government has both reformed employment services and invested to improve their effectiveness. In reinforcing those improvements, we introduced a new compliance system from 1 July 2009. Last night, in the 2011 budget, we provided for spending over the forward estimates towards employment services of some $8.5 billion. This includes a range of new initiatives to provide greater support for the very long term unemployed, for job seekers with a disability and for those who have become disengaged. We know that with this increased support, with the opportunities that this support provides, so too comes responsibility. his bill delivers on the government's election commitment to modernising Australia's welfare system and introducing tougher measures to ensure that more unemployed people are getting back into work. We have a growing economy and a strong labour market. While millions of jobs have been lost in other advanced economies, employment in Australia has increased by around 750,000 jobs since 2007, driving unemployment below five per cent. At just 4.9 per cent, Australia's unemployment rate is lower than that of almost any of the other major advanced economies. It is at this time, with lower unemployment and employers searching for new workers to come on board, that we must embrace the greater opportunities to connect job seekers with this employment market. It is crucial that we do all that we can to ensure that unemployment payment recipients are participating to the full extent of their abilities. In order to do that, we need them to be actively engaged with the employment services and support that our government provides.

This bill is not about punishing job seekers who have a valid reason for missing appointments or participation in activities. The government are aware of the challenges that job seekers face and we are aware that most job seekers are genuine in their attempts to find work. However, income support does come with responsibility. A strengthening of the compliance system is warranted so that more job seekers are actively engaged in work experience activities, such as training and work for the dole, so that they are getting the skills and experience they need to find a sustainable job into the future.

Throughout this debate, whilst many opposition members have repeated their party-line talking points about nonattendance being a symptom of a broken system under this government, the reality that everybody should take note of is that under the Howard government the appointment attendance rate in 2006-07 was 54 per cent. In 2009-10, under this government's compliance system, it was 58 per cent. I say this so that we have the full facts on the table, but we know that neither of these figures is good enough. We need to work to make sure that everybody is engaging in the supports that are available to them.

The new arrangements seek to improve job seekers' attendance at employment services provider and related appointments. Suspension of payment provides

a strong and immediate incentive for job seekers who miss appointments to re-engage quickly. When a job seeker's payment is suspended following a missed appointment, they get all of their money back once they do what is required of them: attend their appointment. This is an effective way of encouraging compliance without taking the punitive approach of immediately applying a penalty that the job seeker cannot get back. The principle that no job seeker should actually lose payment without a warning or a second chance to comply will remain in place. The current range of legislative and administrative protections for vulnerable job seekers will remain in place, with the additional provision that they will not be subject to suspension of payment in the first instance.

The House of Representatives Standing Committee on Education and Employment has scrutinised this bill, as recommended by this parliament, and only this morning tabled its report. I thank the members of the committee for their work and assure them that the government will give serious consideration to all of their recommendations. Indeed, at first reading, I can give in-principle support to all the recommendations.

On the specifics of this bill, the committee makes one specific recommendation regarding this legislation—that is, that we remove the word 'special' from the proposed subsection 42UA, where it is used to describe a situation in which a job seeker would not be expected to give prior notice of their inability to attend an appointment. Following discussions with the opposition and given that the details of circumstances that will be excepted will in fact be explained in guidelines to Centrelink, the government has no objection to this recommendation.

The government has noted a number of committee recommendations around additional measures in relation to this matter. In fact, participation and compliance arrangements are important to ensuring that job seekers engage with education, training and work experience opportunities and, by working with their providers, move off income support and into paid employment.

We know that the current framework is working. In 2010, 82 per cent of job seekers satisfied their requirements, with no participation reports submitted. A further nine per cent received only one participation report. However, a small number of job seekers—in fact, just two per cent—were the subject of over one-third of participation reports for failing to meet their obligations.

As I mentioned earlier, the budget introduced by the Treasurer last night included funding for a range of new employment initiatives, including some $49.8 million for job seeker compliance and participation related measures to improve and streamline the system, to provide targeted assistance to those job seekers who are most at risk of noncompliance and disengagement and to improve our communication of these measures. The measures announced in the budget follow consideration of the recommendations of the Independent Review of the Job Seeker Compliance Framework—the Disney review. They build on the job seeker compliance bill currently before the parliament, which provides for immediate suspension of payment for nonattendance at provider appointments or activities. These budget measures and this bill are consistent with the government's approach to job seeker compliance, which focuses on early intervention and the use of immediate corrective action to keep job seekers on the right path. They will benefit job seekers, especially those who are vulnerable or disengaged. The measures will also help providers by reducing complexity and increasing transparency.

All Australians on income support should have the opportunity of work, but with this opportunity, of course, comes responsibilities. With this bill we are going to firmly expect that people meet those responsibilities. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (18:13): I present a supplementary explanatory memorandum to the bill and ask leave of the House to move government amendments (1) to (3), as circulated, together.

Leave granted.

Ms KATE ELLIS: I move government amendments (1) to (3), as circulated, together:

(1) Schedule 1, item 15, page 7 (table item 1), omit "special".

(2) Schedule 1, item 15, page 7 (table item 2), omit "special".

(3) Schedule 1, item 15, page 8 (table item 3), omit "special".

Mr BANDT (Melbourne) (18:14): These amendments are supported for the reasons that have been outlined by the minister. Mr Deputy Speaker, with your and the House's indulgence, I seek to make a few general comments about the remaining provisions of the bill. I ought to have made them earlier but, perhaps somewhat ironically, I was late and I hope that I will not be punished on this occasion for missing that appointment.

If there was ever any proof needed that evidence based policy will give way to perceived political imperative every time it is the Social Security Legislation Amendment (Job Seeker Compliance) Bill

2011 and the committee inquiry process that led to it, which I participated in. The aim of this bill, as has been set out by the minister, is to impose financial sanctions on people who miss appointments. One might expect, then, that there would be a significant amount of data or research done by either the government, the department or independent experts about why it is that people miss appointments. What we found, though, during the committee inquiry process is that although we knew that 20 per cent of people who miss appointments are Indigenous Australians, and although 47 per cent of them are young, we do not know why it is that they are missing appointments—no-one could tell us. Witness after witness agreed with the proposition that it would be sensible to find out why it is that people are missing appointments and then to put in place the appropriate processes to ensure that they attended those appointments.

Also, almost everyone who was involved in the provision of job services appeared before the inquiry—with some exceptions—to say that this would destroy the relationship of trust that job service providers had with people who were seeking employment and would make them less likely to engage, and that it might lead to instances where people decide that the whole thing is too hard and they do not want to participate in the system at all.

The government based much of its justification for this bill on the independent review into the bill that it commissioned last year, which was chaired by Professor Julian Disney. Professor Disney appeared before the committee inquiry into this bill to say that he did not support it, that it was premature, that it was not consistent with the report and that the only reason he even mentioned it in his original report was that it came up in the context of an election campaign. He, along with many others, agreed that there is an implicit assumption in this bill that people simply do not want to comply with the system and therefore do not turn up. But others before the committee made the very simple point that the people who want to rort the system are the ones who are going to turn up to every appointment because they will want to make sure that under no circumstances will they be kicked off. We know from the statistics that the ones who are most likely to suffer as a result of this bill are Indigenous Australians and young people, and according to the evidence presented to the committee inquiry they are more than likely to be those suffering from some kind of mental illness, those who find the whole system confusing, and those who are most at the fringes of society and most at risk of exclusion.

I do support the amendment that has been proposed because it will go some way in reducing some of the confusion in the bill, but I will not be supporting the bill.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Ms KATE ELLIS: by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Therapeutic Goods Amendment (2011 Measures No. 1) Bill 2011

Reference to Main Committee

Mr BOWEN: by leave—I move:

That the Therapeutic Goods Amendment (2011 Measures No. 1) Bill 2011 be referred to the Main Committee for further consideration.

Question agreed to.

Migration Amendment (Complementary Protection) Bill 2011

Second Reading

Debate resumed.

Mr MORRISON (Cook) (18:20): The stated aim of the Migration Amendment (Complementary Protection) Bill 2011, reintroduced in this session of parliament, is to allow onshore claims to be made and considered under a new statutory process for a single visa application against all our non-refoulement obligations contained in instruments to which Australia is a signatory, other than the Refugee Convention and protocol. These include the International Covenant on Civil and Political Rights, the Second Optional Protocol to the International Covenant on Civil and Political Rights on the abolition of the death penalty, the Convention on the Rights of the Child and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

Complementary protection is a term that describes a state's obligations to those people who whilst not meeting the 1951 Refugee Convention definition and associated protocols are nonetheless in need of protection on the basis that they face serious violations of their rights if sent back to their country of origin. This principle of non-refoulement is one that not only exists in all of these conventions and other treaties but also has become an established principle of international law more broadly, and that is a good thing. These amendments create a new statutory process to deal with applications. They create a new pathway for people, who otherwise do not quality as refugees to come to Australia, to make and engage an onshore claim under another process. Currently, the minister considers all genuine applications against our international non-refoulement obligations when asked to exercise his intervention powers under the act. These decisions are non-reviewable. The ministerial

intervention model has the advantage of allowing the minister to deal flexibly and constructively with specific cases of individuals and families whose circumstances are invariably one-off and complex, and who maybe disadvantaged by a rigidly codified criteria, administered by departmental officials and subject to other broader processes. These are complex situations, they are difficult situations and they are amongst the very few cases that are found to be valid and where visas are granted. They involve devastating situations and they are genuine cases.

The minister's office has confirmed that no-one who would be considered under the new provisions provided for in this bill have previously failed to obtain a protection outcome under the current arrangements. The debate is not about whether genuine people with claims under these treaties should or should not receive protection. This House, I think, is at one in honouring those treaties. The issue is how we go about that process and what others issues that gives rise to.

It has also been confirmed that the number of genuine applicants in this category is actually very small. Between 1 January 2010 and 22 October 2010, the minister finalised 1,690 requests for intervention. Of those, the minister granted visas to a total of 438 people. According to the minister's office, of those 438 visas, only six satisfied the requirements of the proposed new complementary protection provisions. So, at the end of the day, we are dealing with six applications that were considered genuine at that time.

In evidence to the Senate committee which previously considered the bill in the last parliament, DIAC advised that of the 606 visas granted by the minister using section 417 powers in the 2008-09 program, only 55 were granted under the humanitarian program and less than half of these cases involved non-refoulement issues, the subject of this bill.

Consistent with evidence previously provided to the Senate committee, DIAC and the minister's office have reconfirmed that they do not expect the numbers of applicants being granted protection visas under these provisions to increase at all. This begs the question as to why the government now believe it is necessary to introduce a statutory framework, a new process, to deal with such a small number of cases, having decided during the last parliament to allow the bill to lapse.

The bill, in substance, is largely the same as the one abandoned by the government during the last term. The bill was first introduced into the House of Representatives on 9 September 2009 by the then Parliamentary Secretary for Multicultural Affairs and Settlement Services, who I have to say did a very good job in that role. It was not debated and it lapsed on 19 July 2010, when parliament was prorogued for the 2010 election.

This bill is different in that it has simplified some definitions, removed the need for a risk of irreparable harm, replaced references to complementary protection criteria as matters with a definition of 'significant harm' and amended the requirement that the non-citizen have the death penalty imposed and it will be carried out—'and' is the key word there. There are some minor amendments that pick up on some of the issues raised in the Senate committee. In substance, the bill is essentially that which was presented in the last parliamentary term and one that could have picked up these matters at that time, but the government chose not to do so. The bill also introduces these definitions in a range of areas, but I think it is fairly clear what they are for those who have had the opportunity to read the bill.

A new subclause 36(2B) provides a number of exclusion clauses, including that a real risk does not exist if the risk is faced by the population of the country generally and is not faced by the non-citizen personally. Other exclusions include those who have committed serious crimes. These are important exclusions.

In deciding to reintroduce the bill, the government advised that the minister had strong representations from the refugee advocacy sector. We understand that they neither sought nor received advice from the Australian Federal Police, Customs and Border Security, ASIO or any other relevant agency about the potential impact of this measure to act as an incentive for people smuggling. That concerns me. This is a matter that clearly could have implications in this area and the opinion and advice of those agencies is critical to a decision to reintroduce this measure at this time into this parliament. It is not even clear whether a request was made for their advice. I understand none was, but I would happily be corrected on that point.

The government's revised proposal will only widen the grounds for asylum seekers to make an onshore protection claim and, frankly, will put another product on the people smugglers shelf, at a time when we can least afford to do so, while failing to extend legitimate protection to one additional person who genuinely needs it.

The department and the minister's predictions about the small number of cases that would be approved under this new regime have an ominous echo of previous assurances given when a similar regime was introduced in the early 1980s and abandoned in 1989. In 1981, the Fraser government introduced the infamous section 6A(1)(e). This provision allowed an entry permit to be granted where there were strong, compassionate and humanitarian grounds. These permits were to be provided to those who did not meet other more specific migrant entry criteria. The decisions on these permits were judicially reviewable.

It was claimed at the time these measures were introduced that they would deal with around 100 successful applicants per year. In 1981-82, 226 applications were approved. By 1987 this figure had risen to 3,260. In 1989, then Labor immigration minister, Senator Robert Ray, realised that the system had run off the rails and repealed the measure. At the time this measure was repealed—and remember, this was a measure that was going to produce around 100 successful applicants per year—there were 8,000 outstanding applications covering some 10,000 persons. The Federal Court's interpretation of who should be provided protection under these measures transformed a provision intended to be exceptional, I am sure with all good intentions, into one that became routine. Where the department intended that strong, compassionate or humanitarian grounds applied only to applicants who had a fear of a 'substantial violation of human rights', a series of very creative court decisions led to a requirement that applicants only had to show that if they were forced to leave Australia, they would face a situation which would 'evoke strong feelings of pity or compassion in an ordinary member of the Australian public'. During Senate estimates questioning in 2009, shortly after the bill was introduced for the first time, Senator Fierravanti-Wells put the experience of section 6A(1)(e) to the department and the minister. The secretary of the department declared that 'this is completely different', because the criteria under the three conventions covered are quite clear in relation to non-refoulement obligations. The secretary said:

> We assess the potential for there to be a blow-out or even a statutory or judicial interpretation to vastly widen the criteria as 'nil'.

That is a fairly bold and dramatic claim. Frankly, I do not share that confidence.

Indeed, the budget last night set out more than $100 million in new expenditure to deal with court appeals following the High Court's decision to strike down the government's former non-statutory process for considering refugee assessments, introduced by the government in July 2008, which was believed to be quarantined from judicial review. In February the department was asked in estimates how much extra they would have to pay as a result of that High Court decision, and they boldly stated in a written answer that it would be met from existing appropriations in terms of the cost of any further actions. Those appropriations last night had to be increased by more than $100 million. We are already paying the price for misplaced confidence on the measures that have been introduced by the government in these areas. We have gone over those in some detail during the last 48 hours in this place as the government has sought to put forward new measures that are apparently the new great answer. But, sadly, we know how these measures often end with this government.

I do not share the confidence that what was intended to be a fairly small matter—enabling people with a genuine claim to be given genuine protection—could not follow suit of previous experience of our country in this area. We have system blow-outs being gained in the system and, frankly, we end up just putting another product on the people smugglers' shelf. For what purpose and at what gain? Our system, as the minister himself will acknowledge, is not denying a person, who would be given protection under this measure, protection that they are not already receiving. As I said, the Federal Court's interpretation in this matter now provides the opportunity to get involved in reviewing these decisions and to go well beyond what may be considered by this parliament, and that could lead us down a very similar path to what we saw on the earlier occasion.

It seems that eight days after having been sworn in as the new minister, the minister was reported in the Age as having said—and I make this comment in terms of reasserting his own commitment to this bill as something that he believes is important:

> Labor would seek to widen the criteria by which people can apply for protection before Parliament breaks for summer.

He did not quite make that goal but, nevertheless, it has been introduced. He further said:

> We'll be proceeding with that bill. ... I see it as an important measure. Out of the immigration legislation that is outstanding, I see that as the most important.

By contrast our current system enables legitimate claims to be identified and addressed while not opening up the system to the vexatious onshore claims to game the system in our courts, or allow a broader interpretation of the intended measures by the courts. The government are concerned that no-one who would be considered would be denied. They have also confirmed that the number of genuine applicants is very small.

A senate inquiry into the proposal when it was floated by the government during the last parliamentary time focused almost entirely on the issue of variance in judicial and administrative interpretation of fixed criteria. There is a very strong argument that codification of this criteria may serve to both constrain our opportunity to provide protection as much as extend such protection beyond what was intended through these treaties and conventions.

The inquiry also canvassed criticism of the current process as being 'administratively inefficient' on the basis that applicants 'must apply for a visa for which they are not eligible and exhaust merits review before their claim can be considered' by the minister. This criticism ignores the capacity of the minister to intervene under section 195A of the Migration Act to grant a visa to a person in detention whether or not

they applied for one if he or she considers it is in the public interest to do so.

A pre-removal clearance process is also undertaken by DIAC in which they assess whether the removal or deportation of an asylum seeker could otherwise engage Australia's non-refoulement obligations under international human rights instruments to which Australia is a party. These measures seem to be more than adequate additional safeguards.

I appreciate there are some in the community who believe more is necessary. The great risk though is that by going down that path we open up the opportunity for vexatious claims and for systems to be abused. Particularly in the current environment the opportunity for that is at what I would call a 'high alert level', and in the process undermine yet another avenue and opportunity for the government to move to provide protection to those who are in genuine need of it. The system currently is addressing those issues; maybe not to the satisfaction or the speed to which people would like or appreciate. But the way it works effectively provides a vetting system where the genuine applications rise to the top. When they do this minister, the previous minister and the ministers that came from this side of the House have all acted to provide that protection when it has been deemed necessary.

Liberal senators at the inquiry, when the bill was considered in the last parliament, submitted a dissenting report opposing the passage of the 2009 bill. The coalition will not be supporting this current bill. They said at that time that: the existing ministerial intervention process is a safeguard that has been in place for decades. It is a tried and proven system; there was no evidence that the ministerial intervention process has been anything other than effective; primary decisions would be appealable which, in turn, would lengthen the time in which cases remain unresolved and exacerbate an already fraught situation; codification risks curtailing discretion otherwise available to help genuine refugees languishing in camps around the world; and the bill would encourage the lodgement of non- refugee protection applications and the making of false asylum claims. They were the points made at the time and they are the same points the coalition makes today. hey were the points made at the time and they are the same points the coalition makes today. Indeed, in a submission to the inquiry, Dr Ben Saul of the University of Sydney was of the view that the criteria contained in the 2009 bill were 'poorly drafted as a result of the inclusion of unnecessary qualifying phrases' and, far from creating certainty, would invite needless litigation. I believe those concerns remain valid. Vexatious claims, where every negative decision can be appealed, will also create further pressure on an already overstressed court system. It would also add further pressure to a detention network already in crisis and stretched beyond capacity.

In the time between this bill's introduction into the House and today, these figures have become worse. At the time the bill was introduced around 53 per cent of the people who were in detention had been there for six months or more. That has now risen to 60 per cent of the record 6,872 population of our detention network who have been held for more than six months. The costs in this area have also blown out by more than $1.75 billion alone on one line item alone—output 4.3 Offshore asylum seeker management—between the budget announcement last night and a year ago. That is a staggering figure. When you include the additional costs of capital that have been introduced over that 12-month period that figure rises to more than $2 billion in just one year.

This is not a time for adding further stress and strain to a system that has already collapsed under the pressures of his government's failures. This is not a time to be engaging in adding further opportunities and products for people smugglers to put on the table and allow and encourage those to try their chances—to game the system—for those we know will not meet the obligations of the refugee convention. We simply open up another pathway without one additional genuine applicant believed to be benefiting from these new processes. The outcome, based on the government's own representations, would be the same as that we have now. The process would be different but the outcome would be the same. We have had violent riots, destruction of Commonwealth property and harm to persons, including self harm. This will all continue in the rolling crisis we have. In all likelihood this will increase not only in number, but in severity as the pressure continues to mount as more people arrive and our detention centres become even more stressed.

There is a very great risk that the decision to provide a new channel for asylum claims for those who arrive illegally and are not refugees will just place another product on the shelf. The government's weakened border protection and immigration policies have already created a strong perception that those who seek to enter Australia illegally will advantage their opportunity to secure an immigration outcome by getting on a boat. Since the government weakened the regime, 224 boats have arrived carrying more than 11,000 people. That includes, and we should always remember this, the ill fated SIEV 36, that was set alight; the even more ill fated SIEV 221, that crashed against the rocks of Christmas Island, and, what would seem to be another tragedy, a vessel that is believed to have left Indonesia last November with 91 people on board who we have not heard from since. I know that matter has been raised with the government and I know we are not in a position to know what happened to that vessel. It is, as we understand, most likely outside our

waters. I commend to the member for Gorton, the minister at the table, that if there is the opportunity to raise matters with the Indonesian government and others with whom we work closely, and I know with whom he works closely, to see if they can shed any light on this issue in order to bring some comfort to the families in Australia who believe they had people on that vessel—it is no admission of responsibility on the government's part, I believe, to have in some way interdicted that vessel outside Australian waters, or in any way had some obligation to go beyond our responsibilities to find it. When people get on these boats this is the risk they take, but it is another terrible reminder—another 91 souls who are likely to have perished at sea.

The reason more people are coming to Australia, the government has now I think accepted and agreed by their more recent decisions, is that the push factor argument that has been perpetrated for some years as the boats continued to arrive is exactly that: a political argument that has now fallen foul of the government's own actions and decisions, which have betrayed what has really been going on. You do not start to change your domestic policies if you do not think those domestic policies are providing a pull factor. Now we see the Prime Minister seeking to change some domestic policies, so clearly she believes that domestic policy has been a factor in attracting such a large number of vessels. It is not hard to work that out when the government's own figures show that if an Afghan applies offshore they have a one in 10 chance of being granted a visa, based on the figures for 2009-10, but if they got on a boat and sought to arrive in Australia nine out of 10, in the first nine months of 2010, got a positive refugee assessment. That is an incredibly strong incentive to get on a boat. he opening of another avenue for onshore applications that goes beyond the requirements of the Refugee Convention runs the risk of creating a further policy incentive for people smuggling, while, by their own admission, not assisting one extra genuine claimant. By contrast, the current process maintains a flexibility that avoids these outcomes, while affording protection to those who need it, consistent with our treaty and other obligations. I want to underscore that last point. I would hope there is no suggestion that anyone in this House or, indeed, the other chamber would have any sympathy with a view that would not have Australia meet its treaty obligations in these areas. We all share those commitments. Our difference of view about this bill relates to process. We believe the same outcome can be achieved by maintaining the system that is currently in place, without exacerbating the clear catastrophe of problems we have on our borders, in our detention centres and in the budget of dealing with asylum seeker policy in this country.

The coalition simply do not want to be in the position, yet again, of having to say that we warned the government on the risks of changing these systems. This is yet another change. This is yet another alteration to the set of arrangements that were put in place and followed by the coalition government in dealing with the matters of border protection and of ensuring that we did not provide incentives for people to come and seek to chance their arm on claims when those claims were vexatious or, frankly, for people to seek to try to advance their claims by coming to Australia by boat in particular and illegally more broadly. We do not want to encourage that practice. We want to discourage that practice. By setting up other pathways, other opportunities for application, we think that is what this bill actually does with no ultimate greater gain in terms of those who are genuine claimants being given protection.

We do not want to be in the position to say that we warned the government of the risk of changing these systems, and we provide that warning here again. Mr Deputy Speaker, I would hope and you would hope that they would have learned from the scale of their failure to date in these areas not to take these risks. It would seem by the government's insistence on pushing this bill back into this House that they have not learned those lessons. The coalition will not be supporting this bill, and we encourage the government to reconsider bringing this bill to the parliament at this time and urge them to maintain the system that has served governments well on both sides of this House for many years.

Dr LEIGH (Fraser) (18:47): As a child, four years of my childhood were spent in Malaysia and Indonesia, including attending primary school in Banda Aceh. I was there because my father was working on an AusAID project to improve education in Indonesia. As the only white child in my class, I came to appreciate perspectives and cultures quite different from my own. It also does not hurt to have the experience of being the outsider.

Australia is a modern nation. Our humanitarian ethos has advanced considerably since 1951, when the Refugee Convention was originally drafted. Our moral attitudes towards asylum applicants can no longer be bottlenecked by a convention written in the context of post-war Europe. Those who require humanitarian refuge but fall outside the 1951 convention include individuals who are at risk of being subjected to the death penalty, such as a woman at risk of an 'honour killing' or domestic abuse, or a person who would be prosecuted on the basis of their sexuality. These are all people of whom the vast majority of Australians would feel that the federal government has a duty to protect. Does the coalition really believe that someone who would be jailed for being gay in their home country does not deserve our protection? Is a woman who is at

risk of an honour killing really a woman who is making a vexatious refugee claim?

The Migration Amendment (Complementary Protection) Bill 2011 will provide an international standard complementary protection regime for those individuals seeking protection visas under Australia's non-refoulement (non-return) obligations. The bill will ensure that Australia continues to meet non-return obligations in a transparent and compassionate fashion, according with the International Covenant on Civil and Political Rights; the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and the Convention on the Rights of the Child.

The current bill reasserts the government's position to ensure that Australia meets its international legal and moral obligations. Rather than relying on an informal system employed at the discretion of the Minister for Immigration and Citizenship, the new complementary protection legislation reflects the Gillard government's commitment to humane and just treatment of asylum seekers. This amendment will update an outdated law—a law that is now over two decades old. A number of legal academics, human rights lawyers and local and international humanitarian groups have noted that relying on a regime which is non-reviewable, non-compellable and wholly dependent on personal discretion is far from ideal. Under current arrangements, those seeking complementary protection are referred to the minister through section 417 of the Migration Act. After review criteria are met, the minister may then exercise his or her discretion to intervene and grant the individual a protection visa.

It is well-known that this process is inefficient and time-consuming. It adds stress to the applicants. The discretionary role of the minister in this process causes excessive uncertainty and delays for applicants seeking protection. Over the years, a broad consensus has formed over the need for complementary protection provisions to be explicitly incorporated into domestic legislation. Groups supportive of such a legal codification include: the United Nations; the Australian Human Rights Commission; Amnesty International; the Uniting Church; the Law Council of Australia; and the Refugee Council of Australia.

I would also note that the codification of complementary protection has been recommended by several parliamentary committees, the most recent being the 2009 Senate Legal and Constitutional Affairs Committee. The passage of this bill would place Australia along with nations such as Canada, the United States, New Zealand and 27 member states of the European Union. All of these nations have already moved to create harmonized, legal approaches to non-refoulement by codifying complementary protection within domestic laws. his is not a risky reform. This is not a radical reform. This is a commonsense reform. The bill ensures transparency, due process and consistent humanitarian outcomes and removes concern regarding the use of a non-codified system to address complementary protection obligations.

This government does not believe that introducing a legislated complementary protection framework will increase people-smuggling. The single procedure process, already in place in the UK, the Netherlands, Canada and Ireland, will assess all claims for protective asylum, first against the refugees convention, and only then move to assessment under complementary protection criteria. Nor will this bill increase the number of protection places allocated to new arrivals. It should be remembered that those granted protection asylum, who are not recognised as refugees under the 1951 convention but still owed complementary protection, are dealt with under the existing discretionary arrangement. This bill acts only to improve the system.

The bill also saves administrative resources and relieves some of the pressure put on decision makers within the Department of Immigration and Citizenship and the Refugee Review Tribunal. In a recent editorial in the Australian, the member for Cook stated that the legislation runs the risk of 'creating a further policy incentive for people-smuggling', while the current discretionary system should be retained because it promotes what he called 'flexibility'. This stands in stark contrast to his predecessor as the member for Cook, the Hon. Bruce Baird, who rightly said: 'This is not the way we should be treating the weakest and most vulnerable in our community.'

The member for Cook, in his ongoing efforts to make political capital out of Australia's humanitarian and refugee programs, has in the past managed to confuse visa subclasses and erroneously introduced a private member's bill that accused the government, wrongly, of ignoring female applicants for the Woman-At-Risk visa. He argues that any amendment to our migration laws is a confession that 'push factors' do not matter. By this logic, Labor's fiscal stimulus in 2008-09 must have been an admission that Australia caused the global financial crisis. It is a strange view indeed.

By blocking this bill, the opposition would be showing a callous attitude to women fleeing domestic violence, physical abuse and sexual assault who come to Australia to seek refuge. Too often we hear deliberate inflammatory language from our political opponents, rhetoric that is entirely divorced from reality. We must never forget that behind every statistic there is a human story. My grandparents lived in Victoria in Seaholme in a two-bedroom house with their four children. Their house was constructed by my grandfather, who was a boilermaker and not a

carpenter, so there was always something that needed fixing around the home. Living by the seaside did not exactly help as the cold blustery winds were forever finding their way inside.

My mother tells the story of her father, my grandfather, going down to the local tip to get some more building materials, where he met an Egyptian migrant woman who had three children with her; she was just there at the tip. The woman said they did not have a place to stay in, so my grandfather invited them back to his own home—a two-bedroom home that already housed six people. My mother said that as a little girl, when she saw this new family of four coming into her home, she wanted to cry as she was so angry with her father. But her father said, 'Well, if they're not staying with us, they may not have a place to stay.' My mum told me how she was initially envious of the Egyptian refugees, people who had less than her but who, from her point of view, were taking 'things away' from her and the other kids in the family. All my mum could see was that she lived in a rickety, cramped, cold house with hardly any possessions and these people who were staying the night were taking something away from her. But later she went on to see the need that the immigrant family had.

Being able to see the big picture—to see that refugees are not taking something but, rather, are giving back to our community—is fundamental to the success of the Australian multicultural story. The great success of multiculturalism in Australia has been the way that suburban Australians have, without fuss, accepted successive waves of new migrants into our neighbourhoods. As a local member of parliament, one of the things I most enjoy is to stand in a school assembly—amidst children from all ancestries in the world—and sing with them those terrific lines from the national anthem: 'For those who've come across the seas/We've boundless plains to share'. Australia is a big country with a big heart. This bill reflects that fact. It harmonises our laws with our international responsibilities. It ensures we meet our moral obligations. It demonstrates that we in the Labor Party are committed to a humane and just approach to migration, and that we are not prepared to let the opposition's tub-thumping and incendiary rhetoric stand in the way of long-overdue reform.

Mr ROBERT (Fadden) (18:58): Cognisant of the time and cognisant of the day, we seek to stand here to discuss the Migration Amendment (Complementary Protection) Bill 2011—another change and another piecemeal approach to what is now universally derided as a debacle in protecting our borders. When Labor came to power in November 2007, there was a handful of people in detention. It is, of course, a great euphemism meaning a small number of people but I mean literally a handful. In fact, there were four—just four—in detention. I am led to believe that at the time, given a bill of something like $100 million or less, the department—what is now DIAC—was saying that this was a large amount of money in expenditure. Well, we found yesterday in the budget that the expenditure that the Labor government is now facing is $1.7 billion. It is an interesting aside that Australian families, some earning as little as $45,000 a year, will have the family tax benefit supplement frozen for two years with no indexation, therefore reducing it in real terms. Families will suffer to the tune of $2 million in Australia whilst we spend $1.7 billion in dealing with a boat person crisis caused by, started by, enacted by and maintained by an inept Labor government and the changes they made in August 2008. It is quite clear to the Australian people that the unwinding of the Howard government framework that commenced in 2008 has become a massive pull factor, a magnet that has drawn people smugglers to this country.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! I propose the question:

That the House do now adjourn.

Paterson Electorate: Building the Education Revolution

Mr BALDWIN (Paterson) (19:00): I rise today on behalf of small business tradesmen in my electorate of Paterson who have been failed by the Gillard Labor government. These workers are owed in excess of $600,000 for work they completed in good faith under Labor's Building the Education Revolution. Instead of helping them, Labor hung these businesses out to dry and then washed their hands of it. When Prime Minister Rudd announced a $16.2 billion program to build infrastructure in our schools he said it was to boost the economy. The government's website says that the BER will 'support local jobs and stimulate investment'.

In my electorate of Paterson a group of 56 small businesses were subcontracted to build a school hall COLA facility at the Pacific Palms Public School. Unlike many others, these small businesses completed the job with distinction. They brought the supplies, they put in the hours and they finished the hall in August 2010. It is now six months later and they are still waiting for their payment. There are also subcontractors owed money for BER projects at Bungwahl Public School in my electorate and at Coopernook Public School in the member for Lyne's electorate. How on earth has this been allowed to happen?

The company that subcontracted my constituents, Cape View Developments, has gone into liquidation. It failed to pay its subcontractors. The company that contracted Cape View Developments, Reed

Constructions, failed to pay the subcontractors despite giving guarantees to the subcontractors they would once the work was completed. Neither the former state Labor Keneally government nor the current Gillard Labor government bothered to ensure the debt was settled.

The buck must stop with the Prime Minister, who, as the former education minister, is responsible for the BER program. But our Prime Minister Gillard wants all of the gain and none of the pain. When it came to spruiking her program, Prime Minister Gillard was happy to send Senator Forshaw to my electorate to open the building work at Pacific Palms Public School and to speak to the media, but when it comes to ensuring those who did the work in good faith get paid for it, neither she nor Senator Forshaw was anywhere to be seen. Prime Minister Gillard has left those businesses and families under severe financial stress. She should be ashamed. For example, Carl Organ is a local plumber who signed a contract, bought supplies and completed the job. He is now owed more than $45,000. That is a massive amount of money for a small business and a family that is trying to make a living and put their kids through school.

There are many other questions that are yet to be answered—questions such as: did Cape View sign a declaration of payment to a subcontractor under the Building and Construction Industry Security of Payment Act stating to Reed that it had paid its subbies in order to get paid itself? If so, it could be in breach of the law. I have put the question to Reed Constructions but they would not answer my questions. Even the subcontractors themselves have been largely shut out by Reed, which seems to have gone to ground on the issue. Put simply, no-one wants to take responsibility for the BER program when things go wrong. Prime Minister Gillard has handed out billions of taxpayers' dollars but failed to put into place any mechanisms for accountability. So it is up to her to settle this matter.

I wrote to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Chris Evans, regarding this issue back on 3 March and he has not bothered to reply. Yet they continue to send Senator Forshaw to open school buildings in my electorate. Likewise the member for Lyne also had the chance to stand up for these workers, many of whom are his constituents, but he would not do anything for them. Sadly, I am not surprised, because he had a chance to vote with the coalition to approve an inquiry into the BER but he would not. I think he is more interested in his own job than he is interested in standing up for his own constituents. The small businesses who are already struggling because of these debts will now have to pay for lawyers to take this up in court on their behalf. It would be yet another burden.

Labor must do something to fix this now and I will not rest until it does. I have written to the Prime Minister and the New South Wales Minister for Education, Minister Piccoli. Prime Minister, you are sending Senator Forshaw to open a building in Grahamstown on Monday and in another town on Tuesday. Will you instruct him to meet with the subbies who have not yet been paid? Prime Minister, I am demanding that you take an active role and end this debt problem for people who placed good faith in the BER program, built a great building but have not been paid and are wearing the burden of your policies.

Australian Mammal Extinction

Mr KELVIN THOMSON (Wills) (19:05): Over the past 200 years, more mammal species have become extinct in Australia than anywhere on earth. Australian mammal extinctions account for about one-third of all mammals that have disappeared from the world over the past 500 years. Back just 50 years, we would still find quolls around Melbourne and pig-footed bandicoots, crescent nail-tail wallabies and desert rat-kangaroos in Central Australia. Those animals have gone, in a time frame that in an evolutionary context is the blink of an eye.

We assume that this is the fault of previous generations, who did not know any better, and that we now have a greater sense of environmental responsibility and that we now look after our unique animals. We have environment protection legislation, we have more national parks and we know a lot more about the Australian ecology. We assume that future generations will commend our responsibility rather than condemn our neglect. We would be wrong. The decline goes on as fast as ever, and we face the real likelihood of a new wave of mammal extinctions on our watch.

I commend the Australian Wildlife Conservancy, the Nature Conservancy, and The Pew Environment Group for drawing public attention to this ongoing crisis. I have drawn extensively on two of their reports—*Into oblivion: the disappearing native mammals of northern Australia* and *The collapse of northern mammal populations*—in preparing these remarks twenty years ago, people camping in northern Australia were likely to witness bandicoots and quolls scampering around their campsite during the night. For native mammals this was a land of plenty, one of the few remaining places with a fauna largely as it was at the time of European settlement. But three years ago a team of Australian Wildlife Conservancy ecologists was carrying out a fauna inventory survey of a property in the Northern Territory to assess its conservation value for possible acquisition. Over two weeks they set traps at a range of remote locations accessible only by helicopter. The survey sites were positioned in combinations of topography and vegetation that

seemed guaranteed to deliver high diversities of various mammal species. But night after night the traps were empty. Amongst complex sandstone formations that should have been thick with rock rats, and Northern Quolls, the team found nothing, not even tracks. In lush paperbark forests, the rich loamy soil should have been dotted with the characteristic potholes of digging bandicoots. The survey team saw and caught nothing. Long-tailed planigales were absent from the black-soil plains. Native rodents were absent from the savannah woodlands and the creek banks. In over 1000 trap nights, the AWC caught only two species of small native mammal, which they described as a truly demoralising experience.

AWC says this survey experience is not unique. In the past 20 years there has been a catastrophic decline in the diversity and abundance of small mammals across northern Australia. From Cape York to the Kimberley, small mammals are disappearing. A growing body of published and unpublished survey reports across the north provides compelling evidence of a dramatic collapse in mammal populations. What is causing this decline? The first culprit is fire. Prior to European settlement Aboriginal people generally lit fires with care and a close appreciation of environmental conditions. They were typically of low intensity and small in scale, producing an intricate landscape tapestry, a fine mosaic of burnt and unburnt areas. But the regime of fire is now very different. Across much of the land fires are now more extensive and burn with greater intensity and frequency. For example, many national parks and Aboriginal lands now are at least 50 per cent burnt every year. The native mammals of northern Australia are highly susceptible to fire, and the frequent, intense and large-scale fires are driving declines. I urge northern Australian land managers to reduce the scale and intensity of fires so that burnt patches are on a scale of hectares rather than hundreds of square kilometres. The size and intensity of fire needs to be reduced so that fires occur in fine-scale mosaics.

There also needs to be a big effort to effectively control introduced predators and pests such as cats and cane toads. Feral cats need to be effectively controlled through intensive management such as targeted baiting. Our native mammal species are part of Australia's rich heritage. They have an intrinsic value and the right to exist. It is a mark of our character as a nation, and we will be judged by future generations, by the way we value and cherish this unique and irreplaceable heritage.

Budget

Mr BRIGGS (Mayo) (19:10): it has the pleasure to rise to night to talk in the adjournment debate about the topic of the day, and that is the big spending, high taxing Labor budget. Last night, the Treasurer said this was a Labor budget, and not a true word has been said. He was right. This is a very Labor budget: a massive budget deficit, soaring to $50 billion this financial year, $22 billion in the bill we will have to vote on in this House, and a blowout from the projections in MYEFO of $9.6 billion. Net debt is peaking at over $100 billion, a shameful record for this Treasurer to have, and remaining above $100 billion in the forward estimates. This amounts to a bill for every single Australian of $4,700. Interest repayments are $5.5 billion in 2011-12 and climbing to $7.5 billion in 2014-15, or around $20 million a day. Labor is now borrowing $135 million a day to fund its reckless spending. As the Alan Kohler said the budget was handed down—an economist at the Treasurer did not quote today—'Any decent CFO would be embarrassed by this budget.' Of course, the Treasurer takes the role of CFO in the government.

This is definitely a Labor budget. How did we get here? The Labor Party will blame all sorts of other factors but they were handed a $20 billion surplus, no net debt and money in the bank when they came to government in 2007. The Treasurer uses every excuse to justify these horrendous figures, why he has taken the budget from a position of $20 billion strength to a position of over $100 billion net debt and deficit. The main reason why the federal budget is producing such ugly figures is the wasteful, reckless spending of this government. We heard from the member for Paterson earlier about one of those examples of the mismanagement of this government, the failed programs and the bad policy decisions. Building the Education Revolution, or the school halls debacle—a $1.7 billion blow-out with up to $8 billion wasted. The home insulation disaster—$2.4 billion wasted and mismanaged and homes being burnt down. The Solar Homes program—$850 million wasted. The Green Loans program, which became Green Start before being dumped altogether—$300 million wasted. Tax bonus payments —$46 million wasted, with money being sent to people overseas, criminals and people who had passed away. Grocery Choice—$8 million spent on a website that delivered nothing and was eventually shut down. The 2020 Summit—$2 million wasted on a great big talkfest. Labor has learnt nothing from its first term policy stuff-ups and budget blow outs.

Even in the Treasurer's fourth budget, he continues to waste money. Since coming to power, Labor has employed 24,000 additional public servants. The government is asking the Australian people to tighten their belts, but it is refusing to do the same itself. They say they are cutting $2 billion from family payments to bring the budget back to surplus, but $1.75 billion of this money will disappear to pay for the boats failure thanks to Labor's failed border protection policies. We only need to look at these figures to see that Labor's

failed border protection policies are now impacting on Australian family budgets. We see that in my electorate on a daily basis with the obscene waste are satiated with the Inverbrackie detention facility. The Treasurer is giving $10 million to the unions to build a new website. This is just more wasteful spending while the government might claim that savings in this budget are $22 billion, they will actually spend $19 billion of it. Out of the $22 billion in savings, almost half is made up of levies imposed on ordinary Australians.

Labor is addicted to spending. It lacks the courage to make the tough decisions, and Australia families are now paying the price of Labor's waste and mismanagement and its failed policies and policy implementation. Instead of cutting waste and making the hard decisions in this budget, Labor has stripped $2 billion from Australian families by freezing indexation of key family tax payments and income thresholds—as I remarked earlier, all to pay for the failed boats policy. The government is hitting Australian families and the economy with more than $6 billion in new taxes and higher charges. At the same time, electricity prices are up by 51 per cent, grocery prices are up by 14 per cent, education and health costs are up by 20 per cent and petrol prices are on their way up and up. Families are being hit, taxes are being raised and services are being cut. This is a very Labor budget.

Victoria: Cattle Grazing and Duck Hunting

Ms PARKE (Fremantle) (19:15): In the relatively short time it has been in power, the Victorian coalition government has lost no time in opening up the environment for exploitation. It reintroduced cattle grazing into Victoria's National Heritage listed Alpine National Park under the guise of 'scientific grazing' for the alleged purpose of seeing if cattle grazing could be a fire management tool. It also extended the season for recreational shooting of native waterbirds to a 12-week period, with bag limits of up to ten birds per day per person, meaning an individual could shoot up to 840 ducks per season. Both decisions were made in the face of overwhelming community opposition and contrary to the weight of scientific evidence. They also impact on areas of Commonwealth jurisdiction.

With regard to so-called scientific grazing, I note that the $50 million Victorian Bushfires Royal Commission did not recommend it as a fuel reduction or fire management tool, or for further research. According to the Ecological Society of Australia, there is no scientific evidence to support the claim that grazing in alpine and subalpine zones plays any role in mitigating the effects of wildfire; on the other hand, grazing by livestock in the subalpine and alpine zones represents a significant threat to water, soil, nature conservation and biodiversity values. In March the federal minister for the environment ordered the removal of cattle from the national park, as the Victorian government had failed to seek the necessary federal approval. I understand that the cattle were, accordingly, removed by the 8 April deadline; however, the Victorian minister for the environment, Ryan Smith, has recently claimed that the trial will continue. The Victorian National Parks Association has likened the project to a domestic version of Japanese whaling, in that it uses the guise of science to justify what is essentially a politically motivated decision that undermines the integrity of Australia's world-class system of national parks. As the VNPA has rightly said, 'It's a park not a paddock'.

WA banned recreational duck hunting in 1990, NSW banned it in 1995 and Queensland banned it in 2005. Surveys show that 87 per cent of Victorians support a ban on recreational duck shooting. Aerial surveys by respected scientist Professor Richard Kingsford have shown that waterbird numbers have fallen by 82 per cent across eastern Australia in the past 25 years, yet the Baillieu government has seen fit to approve and expand this obscene activity this year. The Victorian Department of Sustainability and Environment's website even trumpeted the news with a headline that I am sure they imagined was funny: 'Duck! It's hunting season.' An editorial in the *Age* in January this year entitled 'State takes two steps back on conservation' comments:

> ... hunting flocks of wildfowl with a shotgun is unavoidably cruel and rare species are killed. Studies show that for every duck retrieved, a wounded bird flies off, often suffering a lingering death.

Dr Graeme Hamilton, CEO of Birds Australia, has said:

> The level of mortality and wounding of these native birds for the amusement of a handful of shooters cannot be justified in a modern society. Young, inexperienced ducks will bear the brunt of the onslaught, which could be disastrous for the overall waterfowl population for years to come ... Our wildlife should not be sacrificed for political purposes. Victoria's Recreational Duck Shooting Season should be abandoned once and for all.

The campaign director of the Coalition Against Duck Shooting, Laurie Levy, has noted:

> ... the Commonwealth is a signatory to the international RAMSAR Treaty giving it direct responsibility for significant areas of Australia's wetlands known as RAMSAR Sites, being 'Wetlands of International Importance, especially as Waterfowl Habitat'.
>
> Given community concern over the ethics of duck shooting, combined with declining bird numbers, diminishing wetlands from drought and climate change, as well as inconsistent policies of the States/Territory governments on duck shooting, there is an urgent need for the Federal government to develop a national approach to the issue.

In 2008 136 organisations, including the WWF, Birds Australia, Animals Australia, RSPCA Australia, voiceless, the Australian Conservation Foundation, the Wilderness Society and Bird Observation and

Conservation Australia, issued a joint common position statement highlighting the unsustainable and cruel nature of the recreational shooting of native waterbirds and calling for, inter alia, a permanent ban on recreational duck shooting on Commonwealth controlled land and on all RAMSAR sites throughout Australia. This is a matter firmly within federal jurisdiction, and I will certainly be advocating for it to be implemented.

Finally, I would like to quote from an email to Premier Baillieu from a concerned Australian, Nathan Cooper, who eloquently puts the case for an end to recreational duck hunting. He says

I believe society has transcended hunting as a sport and the great majority support measures of conservation and animal protection over cruel sport. While many rural Australians like myself allocate resources to improving biodiversity for wildlife on our properties, it is disappointing to see outdated political decisions working in antithesis to these efforts.

Unemployment

Mr CIOBO (Moncrieff) (19:20): There is nothing more fundamental in terms of the core responsibilities of government than to provide an economic environment that fosters growth. There is nothing more fundamental that flows from an economic environment that fosters growth than the ability for someone to secure a job. In my city, the Gold Coast, Australia sixth largest city, we have seen now the compounding consequences of Labor's stubborn refusal to adopt policy that is in Australia's economic interests and in the interests of my constituents on the Gold Coast, who are now facing the ravages of bad policy decisions, which are driving up unemployment. t has not always been this way on the Gold Coast. Traditionally this services based city has enjoyed levels of unemployment much lower than they are today. Historically the Gold Coast has had above national average levels of unemployment. But the previous coalition government recognised that there were policy decisions that could be taken, and, importantly, we took them, to empower small business owners, for example, to take the risk of putting on new staff, knowing full well that they would have the flexibility to make decisions about the consequences of that employment. These were the kinds of policies that drove unemployment down in a small business city like the Gold Coast.

As a direct result of coalition policies, in Australia's sixth largest city the unemployment rate went from historically sitting above the national average to reaching a low in January 2008 of 2.3 per cent. There can be no doubt that that was a direct consequence of a number of the coalition's policies and the management of the Australian economy that the coalition had fostered for the 13 or so years previously.

In four short years, we have seen the consequences of Labor's economic recklessness with respect to the job prospects of so many of my constituents. We have seen the consequences of Labor's bungled bank guarantee. We have seen it drive away non-bank lenders and drive many of them to the wall, so that non-bank lenders, which historically accounted for over 10 per cent of the lending market, now account for something like two per cent of the lending market. This source of capital was crucial for the development industry in my city of the Gold Coast and provided a massive amount of employment for local Gold Coasters.

We have seen, in addition to that, the consequences of Labor's debt and deficit. Incidentally, in the budget handed down just last night, net debt reached a record $106 billion and we saw the budget deficit blow out to nearly $50 billion for this financial year, expected to be $22 billion in the subsequent financial year. These levels of debt and deficit are forcing up interest rates. So the bungled bank deposits guarantee, coupled with debt and deficit from the Labor Party forcing up interest rates, have killed off the construction industry.

Another consequence has been the rapid appreciation of the Australian dollar. The Australian dollar is rapidly appreciating as a consequence of expectations about interest rates in this country. And interest rates are going up in this country because the government is spending like a drunken sailor. Because the Australian dollar is appreciating rapidly, we now have a situation where international tourists are finding Australia too expensive to visit, and domestic tourists are finding it advantageous to travel abroad.

The Gold Coast is now seeing more tourists travelling overseas than there are international tourists coming to Australia. And tourism is the single largest employer of local Gold Coasters. The simple reality is that now, when the Gold Coast has nearly double the national average of unemployment, at eight per cent, there are some important policy changes that need to happen by the Labor government to bring down the unemployment rate. There is assistance that should flow from Labor to help the Gold Coast in its hour of need. Instead of assisting, they have turned their back on the city.

Chronic Fatigue Syndrome

Mr LYONS (Bass) (19:26): I rise to bring the House's attention to the seriousness of chronic fatigue syndrome, commonly known as CFS, in Australia. As many of you would be aware, this week is ME/CFS Awareness Week. It is estimated by ME/CFS Australia that approximately 180,000 Australians suffer from this severe neurological disease, often referred to as the 'invisible disease' as so many people that are suffering go unnoticed.

Many Australians are unaware of the suffering that those with CFS endure. Symptoms include fatigue; post-exertional malaise; pain; dysfunctional sleep; neurological and cognitive manifestations, including issues with short-term memory and concentration; autonomic manifestations; and immune system and neuroendocrine manifestations. And this suffering is not for a short time. This is a serious illness—some people are housebound, some are bed bound and some, sadly, never recover. A study described CFS this way:

> … the patient's activity level is reduced by approximately 50% or more … ME/CFS is "actually more debilitating than most other medical problems in the world" …

Yet there is very little support for those suffering.

It is not just the physical symptoms that affect sufferers. Looking after someone who has fallen victim to this illness is a heart-wrenching job, and this can lead to family and social breakdown. There is also the cost of doctors' appointments, ongoing tests and seeking a treatment that might help even a little to ease the pain and discomfort associated with the illness. A study by the Australasian College of Physicians found that in 2000-01 the annual aggregate cost totalled $13,471 per patient. Although this figure is from some time ago, it demonstrates the high cost of this illness.

Many younger people cannot complete their high school or college years or are too unwell to attend university, which has implications for their long-term employment prospects. Adult sufferers often miss large amounts of work or are unable to resume their careers at the level they were once at. This illness is so multifaceted and it affects not only the sufferer but also their carers, family and all of those close to them.

I think that it is particularly difficult for younger sufferers. Often their peers do not realise the magnitude of the illness, and it is easy for them to say that the person is putting it on or seeking attention by saying they are sick. It is not like this at all. This is a time in the sufferer's life when they need all the support they can get, but so many Australians just do not realise exactly what this illness means to someone who has it. he reason I am speaking about CFS tonight is that I want to raise awareness of what this illness is—the magnitude of the illness and what it is like to be a sufferer. Treatment for this illness is not simple—it is not simply taking medication to alleviate symptoms. It is a complex illness which affects sufferers differently, but all need treatment, support and recognition of what they are going through. I want to raise awareness of it so that we can work together to provide support for these sufferers. It is important that we provide support for the organisations that so need funding and the resources these people need to fight this debilitating illness.

Finally and importantly I urge everyone in this place to be involved in ME/CFS Awareness Week and to wear a ribbon tomorrow. This is a way of showing our support and recognising the suffering that this terrible, debilitating illness inflicts.

Budget

Mr BILLSON (Dunkley) (19:30): This federal Labor budget is a disappointment for most and a disaster for many small businesses and family enterprises. The Gillard Labor government has short-changed small businesses and family enterprises by delivering a budget that fails to address any of the key concerns and challenges currently faced by this engine room of the Australian economy. Instead, the budget relies on tricks with smokes and mirrors to claim to be helpful to small businesses, but those tricks are funded by measures that are actually harmful to smaller enterprises.

The claimed cash flow benefit resulting from the instant write-off of the first $5,000 of a new work vehicle requires a small business to spend nearly $34,000 dollars in cash to receive an extra tax benefit worth around $1,275 in 2013, according to the example promoted by the Treasurer. This 'spend a lot to benefit a little' measure does not actually start in this financial year nor in the next; it starts in 2012-13, with a payment possibly arriving in late 2013. It risks delaying vehicle sales and also comes at the expense of over 400,000 of Australia's smallest businesses and self-employed enterprises which are set to lose up to $2,500 by the scrapping of the entrepreneurs' tax offset. Changes to vehicle fringe benefits tax, particularly punishing for rural and regional communities, will be leaving small businesses with an additional potential burden of up to $3,000 for providing employees with vehicles, vans or delivery cars of some description—the result of caving in to the Greens' demands to change FBT.

The Gillard government has given with one hand and taken with the other while ignoring the big challenges the small business community was desperate for the government to address. In fact, those challenges have been made worse by this budget. The punishing impact on small business viability and its capacity to employ has been worsened by Labor's flawed carbon dioxide tax. The tax itself, and any detail about it, has been completely left out of the budget, yet this is a real and compelling issue for the small business community. Difficulties accessing affordable credit have also been made worse by a budget which puts upward pressure on interest rates and by Commonwealth borrowings of $135 million a day crowding out small businesses seeking finance. Burgeoning red tape burdens are made worse with new disincentives and punishing reporting requirements for independent contracting and new compliance complexities for employer supplied vehicles—a couple of key areas.

What is it about this government that so leads them to simply hate small business? The government will pocket $365 million from axing an important incentive for the microbusiness community, a tax incentive I touched on earlier, which shows the disdain Labor has for those wishing to pursue their own employment trajectory and livelihoods without being in the traditional employer-employee relationship. The budget scraps the enterprise tax offset. Self-employed people, home based businesses, small retailers, service providers and people using their own wit and entrepreneurship to enter, re-enter, participate in or defer retiring from the workforce will be rewarded by a new tax hit through the scrapping of the ETO.

You hear the Prime Minister talk about the dignity of work and the government's effort of 'insisting on participation of more workers', yet this government has that unionist view that only employees are workers, that if you happen to be self-employed, that if you are actually receiving payment for your services or your work or revenue in your business, that does not count. It is only if you are receiving a pay cheque as an employee that it counts. Through that attitude and the decisions in this budget, an avenue that sees millions of Australians able to support themselves and pursue a livelihood is being made more difficult.

In another area, the Assistant Treasurer Bill Shorten has broken an explicit promise not to make it more difficult for those involved in independent contracting and self-employment. He promised, in an article in the *Australian Financial Review* on 13 October, that he would 'not make life difficult for self-employed working people', yet what the budget announces is another instalment in this Gillard Labor government's concerted and coordinated campaign to hound and harass small-business people out of legitimate contracting arrangements and force them into employee-employer relationships that facilitate union intervention and control. There are two million Australians who derive their livelihood from self-employment and independent contracting. Bill Shorten assured them that he would not make their lives more difficult. He has. He stands condemned. This is yet another example of why only the coalition can support the small business community in Australia. *(Time expired)*

The DEPUTY SPEAKER (Hon. Peter Slipper): I would remind the honourable member that he ought to refer to other honourable members by their title and not by their actual name.

Braddon Electorate

Mr SIDEBOTTOM (Braddon) (19:36): Since 2007, the Labor government has been highly supportive of, and has invested heavily in, my region. The budget last night continued to support my region and I thank this government very much. I would like to mention at least five really good activities and programs that I have been able to share with my community recently. The first is the Mersey Bluff development—I was representing Simon Crean, who was the architect of the Better Regions Program. That program provided $1 million in funding for the Devonport Surf Club, part of a $7 million recreation and wellbeing precinct in Devonport. I want to congratulate the government and the Devonport council, in particular its mayor, for the tremendous investment in what is one of the most beautiful parts of not just the north-west coast but indeed Australia. second enterprise I would like to mention is what we call the Community Infrastructure Development Group in my region and through the jobs fund and more specifically the Get Communities Working project, $900,000 or a little over was allocated to the O Group to create a program using construction supervisors and a number of apprentices and trade experienced and unemployed people who worked on a whole range of projects for the last 12 months, in particular the Picton Grange building at the Latrobe Sport and Recreation Centre. Representing Minister Ellis, the Minister for Employment Participation and Childcare, I was able to congratulate the Latrobe City Council staff, members of the Latrobe Sport and Recreation Centre management committee and the O Group on what is a fantastic community facility, a gymnasium which will be available to that community.

A third area of investment by this government—indeed, I was able to do this with the Minister for Home Affairs and Minister for Justice, Brendan O'Connor—was the allocation of $250,000 to, again, the Devonport City Council for the setting up of CCTV cameras as part of the community safety program. Again, I congratulate the council, the local community and the local police representatives on getting funding for the CCTV cameras in order to enhance even further the liveability and amenity of the beautiful city of Devonport.

A fourth area I was able to take part in, and very proudly so, is one of the few projects throughout Australia at the moment launching the local connections to work at Burnie, particularly the Centrelink area. This is a unique service bringing together all the services helping long-term unemployed and youth who are facing barriers to social inclusion and economic participation. So under the one roof, you have employment services through Job Services Australia and disability employment service providers and services to help people with carer needs, housing, advocacy, legal issues, mental health needs and youth services including educational services, as well as working with Medicare in order to allow for electronic funds transfers, trying to get people into a tell it once wrap it around service and surrounding customers with

assistance. I want to congratulate Centrelink at Burnie for the fantastic job they do.

Finally, there are two fantastic social housing initiatives. On 28 April, I was in Ulverstone at Grove Street where we had supported accommodation of some 20-unit complexes put together by the Tasmanian government through their housing fund, an additional six units costing $1.65 million by the Commonwealth and finally the Optia units in Mussen Court, Burnie, 20 one-bedroom units designed for persons living with a disability at a cost of $3.3 million with Optia providing $700,000 and the land provided by the Burnie City Council. *(Time expired)*

Hinkler Electorate

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (19:41): In recent months the local economies of Hervey Bay and Bundaberg have taken sustained and consecutive blows with the closure of key businesses. Regional economies are doing it tougher than ever because when businesses and banks reduce their exposure and consolidate their operations, private investment dries up and local jobs disappear.

In Bundaberg alone, hundreds of jobs have disappeared since the beginning of the year with the closure of a Salmat call centre which was subcontracted to Telstra, APN's decision to close its printing works in Bundaberg, the failure of two local builders and the collapse of Barbera Farms, one of Australia's biggest producers of tomatoes and zucchinis and certainly one of Australia's biggest producers of capsicums. The APN and Barbera Farms situations have also impacted on the electorate of my colleague the member for Dawson in the Mackay-Bowen area. If these were not enough, the recent floods added yet another dimension of challenge to our community.

It is time the government recognised that regional areas are doing it really tough. They deserve their fair share of the economic take as well. Typically, the government blew the opportunity to give back to regional communities in this year's budget. 'Productivity' seems to be the government's catchcry—yet there has been no recognition that Queensland's productivity is driven by its rail and road systems.

The systemic failure of transport was roundly sheeted home to the condition of the Bruce Highway during the recent flood. There were sections of the Bruce Highway closed all the way from the Sunshine Coast to Cairns and at times cities the size of Gympie and Maryborough were closed off. Not one new dollar has been invested in the Bruce Higher. The minister has announced old funding and reinstated funding that was deferred from earlier this year, but has failed to invest any new funding for Queensland's key highway network. For example, it reinstated what is known as the rollercoaster north of Gin Gin and it announced the Isis River bridge, which is under construction as we speak. In fact, the minister has removed funding from the notorious Cooroy to Curra section of the Bruce Highway, where honourable members would be surprised to know that traffic has to travel at 90 kilometres per hour for nearly 38 kilometres. n page 270 of budget paper 2 there is a report that $325.4 million will be stripped from the Ipswich Motorway and the Cooroy to Curra section of the Bruce Highway, section B, because the 'the funding will not be required'—that is a joke. It is common knowledge that the section B project is running under budget, but if spare money is now available surely the minister should have directed those funds towards starting construction of section A of the upgrade. It is emblematic of a budget which has consistently robbed Peter to pay Paul.

Let me give you yet another example on a smaller scale, but a no less significant one to my electorate. It is Labor's decision to pull $8 million of funding from the Veterans' Affairs portfolio, specifically the Veteran and Community grants program and the Building Excellence in Support and Training program, whilst outlaying $8.2 million to advertise its carbon tax. It is a slap in the face to our veterans to pull funding from vital support programs while shovelling the equivalent amount, if not more, into a self-promoting PR blitz for a tax that nobody wants and that this nation cannot afford.

Of course, the budget contained absolutely no detail on the carbon tax, which leaves Australian families and businesses in the dark over just how much this tax will hurt them. What do we know about this tax other than it will be another crushing burden for Australians who are already struggling with a 51 per cent increase in the cost of electricity, a 14 per cent increase in the cost of groceries and a 20 per cent increase in the costs of health and education? This year's budget was an opportunity to help regional communities, to help families, and to help small and medium businesses. Labor has squandered that chance. It is a disgrace, as its budget.

Queensland Floods

Mrs PRENTICE (Ryan) (19:46): On 16 January this year thousands of Queenslanders were returning to their homes and businesses after the recent floods, often to find them completely destroyed. Many tragically lost whatever hope they had held that maybe, just maybe, something had been saved. But whilst these people were grieving, whilst we were comforting our friends and neighbours, and whilst local councils were kicking into gear and fronting up to the mammoth clean-up task ahead, Senator Bob Brown, a political leader in this country, was in the media—safe in Tasmania and far away from the devastation—pushing his own political agenda. Whilst people were, and still are, left uncertain about what their lives now held,

Senator Brown could only concern himself with the political point scoring that the floods offered. That was a despicable action not worthy of him or the position he holds.

I believe passionately in the importance of full and frank debate concerning the issues confronting our nation. I have a genuine interest and concern as to the ongoing debate regarding our environment. But as important as Senator Brown believes this debate to be, there is a time and a place for things to be said. There is a time and a place for things to be done. To seek to make political capital just as Queenslanders were confronting the devastating results of the floods was insensitive and uncaring because that was a time for things to be done—not for politics. That was a time for our leaders to lead and lend a hand—not for politics. That was a time when so many Australians dropped what they were doing and asked, 'How can I help?'

If Senator Brown had joined that magnificent effort and had spoken to as many flood victims as I did, I am sure he would have understood that the people of Emerald, of Toowoomba, of the Lockyer, of Ipswich and of Brisbane needed support at that time and a generous hand of friendship. That is what we saw from so many others of different political persuasions. They did not shout their differences. They stood side by side, not to debate or score points but simply to help. So many of them did their bit—often for complete strangers—but Senator Brown appears only to have seen political opportunity.

I am concerned about Senator Brown's contribution to this debate because he appears so driven by an absolute conviction of his own infallibility and by an almost manic determination to ride over any alternative view, no matter how reasonable it might be. This driven approach—that rules out debate and paints all those who dare question his extreme views as environmental vandals and deniers—no doubt led Senator Brown to play the politics of the disaster and not deal with the tragic reality.

Senator Brown knew that the parliament would meet within weeks but he could not wait. Before the leader of the Greens again uses others' adversity for political opportunism, I simply ask that he considers those who have suffered and that not all development is bad. Indeed, with careful consideration and proper environmental safeguards, even dams have their place. When looking at the Brisbane and Ipswich floods, Senator Brown should consider this: Wivenhoe Dam was built after the 1974 Brisbane floods for flood mitigation and, as such, it was to be complemented by Wolffdene Dam, which was to provide a safe and viable water supply for Brisbane and the south-east corner of Queensland. Although building the Wolffdene Dam would not have changed rainfall patterns, it would have greatly decreased the pressure on Wivenhoe to provide water for a rapidly growing population and it would have planned for Queensland's future. Without that pressure, Wivenhoe could have proved so much more effective in minimising the impact of the recent floods. The Wolffdene Dam was cancelled in 1989 by the Goss Labor administration. Interestingly, Premier Goss' chief of staff at the time was the now member for Griffith. This year we reaped the consequences of that decision.

So as Senator Brown drives the Australian government's implementation of his carbon tax, let me say this: Senator Brown's comments are a timely reminder to us all that it is easy to seek out the 10-second media grab, to make a speech and to fight the political fight, but in so doing we should always remember that there are some times that must be above politics. There are some times when we must put aside the bludgeon of politics and stand, even in this place, shoulder to shoulder while doing what we can best do for our nation and for our people in their time of greatest need. The message for Senator Brown is that politics has its time and place, but so too does caring, compassion and plain common sense.

D'Orazio, Mr John

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (19:51): I rise this evening during the adjournment debate as the federal member for Perth to make some remarks about the late John D'Orazio, a former Labor member of the Western Australian state parliament. He died suddenly on Monday, 11 April. John D'Orazio was a lifelong friend of mine and remained a friend until his death. Fortunately from a personal perspective, I had the opportunity to have a good conversation with him by phone on the Friday before his death. He told me that that day was a good day. He was suffering from amyloidosis and he had his ups and downs. As ever, when we spoke, we spoke about politics, we spoke about his pharmacy business and we spoke about family.

I have known John since we were both in grade 7. He lived in his beloved Bayswater and attended Christian Brothers College Bedford. I lived in Mount Lawley and attended Christian Brothers High School Highgate. In those days, CBC Bedford only went to junior, so for subleaving and leaving the Bedford boys came to Highgate. When we finished school together, he went to what is now Curtin University and graduated as a pharmacist, and opened his pharmacy in Guildford Road, Bayswater. He subsequently became a councillor and mayor of the city of Bayswater, a mayor of longstanding. It was here that he made his mark and left a longstanding and great impression on the local area and the broader city of Bayswater community.

It was a great personal and professional privilege in my early years as a federal member of Perth from 1993

to 2000 to work closely with him when he was mayor of the city of Bayswater. He retired as mayor in 2000 and subsequently became a state member of parliament. His great achievements as mayor included the development of the Galleria shopping centre in Morley and what is widely regarded as the best waste and recycle collection system for a local authority in Australia. He established the first citywide 24-hour security watch for a local authority in Australia. And he made sure his council became debt free. I was very pleased to be able to work closely with him to establish the first Bendigo Community Bank in Western Australia. I also worked very closely with him to protect the residents of the city of Bayswater from aircraft noise from the Perth airport.

When he entered the state parliament in 2001, he had my very strong support for the Labor Party preselection and my very strong support for his election. His preselection and his subsequent election was widely welcomed and broadly acclaimed. He was a person regarded as a future minister, and he duly became a minister. Initially that was a happy experience, but it was not without its difficulties. The political difficulty never justified the treatment he received at the Western Australian corruption commission in respect of which he was subsequently exonerated, nor did it justify his peremptory expulsion from the state parliamentary Labor Party at the hands of the then Western Australian Premier, Alan Carpenter. This action was both unjustified and unjustifiable on the part of the Premier and it was a mistake for which he would pay dearly. The Premier, the Labor Party and the Labor government paid a heavy price for that mistake when Labor, at a subsequent election, lost the seat of Morley, thereby enabling a Barnett-led minority government to take the helm in Western Australia.

I was honoured to be able to attend John's requiem mass at St Columbus in Bayswater and to attend his service at the Karrakatta mausoleum. I was pleased to be able to express my condolences to his son, Greg, his daughter, Jessica, his wife, Ailsa and his first wife, Ros, whom I have known for many years. I again extend those condolences.

His departure from public life was not a happy one. It was unfortunate. But he retained the respect of his community and his friends, of which I was proud to say I was one. His untimely and early death was a tragedy for his family. I again express my regards to his family and his broader family and his brothers. As we ended many conversations since grade 7, I do so in the same way tonight: arrivederci, paisan.

Parliamentary Friends of Surf Life Saving

Mr CHESTER (Gippsland) (19:56): I commend the minister for his tender farewell to a close colleague and friend. It is with great pleasure that I inform the House of the formation of the Parliamentary Friends of Surf Life Saving, an organisation which had its first meeting this week under the stewardship of our inaugural president, the member for Bass. The member for Bass is a man who has a great reputation in the surf lifesaving movement in Australia and I understand he is a life member of Surf Life Saving Australia. As I have remarked once in the past, it is not something that you get on the back of a cornflakes packet; you have to serve. I believe the member for Bass has served with great distinction in the surf lifesaving movement.

It is a great occasion for the House to establish such a parliamentary friends organisation, when you understand that the surf lifesaving movement is such an integral part of the Australian community. There are more than 150,000 surf lifesaving volunteers across the nation and more than 300 clubs. When you talk about surf lifesaving members, it is not a male domain; it is very much a community organisation with strong representation from female athletes and female volunteers who serve on our beaches. It also has the great distinction of being a community and charitable organisation which develops young people from a very early age at, say, seven or eight years old as nippers and they continue their involvement right through to masters carnivals. It is one of those few organisations in the community which is continuing to grow—as I understand, at about two per cent per annum. It is a fantastic achievement for the surf lifesaving movement.

Surf lifesavers in Australia do a fantastic job. They keep our beaches safe and I think we sometimes forget how important that is from a tourism and economic development perspective. Can you imagine the Gold Coast without patrolled beaches? Can you imagine the beach in my own community, the 90-mile beach, without patrols? The tourist industry would suffer enormously. It is magnificent that we have these people prepared to patrol as volunteers on a daily basis throughout summer to help keep our beaches safe.

The red and yellow image of the surf lifesaving movement is an iconic Australian image and it is something that we have been able to export to other nations. Our surf lifesavers through the Surf Life Saving Australia have been prepared to engage in an international program to spread the word and help educate other nations who perhaps have not had the same level of surf safety that we have been able to enjoy in Australia.

I congratulate those who have shown interest in the Parliamentary Friends of Surf Life Saving. I certainly congratulate Surf Life Saving Australia and all its state based organisations, but most of all I congratulate the men and women and the young people who contribute their time and make such an extraordinary commitment to serve our nation. I wish them well over the winter

months as they prepare for another busy summer season ahead. Finally, I encourage other members to get involved in the Parliamentary Friends of Surf Life Saving under the guardianship of our president, the member for Bass.

The DEPUTY SPEAKER: Order! It being 8 pm, the debate is interrupted.

House adjourned at 20:00

NOTICES

The following notices were given:

Mr Stephen Smith to present a Bill for an Act to amend the *Military Justice (Interim Measures) Act (No. 1) 2009*, and for related purposes.

Mr McClelland to present a Bill for an Act to amend the *Acts Interpretation Act 1901*, and for other purposes.

Mr Brendan O'Connor to present a Bill for an Act to deal with consequential matters relating to the enactment of the *Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Act 2011*, 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: Fit-out of new leased premises for the human services portfolio at Greenway, ACT.

Mr Bandt to move:

That this House supports the aspirations and rights of each of the Palestinian and the Israeli peoples to independent states, living in peace and security.

Wednesday, 11 May 2011

The DEPUTY SPEAKER (Hon. Peter Slipper) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Home Insulation Program

Ms O'DWYER (Higgins) (09:31): Mr Deputy Speaker, I would like to alert you to a terrible story about the government's continued failure on the home insulation scheme—a scheme that has cost lives and homes, destroyed businesses and cost the Australian taxpayer $1.7 billion and counting. The week before last I was contacted by a constituent of mine in Carnegie, Mr Horvath. You will remember that the government sent out insulation installers door to door to doorknock pensioners like Mr Horvath. He agreed to have them install insulation as it was a government program. He told me that, eight weeks after he had the roof insulation installed under the government's program last year, part of his bedroom ceiling collapsed at 1 am while he and his wife were sleeping. I just want to read part of the discussion that Mr Horvath had with Neil Mitchell where he described what happened:

Neil Mitchell: This must have given you an almighty fright, did it?

Geza Horvath: Yeah, I thought it's an earthquake because it happened at one o'clock in the morning. We were in bed.

Neil Mitchell: Did it come down on you?

Geza Horvath: Not exactly on us. It's about a metre from us. It came down on the wardrobe, top of the wardrobe, and it probably slipped over to the bed or hung down right on the end of the bed.

Neil Mitchell: Well, you're very lucky.

Geza Horvath: We were very lucky because it could have come down, the whole lot, because the weight of the concrete, this is the slab, the concrete (inaudible) into the timber and then plaster closed up on the front, so it's really heavy. When we cleaned it up, it was four wheelbarrows topped up of rubbish.

Neil Mitchell: And you're quite sure this was caused by the insulation work?

Geza Horvath: Definitely, because the timber with the (inaudible) timber where it's squeezed into the plaster into it. It's broken.

Neil Mitchell: And you still haven't had a government inspector out to look at it?

Geza Horvath: No. I couldn't cope with it because I'm on chemo, and the second chemo now, and I couldn't cope with it. But I was expecting, I got a call from Sydney about the first time I reported it, and these people they rang me up and they asked me if I have any spotlights, and I tell them I haven't got. But the crack was already there, and what he was saying is, "Look," he said, "you'll be alright", and boom, he dropped the phone.

There was no inspection. Clearly the safety of Mr Horvath and his wife is the most critical thing. I contacted the office of the Minister for Climate Change and Energy Efficiency, Greg Combet, straight away to get a safety inspector out there. Until Mr Horvath spoke to Neil Mitchell, there was no day or time Mr Horvath had been given as to when an inspector would come. Straight after the interview we got a call from the minister's office letting us know that an inspector would be out by Friday 3 pm. It should not have to be like that.

Now that we know that the ceiling is safe, the key problem is fixing the ceiling. Yet—get this—the government takes no responsibility to ensure that there is a rectification of damage under the Home Insulation Program. This is despite the fact that they put the program in place and paid the bills. They leave it to the homeowner to pursue and resolve.

I specifically asked the parliamentary secretary's office what assistance would be provided to the people affected and what he would do to help Mr Horvath repair the damage to his home. The advice back from his department was that all that they would do was provide the name of the installer and the installer's insurer to Mr Horvath and then it was up to him. So they expect the victims— people who might be confused by the process and who might not be well enough to hunt down their installer, write a letter to them, follow them up, contact the installer's insurer to check that it is being progressed and so on and so on—to do all the work.

The department advised me that they would give him a caseworker from the department. Yet all the caseworker will do is encourage him to continue to make calls to the installer. According to the annual report of the Department of Climate Change and Energy Efficiency, the minister and his parliamentary secretary have 1,027 people working there. If they are not helping elderly and vulnerable people who have been affected by this botched scheme, what are they all doing? The government has to take responsibility for cleaning up the mess that they have created. *(Time expired)*

Volunteers

Dr LEIGH (Fraser) (09:34): Hard work often going unrecognised. No pay at all but the warm afterglow of knowing you have helped somebody in need. If this was a job ad, no Australian would ever apply. Yet millions of Australians every year voluntarily sign up to jobs like this one. They are our volunteers, who give up their precious time to help others and make our community a better place. There is a secret to volunteering too. It is not just about helping others. You get something out of it for yourself. I have a passion for social capital, that idea that the things that bind us together have a value, that the social fabric is strengthened when more of us work together in community organisations. Attending a local Greening Australia nursery at Kubura Place in Aranda in my electorate, I saw Australia's volunteer spirit in action. Chatting to a group of volunteers who had been coming along for the past 10 years, I learned of the friendships they had formed over that time. Volunteers at the nursery told me that they were proud to be helping native flora around our beautiful city and thrilled to be learning about native plants, all the while making great friends. In fact, later this year the nursery will plant their millionth native tree in the Canberra region. The spirit on display at this nursery is the same spirit across the city and the country.

Whether it is at the Pegasus Riding School for disabled students, where people give up their time to clean out stables and do odd jobs, parents staffing school canteens, or the many church organisations throughout Canberra that help vulnerable people in our community, such as serving breakfast or providing that important emotional counselling—across Canberra and across the nation— ordinary Aussies can be counted on to pitch in. According to Australian Bureau of Statistics' statistics, more Canberrans volunteer than any other place in Australia. It is one of the things that makes me so proud to represent this city.

But on the best data we can get, it looks like volunteering has fallen since the post-war period. Whether it is sporting, cultural or community organisations, they all face the same challenges—how to encourage greater participation. However, if there is a light at the end of the tunnel, it is that our spirit to help has not diminished, just gone a little dormant. Events in Queensland at the start of the year showed that when it counts, when Aussies need help, we will be there—friend or stranger—ready to lend a hand. The challenge for us in this place is to work with community organisations to find a way to spark a new spirit of volunteering across Australia. In the 10th anniversary year of the United Nations International Year of Volunteers and as we celebrate 2011 Volunteers Week, I am humbled by the efforts that Canberrans and Australians make to help others in our community.

Herbert Electorate: Townsville Aboriginal and Islander Health Services

Mr EWEN JONES (Herbert) (09:37): Townsville is a fantastic city. It is a place where people gather with a positive attitude and we get things done. We respect those who have a go and we look to them for leadership. There should be no differentiation when it comes to this, but there is. Since my election on 21 August last year, I have been besieged with requests to investigate the Townsville Aboriginal and Islander Health Services, or TAIHS. I have received reports of nepotism, bullying, rorting of funding and allowances, and board stacking across the Aboriginal and Islander bodies in Townsville. These concerns over the running of this organisation have been raised previously in this House. In 2008 the then member for Herbert, Mr Peter Lindsay, implored the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin, to act. He followed that up with a letter to Minister Macklin to which it would appear that there has never been a response.

In a subsequent meeting and airing of these concerns to TAIHS Chair Angie Akee, I asked her to voluntarily open her books for a forensic audit and an audit on the corporate governance. If there was nothing to hide, the allegations would be put to rest once and for all. Mrs Akee politely refused, which was her right. She said that these allegations were motivated by jealousy and that they had heard them all before.

This government has known about these allegations since 2008 and has done nothing. I have come to the conclusion that this government is totally aware of what is going on in this organisation and others where this family has influence and has deliberately chosen to do nothing. They already know that these organisations are rife with questionable corporate governance and lack financial accountability. The government simply lacks the political will to address this major concern. It follows that this government does not care about the overall health of our first Australians, or that the funds meant for their wellbeing are being misused. This government and Minister Macklin stand condemned by their lack of action here. It has taken a group of Aboriginals and Islanders to stand up and fight for what is right. These people have the courage to stand up against the might of this government and the financial muscle of this organisation. Despite knowing full well that this government does not care, they still come forward with their stories in the hope that something will be done.

If this government is serious about Aboriginal and Islander health, it will appoint administrators to this organisation immediately. If this government is serious about Aboriginal and Islander accountability, it will instigate a forensic audit of this organisation and all organisations influenced by this family. If this government is serious about Aboriginal and Islander processes, it will instigate an audit of the corporate governance of all

organisations connected to this family. Townsville is a great city and we have great people. Let us hope that this government can see its way clear to represent all of them.

Budget

Mr STEPHEN JONES (Throsby) (09:39): By any measure, the economy in Australia in 2011 is going well. We have unemployment levels below five per cent. We have fantastic growth, in excess of four per cent per annum. We have record levels of investment going into the mining industry and we have a set of books and budget figures which would be the envy of most treasurers throughout the Western world. But it is also true that there are challenges that come with the economy going at full speed, as it is at the moment. The first challenge is that a growing economy needs a growing workforce. The second challenge is that, despite this wealth and despite the advantages of growth, there are many throughout Australia who are quite simply missing out. That is why this 2011 budget is clearly focused on both of these challenges. It is great news for people in electorates such as mine which have had unemployment levels stubbornly above the national average for far too long.

The $304 million package which is targeted at 10 priority regions throughout the country, including my electorate of Throsby in New South Wales, will assist the 1,950 long-term unemployed people in my electorate and provide assistance to teenage parents, 80 per cent of whom, because of their situation, have not had the benefit of finishing high school. We know that if we are to break the cycle of disadvantage we have to ensure that these young women have the opportunity available to them to complete a high school education. That is why, as a part of this budget and this program that will be focused on my electorate of Throsby, we are providing a package of assistance to these young women.

The assistance includes providing quality child care. It includes providing tailored case management facilities. It includes assisting them in financial and other ways, such as with counselling, so that they can re-engage with the education system. And yes, it does also include having some sanctions if there are no good reasons provided by the clients for not engaging and participating in a return to education plan. I think this is a program that all Labor members, and indeed all members of this House, should be proud of because it says that as the economy is booming we should not leave anyone behind. *(Time expired)*

Budget

Mr CIOBO (Moncrieff) (09:43): I rise to speak about the impact of last night's budget on the life of ordinary Gold Coasters and, in particular, the fact that we have seen once again a squandered opportunity by the Labor Party to do what is in the best interests of Gold Coasters and especially Gold Coast families. Under the coalition, constituents in my electorate of Moncrieff were faring much better than the Australian average. We had unemployment down to a 33 year record low. The Gold Coast, which traditionally has had above national average levels of unemployment, was below the national average. Now, under the reckless economic management of the Labor Party, places like the Gold Coast which do not have a resources base but rely on service industries are really struggling.

Thanks to this government's economic recklessness, we have now seen the Australian dollar reach incredible new heights with absolutely no additional support either in last night's budget or in previous years budgets for Australia's tourism industry—the single biggest employer of people in my electorate. This is a government that has turned its back on Gold Coasters and on ordinary Australians. This is a government that has delivered a new record $107 billion of net debt, which means that ordinary Australians, including those in my electorate, are now faced with $4,500 of debt for each and every man, woman and child in this country.

That is the legacy of this Labor Party. That is the legacy of a government which last night presided over a budget deficit that blew out to nearly $50 billion and that next year is forecast to be $22 billion. If that is good economic stewardship, if that is about making the hard decisions, if that is the responsibility of the government that has delivered a failed BER and is now about to do the whole thing again with rorts through the so-called set-top boxes for pensioners scheme then it is little wonder that Gold Coasters have lost faith in this government. At the end of the day, Gold Coasters know the truth about the Australian Labor Party. They took good economic stewardship and $70 billion in savings from a coalition government that was planning for the future and they spent every last dollar. But then they went beyond it. They are borrowing $135 million a day to spend more money on reckless projects that they can trot around their electorates to feel good about themselves while they mortgage the future of young Australians. It will be the young Australians, the Australians of tomorrow, who will have to pay off the debt of the Labor Party.

It is extraordinary that Labor members opposite chant the mantra, 'Jobs', when under the coalition, which had record surpluses, we got a 33-year record low in unemployment. The Labor Party presides over 8.1 percent unemployment in my electorate. So, please, Labor members, do not lecture us about jobs when you have doubled the national— *(Time expired)*

Asylum Seekers

Mr WILKIE (Denison) (09:46): I rise today to say, 'Shame on the government for its recent announcement to reopen the Manus Island detention facility and exchange asylum seekers with Malaysia.' Manus Island was as much a part of the Pacific solution as Nauru. It was an abhorrent policy of the Howard government, not least because of the way in which it denied asylum seekers access to Australian legal provisions. Yes, it was one of many reasons that the number of boats carrying asylum seekers to Australia eased during the early part of the last decade, but it was at the expense of our obligation as a signatory to the refugee convention and, I would add, our country's very heart and soul—the damage to which is still repairing. Processing asylum seekers again on Manus Island may well be conducted in a better way than during the Howard years but, in any case, it will still be at the expense of our treaty obligations to take in and protect asylum seekers, quickly assess their claims and provide them refuge if their claims are upheld.

But as bad as the Pacific solution was, and may well be again, the policy was at least supervised by Australian officials, who did their best to implement some safeguards. Sending people to Malaysia for Malaysian authorities to deal with abandons even that last skerrick of care and will effectively throw to the wolves some of the world's most disadvantaged and vulnerable people. Significantly, Malaysia is not a signatory to the refugee convention and would have no qualms about sending asylum seekers back to their country of origin. Frankly, the government's decision to trade asylum seekers with a country which is not a signatory to the refugee convention, and one with the track record it has with asylum seekers, is in some ways even worse than John Howard's Pacific solution. Well may political leaders say or think 'We will decide who comes to this country and under what circumstances', but doing so must never be at the expense of our moral imperative to always do whatever we can to help desperate people.

I call again on the government and opposition to stop treating boat people as a border security problem and start treating them as human beings, the overwhelming majority of whom are genuine asylum seekers. This is a complex problem requiring a sophisticated solution. We must do more to help rebuild source countries like Afghanistan and Iraq, more to support countries of first asylum like Pakistan and Iran, and more to help authorities in transit countries like Malaysia to deal with the people smugglers.

Education Funding

Mr TUDGE (Aston) (09:48): I rise to express my concern in relation to Catholic school funding and the direction in which the government is likely to be taking the school funding regime post the expiration of the existing Schools Assistance Act. I am particularly concerned about the Catholic schools which are deemed to be 'funding maintained'. This constitutes over 1,000 Catholic schools in Australia, including eight in my electorate of Aston. 'Funding maintained', in essence, are those schools that were given a guarantee that they would not lose funding in real terms when they transitioned into the new SES funding system. So it was a very important guarantee that they would continue to have their funding increased in real terms over the course of the next four-year funding period. This funding maintained provision is in jeopardy. Minister Garrett, has more or less said that it will be abolished. He calls funding maintained 'indefensible'. There are eight schools in my electorate which are funding maintained. These are everyday schools servicing everyday parents. Their fees range from as little as $873 per annum to $4,322 per annum. These are low-fee, Catholic schools catering for everyday Australians.

The benefits of being on funding maintenance are very significant. For example, St Simon's in Rowville receives $810,000 by being funding maintained and it would not have that money if it were not funding maintained. St Jude's in Scoresby receives $329,000 per annum because of funding maintenance. St Luke's in Wantirna receives $327,000 per annum because it is funding maintained. Those are the figures which are at stake for these schools. When you take those sums and convert them into per capita amounts and talk about having to make those per capita amounts up in school fees, you are talking about a doubling and sometimes a tripling of school fees in order to make up for that lost amount of money.

Brian Croke, the Deputy Chair of the National Catholic Education Commission, said that funding maintenance is 'an integral part of the SES model', and simply means that the school is funded at 2000 levels, taking inflation into account. Funding maintenance is a very important provision so that schools, including my eight local, low-fee Catholic schools, do not go backwards and fees do not have to rise excessively. I implore the government to guarantee that no school in my electorate will lose funding in real terms.

Brain Cancer

Ms GRIERSON (Newcastle) (09:52): As it is unlike its more colourful cousins, many Australians will not have seen the grey and white ribbon that I am wearing today, yet many people in my electorate and throughout Australia will have seen the effects of brain cancer in a friend, a family member, perhaps a work colleague. Kaye, a constituent in my electorate and the coordinator of the Hunter Brain Tumour Support Network, has written to me

on a number of occasions about the need for greater funding for brain cancer research. 'Too many people are dying too young,' she said. 'It would make your heart ache.'

This white and grey ribbon is a symbol of the Cancer Council's Brain Cancer Action Week, which is now in its second year. Running from 8 to 14 May, Brain Cancer Action Week works to highlight the need for funding for and research into the cause and treatment of brain cancer. Although it is the leading cause of cancer death in people under the age of 40 and accounts for more than one-third of all cancer deaths in children aged under 10, it is one of the most underfunded and understudied cancers and receives too little research funding. In part this is because the speed at which brain cancer kills means that conducting clinical or biological research is very difficult. As a result, little is known about this disease other than statistics that reveal its devastating consequences for sufferers, their friends, families, carers and health workers.

As a member of the Centre for Brain and Mental Health Research Advisory Board, based at the Calvary Mater Hospital in my electorate of Newcastle, this issue is very close to my heart. There are many people in my electorate who make a significant contribution to fighting brain cancer, but there is one who deserves special mention, Professor Chris Levi. Chris has made a significant contribution to the global research efforts around brain health and particularly to improving the prospects of people who suffer a stroke.

Brain cancer has an almost 100 per cent fatality rate, and the number of diagnoses has increased by seven per cent over the past decade. One Australian now dies from brain cancer every eight hours. But we can make a difference. Fifteen years ago leukaemia killed 90 per cent of patients. Now leukaemia sufferers have a 90 per cent survival rate. The slogan of Brain Cancer Action Week this year is 'Ideas. Research. Hope'. The ideas are there; there can be the research. As a parliament we do need to give sufferers and their families hope. I hope that funding take-up for brain cancer research will increase.

Swan Electorate: Mother's Day Classic

Mr IRONS (Swan) (09:54): I support your cause, Member for Newcastle. My eldest brother died of a brain tumour at the age of 51, so I understand the reason for the speech you made. Also talking about cancers, last Sunday, Mother's Day, I had the privilege to be involved in the annual Mother's Day Classic walk and run in Perth. As one of the event's ambassadors, I was given the task of starting the four-kilometre leg of the event. My parliamentary colleague the member for Curtin, Julie Bishop, pulled rank and started the eight-kilometre run.

The event this year had the highest number of participants, and Perth saw 3,680 people descend on Langley Park, with the majestic Swan River as the backdrop. There was an atmosphere of anticipation as local identities Paul Murray, Dixie Marshall and Perth city councillor Rob Butler warmed the crowd up with some banter and told them about the reason for the walk. People from all walks of life, young and old, came together for this purpose: to raise money for and awareness of breast cancer research. Everybody got into the spirit of the event, and it was quite a sight to see the rainbow of colours and characters all taking part. I met a survivor, Lisa Cabalzar, along with her supporter and friend Cathy Donald. They looked fantastic in their black sports clothes with bright pink bras on the outside of their clothes to highlight the significance of the event.

This event alone has raised more than $7.8 million for research into the prevention and cure of breast cancer since it began in 1998. The funding from this event, organised by Women in Super, a not-for-profit association of women working in the superannuation and financial services industries, has supported 20 researchers across Australia investigating all aspects of breast cancer. The funding has also supported research that has led to improved detection of and treatment for breast cancer, resulting in a 27 per cent decrease in deaths from the disease since 1994.

Breast cancer still remains the most common cancer among women in Australia. In Australia, one in nine women will be diagnosed with breast cancer in their lifetime. Approximately 14,000 new cases will be diagnosed in women and 109 new diagnoses are expected in men. In fact, the incidence of breast cancer is increasing. However, due to the valuable funds raised by events like the Mother's Day Classic, survival rates are on the rise.

Congratulations to Women in Super, who created the Mother's Day Classic in 1998, and also congratulations to major sponsor ME Bank, who have been supporting the event since 2005. I would also like to recognise the ongoing commitment of the National Breast Cancer Foundation. For my part I was honoured to be asked to be involved and I was heartened to see so many people at the event walking or running as a tribute to the thousands of Australians who have been affected by breast cancer themselves or who know someone who has. My friend Kathy Crone, a survivor, with her husband Jim and son Steve completed the walk. I look forward to continued involvement and thank the thousands of participants in Perth who showed up and are making a difference to the lives of people with breast cancer.

Blair Electorate: Building the Education Revolution Program

Mr NEUMANN (Blair) (09:57): Building the Education Revolution has benefited 65 schools in Blair to the tune of nearly $109 million, from Mount Kilcoy in the north to Redbank Plains in the south. On 11 April 2011, I had the privilege of attending the largest primary school in the electorate of Blair, Raceview State School, a school of about 900 students. The school is dear to my heart because both my daughters, Alexandra and Jacqueline, were school captains of that school. As part of the Building the Education Revolution, $3.2 million was given to Raceview State School.

A new state-of-the-art library and multipurpose centre has been created, and that is extremely important for Raceview State School. The multimedia centre and the multipurpose hall were created, and there were literally a thousand or more people there that day. It was important because that school has honoured the substantial contribution made by a number of local residents in the Ipswich area who have contributed to the life of the Raceview community and not just the school.

For example, the multipurpose hall is named after the Marsh family. It is called the Marsh Family Hall. The Marsh family have been associated with Raceview State School for 100 years, since James Marsh joined the P&C committee in 1911. He remained on that committee for 33 years and was treasurer for 30 years. His granddaughter, Miss Hall, presents the sports award every year and is a year 6 teacher at the school, and his great-granddaughter Sahara Jarman attends prep at the school.

The McGuire Multimedia Centre is named after Brian McGuire. Brian has suffered some ill health in recent years. He is a modest gentleman and he is part of the Raceview school community. He was a principal at that school for almost 19 years. He served in state schools for 37½ years. He is widely respected by his colleagues. I said publicly on that day that in my opinion Brian was the best primary school teacher and principal in the Ipswich area and so a worthy recipient of the honour of having the multimedia centre named after him. The Moira Blackburne Room is now known as the Blackburne Room. Moira was a fantastic teacher. The Moira Blackburne Award for Mathematics and the Moira Blackburne Award for English are presented at the school to the top year 7 English and maths students at graduation each year. Moira Blackburne taught at the school for 15½ years and taught in primary schools for 23½ years until, sadly, her life was cut short. She is the sister of a good mate of mine, Ross Ploetz. This is a school that has benefited greatly from the Building the Education Revolution, as have local jobs and the Ipswich economy, and I commend Raceview State School. *(Time expired)*

The DEPUTY SPEAKER (Hon. Peter Slipper): There having been nearly 30 minutes of constituency statements, in accordance with standing order 193 the time for members' constituency statements has concluded.

BILLS

Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms LEY (Farrer) (10:01): I rise today to speak on the Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011. The intention of this bill is to improve the effectiveness of the recovery of fee reductions, enrolment advances and business continuity payments paid to approved childcare services. Currently, where financial recoveries need to be made, these are for the most part offset against subsequent payments of fee reductions, enrolment advances or business continuity payments made to the service. Amendments made by this bill will enable recovery of these amounts also by way of set-off from any payments made to services through the childcare management system—that is, from acquittal payments made to services under the CCMS Act and from payments made to services under administrative (that is, non-legislative) schemes.

Under this government, significant debts have been raised, especially when childcare providers were transitioned to the CCMS system by the Department of Employment, Education and Workplace Relations, otherwise known as DEEWR. DEEWR officials in 2010 budget estimates indicated this debt to be in the vicinity of $70 million, with around 6,000 childcare providers owing a debt to the Commonwealth as a result. My understanding is that the department is still in the process of recovering these debts. However, discussions with providers have indicated that they are surprised at how tardy the recovery effort has been to date. I suspect that the Australian taxpayer would be quite mortified to learn of this unaccountable delay.

This legislation will assist in the recovery, and one can only hope it will (a) decrease future debt accumulation and (b) speed up the recovery process. These are, after all, taxpayer dollars that are sitting idle.

Amendments are also included in this bill to enable the recovery of those amounts from the same range of payments to be made to another approved childcare service operated by the same operator. The schedule 2

amendments seek to allow for greater clarification of when exactly a service has stopped providing care to a particular child, as this determines when childcare benefit is no longer payable. Each child is permitted 42 days absence from care in a given year. However, in circumstances in which it is clear that the service has ceased caring for the child, this bill will allow the minister to specify through a legislative instrument the exact circumstance of a child's absence from care. This will then ensure cessation of the childcare benefit.

Further amendments proposed by this bill will allow the secretary the discretion to cease advance enrolment payments to businesses that have notified their intent to close. This will reduce the debt to the Commonwealth where previously advance enrolment payments were paid up until the business ceased operating. In addition, the bill enables for the greater sharing of relevant protected information between departments where expressed or implied consent has been granted. The purpose of these amendments is to allow information collected by Centrelink on approved childcare services to be shared with the relevant state and territory regulatory bodies under the new education and care services national law. The coalition believes that these amendments make for a more cohesive system, unlike other policies of this government that actively seek to increase the workload on childcare providers by overwhelming providers with baseless paperwork and bureaucracy. In short, the coalition have no issue with this unremarkable piece of legislation before the Main Committee today. We take great issue with the government's management of the childcare industry and the nation's children and will, of course, have much more to say about that in the future.

Mr NEUMANN (Blair) (10:05): I speak in support of the Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011. This is amending legislation. It makes a number of administrative amendments to family assistance law: strengthening debt recovery, empowering the secretary to do certain things and improving compliance and administration of the childcare benefit. It will mean that unscrupulous operators cannot operate in the market and it will protect the markets from the same. It will improve the accountability of the childcare market and also make it clear that, if a childcare operator restructures, they cannot continue to operate in the market without consequence. It will make sure that mums and dads who send their kids to childcare centres while they attend work know they have the best operators possible caring for their kids.

Meaningful reform I think is at the heart of our agenda with respect to child care. I think this is extremely important because mums and dads who send their kids to child care want to make sure their kids are cared for by ethical, moral, highly educated professionals who not just provide child care but engage in the education process and improve the socialisation that child care provides for young people before they attend school. The rapid growth in the childcare industry has provided many benefits to families and to our economy, but of course there have been some problems and this legislation seeks to overcome them. At the risk of sounding Orwellian, not all childcare operators are equal, not all state regulations are best practice and not enough scrutiny has been undertaken with respect to the childcare industry to make sure that young people receive consistent, appropriate and the best early learning experiences they can be offered.

The unprecedented and shocking collapse of ABC Learning Centres across the country in 2008 exemplified some of the problems in the industry. The industry grew rapidly under the watch of the previous Howard coalition government without appropriate regulation and the consequences were there for all to see. The ABC collapse could have been alarming and disastrous. It was the federal Labor government's quick and decisive action that ensured that childcare centres remained open across the country that saved the day. In fact, 90 per cent of centres remained open when most could have collapsed entirely. About 100,000 families benefited from the government's timely and effective action at the time.

Since 2008 we have introduced a range of measures to ensure the financial viability of childcare providers is strengthened, and I will take this opportunity to outline some of those. These include strengthening the approval process, providing additional notification of the closure of centres and establishing a new penalty regime to have consequences for unscrupulous and unethical childcare operators. Until the 2010 budget we had invested $18.2 billion in early child care across the forward estimates, and that was increased in the budget last night. In 2010 that was $11 billion more than the former Howard coalition government, whose commitment to child care was wonderfully exemplified by the fact that they ripped $1 billion out of the childcare sector in almost the first act they undertook upon election in 1996. That was really an act of economic and familial vandalism of the sector. It had consequences in terms of not just economic development but productivity. In 2008, we delivered on our election commitment by increasing the childcare rebate from 30 per cent to 50 per cent, from a maximum of $4,354 per child to $7,500 per child per annum. The Howard government had made it so that you could only claim it on a yearly basis or you could knock it down to quarterly, but we changed that and made it on a weekly and fortnightly basis. For a family with long day care needs earning about $55,000 a year, out-of-pocket childcare costs went down from about 13 per cent to seven per cent in 2010.

This is not some esoteric piece of legislation that does not have consequences right across the country. That is evident from the fact that, based on the latest figures that I could obtain, there are 869,770 children in child care across the country. That is 627,980 families with parents working and building our economy while their children are in child care—and there are 13,899 childcare services creating jobs across the country. The legislation before us will improve accountability in the childcare industry and will protect the market, as I said, from unscrupulous operators.

We have also invested another $273.7 million in the National Quality Framework for Early Childhood Education and Care. We think it is important that there be nationwide consistency with respect to childcare centres—an arrangement which improves educator-to-child ratios, introduces educator qualification requirements and includes a new childcare rating system. Indeed, contrary to what the previous speaker, the member for Farrer, said, it goes about reducing the regulatory burden by establishing a single regulator.

These reforms are very much based on and exemplified by international research into the first five years of life, which points to the importance of shaping the learning experience and social development of our young people. Indeed, I was pleased to see the press release issued by the Hon. Kate Ellis, the Minister for Employment Participation and Childcare, on 12 April 2011, stating that a new report from Early Childhood Australia highlighted the importance of our national reforms to early childhood education and care. The minister welcomed the report and made the point that we are working with the states and territories to 'lift the standard of care across the country'. The report 'clearly makes the case for quality in child care' and is at one with our position on the quality reforms for the childcare sector.

There is little doubt that those on the opposite side of the chamber have manufactured hysteria and faux outrage as we have trumped them in this area of policy reform. They really have forgotten—but the childcare sector has not—that they failed miserably in this area when they were in power. The sector welcomed reform back in 1996, but the coalition came to power and just ripped the heart out of the sector. The sector was left desperately trying to recover, contacting and lobbying coalition members repeatedly. The coalition had failed them and were unsuccessful, much as they were unsuccessful in the aged-care sector during the 11½ years of Howard coalition rule.

We are not going to be cowed by the white noise that those opposite not just perpetrate but also perpetuate, like the previous speaker. We are going to forge ahead because we think this is a meaningful reform agenda. This legislation is part of that agenda, improving accountability, consistency and quality. We want to make sure that parents have peace of mind, that employers and employees have certainty and, most particularly, that our young people have the kind of quality early childhood and care experience they deserve.

Finally, I noted in last night's budget announcements that, under the portfolios of Mr Garrett, the Minister for School Education, Early Childhood and Youth, and Ms Ellis, the Minister for Employment Participation and Childcare, there was $32.4 million for an early childhood reform agenda, and I think that is important. There is $9.2 million for the recognition of prior learning package to assist early childhood workforce access training, and $23.2 million over four years for the Australian Early Development Index, to be met from existing resources. That brings the total to $28 million in relation to the AEDI for the next three-year cycle. I think that what I have outlined here in my speech shows the high priority that we put on early childhood education and how important it is, and not just for our economy. It is an absolute fact that the previous coalition government spent about one-fifth of our OECD competitors on early childhood education. It is a great shame that we spent about a fifth of what the Americans, the New Zealanders, the Canadians and the British spent. It seemed that the Howard coalition government had a real blank in this area. They just could not understand that this was an important part not just in helping mums and dads but in helping the economy. So a national quality reform agenda is absolutely crucial for early childhood education and care. This legislation, though amending legislation, is important. It is to be recognised that it plays out not just nationally but locally.

Finally, I want to say that the best demonstration of this that I can think of in my electorate is the commitment we made to the Yamanto Early Learning and Care Centre, where the minister came out and made that announcement with me and we opened it together—a $1.6 million commitment. That is the best childcare centre in terms of facilities in the Blair electorate. Its collocation beside the Amberley District School means greater convenience for families in the growing suburbs in the south side of Ipswich, not far from where I live. It is about two kilometres along the road from where I live—in fact, it is on one of my running routes, and I run past it regularly. It is a well-attended childcare centre. That is a demonstration locally of the national approach we have undertaken since we were elected in 2007.

Ms OWENS (Parramatta) (10:17): I am quite pleased to rise to speak on the Family Assistance and Other Legislation Amendment (Child Care And Other Measures) Bill 2011. When this bill first came to my attention, back when caucus was discussing it, probably like most people I thought it was a fairly dull bill. It amends a whole

stack of acts that usually have the word 'administration' in them. It deals with things like improving the effectiveness of the recovery of fees, allowing the government to pursue a childcare centre for return of overpaid fees and a whole stack of administrative things to do with the implementation of the national quality agenda. When you first have a look at it, it really does seem to be a lot of small administrative acts. But it underpins some very important reforms in what is perhaps the most important areas for many people in my constituency and beyond: the area of child care. It underpins ensuring that our childcare system is more efficient and it underpins the pursuit of the national quality agenda, both things that are very important.

Mr Deputy Speaker, when it comes to child care there is no doubt that times have changed since you and I were children, when usually only one parent worked and grandparents were available to look after the grandchildren even in their forties. My grandmother looked after me, and I look back now and think she would not have been much older than 45. She was certainly much younger than I am, and she was pretty much looking after us full time from time to time. That no longer happens in quite the same way in modern families. So professional child care becomes a very important issue for families, and they care greatly about this issue—as you can imagine, because our childcare system takes care of their precious children for large parts of the day. They care that it is affordable, they care that it is available and they care overwhelmingly that it meets the standards that they expect. The Rudd and Gillard governments have been working very hard since 2007 on all three of those elements—affordability, availability and quality—and this bill underpins some of the work that we have been doing in that area. There is no doubt that the changes we have made since 2004 have already assisted families greatly. Most families now spend around seven per cent of their disposable income on child care, compared to 13 per cent in 2004. It is a substantial reduction from 13 to seven per cent of disposable income and I think we can be proud of that. There is no doubt that this is largely a result of the increase in the childcare rebate from 30 to 50 per cent, up to a cap of $7,500.

The recent childcare update provides quite an interesting picture of the extent to which families are using child care across the country. Currently, 869,770 children attend child care benefit approved child care, an increase of 8.7 per cent on the June quarter in 2009. Again, that is a substantial increase and a significant help for families. Children spend an average of 21.6 hours per week in child care across all types, and almost one in four children between zero and 12 years attend child care. Almost 628,000 Australian families had at least one child in approved child care, an increase of 8.4 per cent on the June quarter. Overall we are investing around $20 billion in funding for early childhood education and child care over the next four years, and that is up by more than $12 billion since the last four years of the former coalition government. Again, that is a substantial increase, which has largely led to that decrease in out-of-pocket expenses from 13 per cent in 2004 to seven per cent in 2010.

We also made a promise early on to pay the childcare rebate quarterly, and we delivered on that commitment. If you remember back to pre-2004, parents had to wait until the end of the financial year after the year in which they paid the expenses to claim their rebate. We also promised to make the childcare rebate payable fortnightly and we are delivering on that from July 2011. These are significant improvements in the childcare system that is available for parents around Australia.

But $20 billion is a lot of money and it is important that we do this efficiently. The amendments in this bill give the Australian government greater scrutiny over operators and their past practices. It enables the Australian government to offset and recover payments owed by one service from another service run by the same operator. Up until now, that has not been possible. The Commonwealth has only been able to pursue recovery of payments from the specific operator. This will ensure that operators who run up debts to the Commonwealth in one service can be held accountable for their actions via another service. An example of this is that, when an operator accumulates debts and then exits the market and re-emerges in a similar form, the government will be able to pursue that new entity for recovery.

We know these accountability reforms are very important. In fact, we have been working to improve the financial accountability of childcare centres for quite some time. The collapse of ABC Learning in 2008 was unprecedented and it was quite a shock. The member for Blair has outlined some of the consequences of that. If the government had not acted quickly, almost 100,000 families would have had to find alternative care arrangements with very little notice. Since that time we have made quite significant changes to ensure financial viability of childcare providers, including strengthening the approvals processes and requiring additional notification of closures of centres. The new approvals process includes financial checks for new childcare centre operators to make sure they are viable from the outset and well placed to meet quality standards. These amendments build on that work to ensure that we have a viable, efficient childcare sector—again, something that is very important to parents seeking affordability along with quality in child care.

Affordability is, of course, a major issue for parents. As I said, we have made significant changes that have improved affordability for parents. Quality is another issue which parents care profoundly about. Recent reports indicate that quality is not always what it should be. A recent report showed that childcare centres accredited

between 1 July and 31 December 2010 were not always up to standard. In some areas, around a quarter of them failed to ensure that potentially dangerous products, plant and objects were inaccessible to children or failed to ensure toileting and nappy-changing procedures were positive experiences. For parents who put their children in child care, I know that reading this report would cause great concern, which is why the national quality framework is incredibly important.

This bill supports the government's $273.7 million investment in the national quality framework. The framework has already been endorsed by COAG. There has been significant work done on this in recent years. The framework aims to improve educator-to-child ratios so that each child gets more individual time and attention, and it introduces educator qualification requirements so that educators are better able to lead activities that inspire youngsters and help them to learn and develop. It includes a new rating system so that parents know the quality of care on offer and can make informed choices. I know that for parents in my constituency that ability to know exactly where they are putting their child and the quality of care that that child will receive is perhaps one of the most important decisions they make in choosing a childcare centre. It also reduces the regulatory burden, in spite of the opposition speaker's claim to the contrary, by requiring childcare centres to only deal with one regulator. We know that the first five years of a child's life shape their future. It is perhaps the five years that have more importance in determining the path or your life than any other years that we live through. So it is incredibly important that we get this absolutely right.

The new national quality framework enables the Commonwealth to share information with childcare services that are regulated by state and territory bodies, and this benefits childcare centres by not requiring them to provide the same information to more than one body. Again, while this bill seems to deal with rather dry administrative matters, it underpins some incredibly important reforms that the government has been undertaking for some time. I am pleased to support this bill.

Ms HALL (Shortland—Government Whip) (10:27): Child care is one of the most vital services for which any government can take responsibility. Adequate child care provides parents with certainty that their children will be not only cared for properly but also given the opportunity to learn. So it is about care and also about learning, at an affordable price. Under the Rudd and Gillard governments, we have made a real commitment towards improving child care, improving accessibility to child care and recognising the importance of child care. Adequate child care is not something that is a privilege; it is the right of all parents to have access to affordable child care.

That is why the government is providing $20 billion over four years for early childhood education and child care. This is almost $12.8 billion more than that provided during the last four years of the Howard government. That is a significant increase in funding for child care and children's education services. This says to me that you go to the Rudd-Gillard governments to look at outcomes for children, a commitment to children and learning, and to see how important child care is. Then you look at the record of the Howard government to see how undervalued child care was under that government. We believe that quality child care is the right of all families and all children. I think the other side of the parliament believes that quality child care is a privilege, not a right.

The government is also providing $16.4 billion to help 800,000 Australian families annually with the cost of child care through the childcare benefit and the childcare rebate. This includes $9.2 billion over four years to reduce childcare fees under the childcare benefit and $7.2 billion to assist working families with out-of-pocket childcare costs under the childcare rebate. This is $10.2 billion more fee assistance than under the last four years of the Howard government. Once again, you have a government which recognises the importance of child care as opposed to the Howard government, which looked upon it as a privilege or something that was there for the wealthy.

The legislation that we are debating here today will amend the A New Tax System (Family Assistance) Act 1999, the A New Tax System (Family Assistance) (Administration) Act 1999, the Family Assistance Legislation Amendment (Child Care Management System and Other Measures) Act 2007, the Social Security (Administration) Act 1999, the Student Assistance Act 1973 and the Age Discrimination Act 2004. The bill makes a number of amendments which allow the government to strengthen debt recovery provisions, compliance and administration of childcare benefits.

These may be largely administrative changes—changes which look at compliance, accountability and recovery—but these are vital changes that will ensure the ongoing viability of our childcare system by a government which is totally committed to ensuring that all children get affordable, quality child care. As I have already mentioned, this is something that the previous Howard government was not committed to.

The bill improves the effectiveness of the recovery of fee reductions, enrolment advances and business continuity payments paid to approved childcare services. It clarifies provisions concerning the effects of a child's absence from care and authorises the minister to specify by legislation the circumstances in which these services

will permanently cease providing care. That is quite an important change in this legislation and something that often causes confusion. I am really pleased to see that the minister has put this particular provision in the legislation, because it is all about clarification and certainty, not only to the families that enrol their children in childcare centres but to those childcare centres as well. I have been approached by owners of childcare centres who have found in the past that the provisions, uncertainty and lack of clarity in the act were causing them problems. The minister has set out very clearly the rules that are in place here. Because of this, families can have that certainty which was previously missing.

There are a number of other amendments which look at the recalculation of childcare benefits and fees and information to allow the Commonwealth to share information about childcare services with the states and territories. These are all vitally important changes that will ensure the smooth operation of our childcare services. This legislation is very positive; it shows how committed the Australian government is to providing access to quality, affordable child care and to ensuring the long-term viability of child care. I would like to share with the House that since this government came to power I have noticed a big change within my electorate for the number of people that are waiting to access child care, and that is the MyChild website, which allows parents to look at the services that have vacancies and to compare fees and the services that are provided. It has been a very, very positive initiative that parents have embraced. It has helped parents and carers deal with the problems that existed previously of lack of access to services and not knowing where the services were and what was available. The introduction of this website has improved accessibility to child care.

Given the state of my voice, Mr Deputy Speaker, I think I might finish there. In doing so I would like to conclude where I started, by emphasising the importance of child care for families and carers and the importance of quality child care for the children themselves. I congratulate the minister on the changes she is introducing here and on her commitment to child care and to the children of Australia.

The DEPUTY SPEAKER (Hon. Peter Slipper): It is always important for a member of parliament to preserve a valuable asset and I thank the Government Whip and member for Shortland.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (10:36): I thank the member for Shortland and all the members who have made contributions to this debate. This bill contains important amendments to the family assistance administration act and other legislation in order to improve accountability in the childcare sector. The government and, indeed, families right across Australia know just how important this is. We know that, and we were reminded by the overnight collapse of ABC Learning in 2008, which was entirely unprecedented. The government's quick and decisive action at that time meant that 90 per cent of those centres continue to operate for Australian families today. Had that government support not been provided, almost 100,000 families right across Australia might have been faced with the prospect of having to find alternative care arrangements with little or no notice at all. Since 2008 we have introduced a range of new measures to better ensure the financial viability of childcare providers, including strengthening approvals processes and requiring additional notification of closures of centres. We want to make sure that what happened in 2008 with ABC never ever happens again.

The amendments in this bill today, the Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011, represent a part of our commitment to improving accountability within the childcare market and protecting the market from unscrupulous operators. This bill broadens the powers of the secretary to refuse the approval of a childcare service for the purposes of family assistance law. Combined with other measures, this will give the Australian government greater scrutiny over operators and their past practices, including the power to look at whether service operators are fit and proper persons. The bill also enables the Australian government to offset and recover payments owed by one childcare service to another childcare service operated by the same operator. These measures will also enhance the government's ability to deal with phoenixing, where an operator who accumulates debts exits and then re-enters the market under a restructured company. Under current arrangements the government can only consider the exact operator and their history in the industry. We need to strengthen this.

Importantly, this bill will also support the government's $273.7 million investment in the National Quality Framework. The changes to protected information will support the National Quality Framework by enabling the Commonwealth to share information on childcare services with state and territory regulatory bodies. This will benefit childcare services by not requiring them to provide the same information to more than one body. This framework, endorsed by COAG, will improve educator-to-child ratios so that each child gets more individual time and attention. It will introduce educator qualification requirements so that our educators are better able to lead activities that inspire youngsters and help them to learn and develop. It will include a new rating system so parents know the quality of care on offer and how to make informed choices, and it will reduce the regulation burden so services only have to deal with one regulator.

We are doing this because we know from years and years of international research that the first five years of a child's life shapes their future, health, learning and social development. We want to make sure that that future is bright for Australian children. We know how important this is. We also know that, of the long day care services that received an accreditation decision between 1 July and 31 December last year, 25 per cent of those services failed to ensure that potentially dangerous products, plants and objects were inaccessible to children. Twenty-nine per cent failed to implement effective and current food safety and hygiene practices. Twenty-eight per cent failed to ensure that toileting and nappy-changing procedures were positive experiences, and 20 per cent did not act to control the spread of infectious diseases and maintain records of immunisations. This government believes that Australian children deserve better. As a government, we believe that we can and must do better when it comes to the safety, wellbeing and early learning of our children.

In summary, this bill makes a number of amendments that will improve transparency of the childcare industry and protect families from unscrupulous operators, and I commend the bill to the House.

Question agreed to.

Bill read a second time.

The DEPUTY SPEAKER (Hon. Peter Slipper): A message has been received from the Her Excellency, the Administrator, recommending that in accordance with section 56 of the Constitution an appropriation for the purposes of this bill.

Bill reported to the House without amendment.

Trans-Tasman Proceedings Amendment and Other Measures Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling) (10:42): I rise to talk on the Trans-Tasman Proceedings Amendment and Other Measures Bill 2011. The coalition supports the passage of this bill which seeks to give further effect to the Closer Economic Relations Trade Agreement between Australia and our very good friend and partner New Zealand and, in particular, the Agreement on Trans-Tasman Court Proceedings and Regulatory Enforcement of July 2008. The latter agreement was substantially given effect to by the Trans-Tasman Proceedings Act 2010 which passed, again with coalition support. As mentioned in the bill's explanatory memorandum, this agreement will enhance cooperation between Australia and New Zealand in civil court proceedings, enable trans-Tasman disputes to be resolved more effectively and at a lower cost to businesses and individuals, and create conditions for increased trade and commerce across the Tasman.

This bill makes minor amendments to the principal act to ensure consistency of language and application with the corresponding New Zealand legislation and to adopt the recommendations of the New Zealand Parliament's justice committee. Those recommendations were directed towards preventing spurious claims for a stay of proceedings based upon reliance on jurisdictional specific statutes. The bill also corrects a technical error in amendments to the Family Law Act 1975 in relation to court fees payable in respect of de facto relationship financial proceedings. It should be noted that this error was rectified prospectively through amendments to the Family Law Regulations 1984 which came into force on 22 November 2010.

The Agreement on Trans-Tasman Court Proceedings and Regulatory Enforcement sets out the following objectives in the accompanying national interest analysis: to streamline the process for resolving civil proceedings with a trans-Tasman element in order to reduce costs, improve efficiency and minimise impediments to enforcing certain judgments and regulatory sanctions. The agreement increases certainty for trade by creating clear means through which to pursue civil litigation and will benefit both businesses and individuals involved in legal disputes across the Tasman. In conclusion, the bill is finetuning certain parts of the existing but not yet commenced legislation in order to harmonise more closely with its counterpart New Zealand legislation prior to the agreement coming into force. The coalition supports the passage of the bill and I therefore commend it to the House.

Ms SMYTH (La Trobe) (10:45): Over recent months we have certainly heard the Prime Minister remark on many occasions about the strength of ties between Australia and New Zealand. Those ties are certainly cultural ties, but more than that they are increasingly economic and regulatory ties, and that is certainly a good thing for both countries. The practical effect of that relationship is reflected in the trans-Tasman proceedings measures which we are referring to today in relation to the Trans-Tasman Proceedings Amendment and Other Measures Bill 2011. The agreement on court proceedings and regulatory enforcement which was made between Australia and New Zealand in 2008 will certainly enhance cooperation in civil court proceedings, and it is intended to reduce transaction and litigation risks for businesses and individuals.

It is expected and hoped that that agreement will allow trans-Tasman disputes to be resolved more quickly and more effectively and certainly at a lower cost. As someone who has acted for commercial parties in matters relating to foreign jurisdictions, I know that anything that can be done to facilitate those objectives is certainly meaningful. I know that the prospect of litigation in a foreign jurisdiction can certainly be a deterrent to plaintiffs pursuing a claim for a debt. Taking litigation of that kind can certainly be prohibitively expensive. It can cause cash flow problems and take up inordinate amounts of staff time. Anything to ease the means of taking those sorts of proceedings in other jurisdictions, as will be facilitated by this legislation, is of benefit.

The agreement between Australia and New Zealand also forms one of the initiatives between Australia and New Zealand to strengthen economic integration, including the development of a single economic market, which is being undertaken under the umbrella of the Australia New Zealand Closer Economic Relations Trade Agreement. It is good to see the practical consequences of those more widespread economic reforms being seen today.

To implement the trans-Tasman proceedings agreement, Australia introduced certain legislation in 2010. In August 2010 the New Zealand parliament enacted its equivalent legislation. We know that several changes were made to the New Zealand act during its passage in response to both parliamentary committee reports and stakeholder concerns, and it is appropriate that this amending act be entered into to enable harmonisation and codification of both of those pieces of legislation.

The bill will make equivalent amendments to Australian acts to ensure the effectiveness of the regime. It will also address certain internal inconsistencies that may have been found in the Australian acts, and it will make the provisions clearer and easier to understand. Stakeholders in Australia have certainly been closely consulted during the project, and we know that they support the legislation.

In addition to those measures which are contemplated by the bill, there are certain family law fee measures. The bill contains technical measures to retrospectively validate fees charged for de facto financial matters in the Family Court and relevant state and territory courts for the period from March 2009 to November 2010. Without adding significantly to the last speaker's factual outline of the bill, I am very pleased to lend my support to it and will be happy to see it passed.

Mr McCLELLAND (Barton—Attorney-General) (10:48): I thank members for their contribution to the debate and their very supportive statements. The Trans-Tasman Proceedings Amendment and Other Measures Bill 2011 does make only minor amendments, it must be said, to the Trans-Tasman Proceedings Act 2010 and the Trans-Tasman Proceedings (Transitional and Consequential Provisions) Act 2010, but the combination of the operations of those acts is significant. The minor amendments that we are discussing today will harmonise the language and structure of these acts with the New Zealand Trans-Tasman Proceedings Act 2010. That harmonisation is essential. It will ensure the clear, consistent and effective operation of the cooperative Trans-Tasman Proceedings Scheme, which is based on the 2008 agreement between the government of Australia and the government of New Zealand on trans-Tasman court proceedings and regulatory enforcement. This cooperative scheme will streamline and simplify the process for resolving trans-Tasman civil court proceedings and assists in creating optimal conditions for trade and commerce across the Tasman. By removing some of the barriers to simple and effective trans-Tasman civil dispute resolution for both individuals and businesses, the scheme forms an important part of the government's microeconomic reform and access to justice agendas across both countries.

The bill also contains technical measures to retrospectively validate fees charged for de facto financial proceedings in the Family Court of Australia and certain state and territory courts between 1 March 2009 and 25 November 2010. It has always been the government's intention to have court fees apply consistently to de facto and matrimonial disputes. The measures in schedule 3 of this bill would ensure that the fees applying to de facto financial proceedings were the same as those applying to matrimonial financial proceedings and parenting matters in the relevant period.

In conclusion, this bill provides the necessary amendments to ensure that Australia's harmonised application of the agreement between the government of Australia and the government of New Zealand on trans-Tasman court proceedings and regulatory enforcement is consistent with New Zealand. I commend the bill to the House.

Bill read a second time

Bill reported to the House without amendment.

Aviation Transport Security Amendment (Air Cargo) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr TRUSS (Wide Bay—Leader of The Nationals) (10:52): The Aviation Transport Security Amendment (Air Cargo) Bill 2011 is designed to make a series of amendments to the Aviation Transport Security Act 2004 to enhance Australia's ability to respond to emerging threats and clarify existing provisions in the legislation.

The coalition in government had a strong record of securing Australia's borders by strengthening aviation security. Following the terrorist attacks of September 11 2001, the coalition took action to restructure Australia's aviation security regulations and over time implemented sensible changes to respond to technological advances and the broader security environment.

We also undertook a range of new initiatives to help ensure that our borders were safe. We substantially upgraded the quarantine service, more than doubling it in one budget alone. We also increased inspections at airports and made sure that almost 100 per cent of passengers coming into Australia went through a proper Customs and Quarantine check and therefore we could be confident that our borders were secure.

Unfortunately, since the election of the Labor government, many of those measures have been eroded and last night's budget was no exception. Unfortunately, the government is continuing to reduce its investment in our borders and therefore exposing us to risks: quarantine risks, security risks and of course the risks of importation into this country of products and items that we do not want. Last night's budget imposed significant reductions in most of the border protection services: Customs, ASIO and even the Federal Police. This does not reflect a government that is serious about security. It comes into this chamber with amendments to transport security arrangements while, at the same time, it is eroding the investment in border protection services.

There has been particular concern about the running down of the number of people in and expenditure on quarantine. We now have a situation where the government has insufficient funds to be able to deal with disease incursions into our country. The small allocation that was in the budget will go nowhere near dealing with the serious issues associated with the eradication of pests that have come into this country since the election of the Labor government. We also have to be concerned about the real lack of commitment to biosecurity issues and the associated risks to our environment, agricultural production and our way of life when pest and disease incursions occur in Australia.

The government has lost its way in this area. It is a low priority for them and, unfortunately, the country will pay a very high price for this carelessness. Once, almost all passengers arriving in Australia could expect to have to go through inspections on arrival at our airports. Now many are simply waved through, because the government has so cut the numbers of Customs officers available on the front line that it is simply no longer possible to undertake the inspections that are really necessary if we are serious about these kinds of issues.

So, on the one hand, the government talks its rhetoric, but, on the other hand, has been cutting the services that can actually deliver better security. On top of that, of course, this budget has sapped funds from all sections in border security to try and fund the enormous cost overruns—perhaps $1.9 billion—that are a result of the influx of asylum seekers. Labor's inability to manage our borders and secure our nation is a significant threat to our future. It is disappointing, therefore, that the government is not prepared to devote the resources that are necessary to deal with these issues properly. They have got the policies wrong and now they have not got the resources to be able to administer them.

The soft approach that they are taking in relation to biosecurity issues—allowing imports from countries where diseases are prominent without taking appropriate measures to ensure that Australian industries are protected—is shameful. Frankly, it is shameful. And now there is the backdown in relation to New Zealand apples, which will effectively allow New Zealand apples to come into Australia without any special criteria at all to deal with fire blight. This disease has been the threat to the Australian apple and pear industry for generations. We have had tough rules to make sure that these diseases do not come to Australia and now the Labor government has agreed to protocols which make no different provisions for export of New Zealand apples to Australia than for countries that do have fire blight. There are no special arrangements at all. I think that, again, is Labor asleep at the wheel—or it just does not care and is more interested in making friends around the world and getting a seat on the Security Council than in actually looking after the interests of our country.

So on the one hand, there is talk about the importance of security through legislation of this nature. But in the really important things—the things that really matter—Labor is not prepared to devote the resources or make the appropriate policy decisions which will help secure the cargo coming into this country and make sure that our country is kept safe from and free of pests and diseases and security risks.

This bill implements some of the measures that were announced in the aviation white paper released in December 2009. The coalition has generally supported the measures put forward in the white paper in relation to aviation security as a logical progression of the Wheeler review of aviation security, which was completed by the former coalition government in 2005.

The bill is not major in its consequences. It makes four amendments. Firstly, the bill amends the definition of 'aviation industry participant' in the act to include accredited air cargo agents. The act distinguishes between registered air cargo agents and accredited air cargo agents. AACAs include smaller operators involved in the aviation industry who have less complex business operations, including couriers and contract drivers. Currently the AACAs are not defined as aviation industry participants, which means they are not subject to the same level of obligations that applies to RACAs in times of heightened security. Importantly, AACAs are currently not subject to special security directions. In late October 2010, terrorists operating from Yemen attempted unsuccessfully to send explosive devices inside printers to the USA. In Australia, increased security requirements were implemented for cargo from Yemen and Somalia, using the special security directions. Including AACAs within the definition of an aviation industry participant will mean that they are also subject to special security directions and will allow for a more consistent response to security threats.

The amendments will also mean that AACAs must have a transport security program and will compel them to comply with incident reporting requirements. The burden on small business in having to develop and comply with these reporting requirements was a matter of concern to the opposition. These are small operators by definition. They are people who were previously not considered to be of such import in the chain that they needed to be included in the legislation. I accept that there is good reason to include in the legislation even those who may be just peripheral players, but it would be unfair if new legislation required the same kind of planning and regulations that apply to large businesses to also apply to these small operators. I have been assured that the burden on small business has been addressed, as the AACAs will complete an online application form which will automatically generate a transport security program which they can print off and keep for their reference—in other words, there will essentially be something on the shelf that they can use. We will need to monitor whether in fact that transport security program is relevant to their needs, is not unduly intrusive and delivers what is intended in relation to enhancing cargo security.

Secondly, the bill extends the validity of the RACA transport security programs to 31 December 2012 unless revised prior to that date or cancelled at an earlier date. This amendment is intended to ease the burden on industry and the department during the transition to the new arrangements. The transition will allow industry to determine which regulatory scheme is the most appropriate for their business, potentially therefore reducing compliance costs and streamlining arrangements for some of the participants.

Thirdly, this bill allows for a legislative instrument to prescribe security training requirements for RACAs and AACAs. This amendment is designed to ensure consistency in training outcomes and in doing so raise the skill level of AACAs and RACAs to increase security across the industry. Again, let me emphasise the importance of not imposing unduly restrictive and time-consuming training components on these very small operators. The reality is that we need to make sure that they know what their job is and they know what to look for, but one would hope that these skill assessments and training programs do not so eat into their time and that these often battling businesses are unable to remain profitable because they spend all their time away at training programs. Business feels overloaded at the present time by all of its obligations to undertake training. Training is important, but you can be highly trained and end up with no business if there is not a recognition of the fact that this kind of thing intrudes into the working time of the people who are doing the training, and it therefore may affect their capacity to do their real job.

Allowing for a legislative instrument to prescribe the requirements, which will happen as a result of this legislation, rather than by notice, will increase transparency and allow for the scrutiny of the parliament of the prescribed levels of security training. That of course is the protection for small business if the department should adopt an unnecessarily heavy-handed approach on these matters.

Fourthly and finally, the bill makes two minor technical amendments, one to remove certification provisions to reflect industry practices and the other to clarify terminology by replacing the term 'freight' with the term 'cargo'. I do not think too many people would know the difference, but in reality this is one of the changes that is included in the minor technical amendments in this bill.

The matters before the main committee are relatively minor. It is typical of another tendency of the current government to introduce in almost every session a new amendment bill in relation to aviation security that deals with just trivial matters. I do not know why on earth they cannot get their act together and deal with all these things in a single piece of legislation. But I know that the minister, in his other role as Leader of the House, likes to get up at the end of the year and boast about the number of bills that have been passed by the parliament. This will be another one. It will pass with very little controversy, but why it was not included in last session's aviation security legislation, or the one that we will no doubt get in this session, is beyond me. If the objective is quantity rather than quality I do not think the government has got its priorities right.

The coalition supports the sensible evolution of aviation security and screening measures, provided the new measures are fully explained and overall security measures are not diminished. However, we need to not just concentrate on the regulatory regime and making sure it is right, although that is of course important, but the government must devote the necessary resources to rebuild the quarantine services they have stripped away and make sure that Customs has adequate resources to do the border protection work that it needs to do. We also need to ensure that security flights and surveillance of our oceans, which have been axed in this budget, are restored so that we can be confident that our nation is protected from threats to our security and so that our prized pest-free and disease-free status is maintained wherever possible.

Mr HAYES (Fowler—Government Whip) (11:08): On behalf of the government I thank the member for Wide Bay, because, reading between the lines, I think he was trying to actually say that this government is maintaining a vigilance on these issues. I think he was complimentary of the fact that we do not take our eye off the ball when it comes to issues such as aviation security, particularly in respect to passenger and cargo movements. With the growing change that is occurring in that space I think the coalition is trying to say in a veiled way that not only do they support the carriage of this particular piece of legislation but also they are indebted to this government for being ever so vigilant on these issues. We are not simply putting them away and then having a big piece of legislation introduced every now and then. Instead we are doing things when it is required. This is an issue that is required.

I too support the Aviation Transport Security Amendment (Air Cargo) Bill 2011. Aviation security is a concern to all Australians, regardless of whether you are going to be a passenger or whether you are running a small business, as the member for Wide Bay referred to. People are using air cargo more and more these days. It is increasingly becoming more efficient as a way of doing business. Australian consumers want their product quickly, and one of the issues associated with that is the speed of delivery; therefore, airfreight forwarding is one of the fast-growing sectors in the Australian marketplace.

I know a bit about that, because I have worked very closely with the aviation sector in my past—particularly the Sydney Airports Corporation. I know the amount of space that is required, not only for airfreight but for any additional berths for air cargo transporters now, which are rapidly becoming very common in our aviation space. That being the case, we must stay very much in tune with the fact that there are growing security issues associated with it.

As someone said a little facetiously about the member for Wide Bay, this is not a matter of sitting on your hands until you have enough to justify running a substantial document and saying that that is now the new documentation for this industry. We must be prepared to make amendments to finetune and to ensure that we stay ahead of the game when it comes to issues of transport security. Don't forget, it was only in late October that terrorists operating out of Yemen concealed improvised explosive devices inside a set of printers in an air cargo consignment that was destined for the United States. What occurred there was that people went onto an alert footing. The Australian government responded very quickly and took immediate action to protect the travelling public and the Australian aviation sector, strengthening measures against inbound cargo—in this case originating from Yemen and Somalia. That occurred through special security directions, as they are called, issued to the regulated air cargo agents, the RACAs. That worked very well. The product coming in required inbound screening—not only inbound screening but screening prior to being loaded.

This is where one of the problems exists. We are also talking in this space of air cargo groups referred to as accredited air cargo agents, AACAs. They are not the same as regulated air cargo agents. They are smaller, maybe irregular. So under current legislation these special directions were able to be issued, for instance as a result of the Yemeni incidents, to RACAs. The same directives were not able to be sent to accredited air cargo agents. That is obviously something that must be corrected. That is why this piece of legislation is going through now. Unlike the member for Wide Bay, who might want to feel comfortable and be able to sit back and wait until we accumulate a certain amount of issues before we do something, we know this is something that was very real in October 2010. It was very real, a determined and concerted attack using air cargo as the delivery device. As a consequence our agencies responded well, but they identified that there was an issue that needed to be tightened up, to put it beyond doubt—that all those receiving air cargo into this country should be subject to the same specifications. That has now occurred. The amendment is an important one. It fundamentally does four things: it improves Australia's capacity to respond to heightened security threats such as what occurred last October; it provides transitional arrangements to ease the regulatory burden on air cargo industry members while the new initiatives announced by the government in 2010 are enacted; it includes training requirements for the air cargo industry and improves the transparency and consistency of training amongst its members; and it also—almost as an efficiency measure—simplifies the air cargo clearance processes in this country.

This amendment is important as we as a government must do all that we can to deter and prevent unlawful interference with our aviation industry. The very nature of what we are dealing with means that amendments such as these are essential for us to stay on top of our game in the security environment. This is something the Parliamentary Joint Committee on Law Enforcement is currently looking at again in terms of air transport safety and, in their case, maritime transport safety. Arrangements are such that we are capable of preventing and disrupting not only terrorist acts but also vehicles for organised criminals. The Australian government, as I said, in the Yemeni incident did not waste any time. It responded very quickly and it did so to protect the Australian public and the aviation industry that accesses Australian airspace. Nobody would expect anything less in that regard.

This amendment also streamlines the importance of the systems that are in place by improving their transparency. It ensures that all players in the aviation cargo industry have the same training provisions and are subject to the same regulatory regime. Additionally, it provides for special security directions to be applied at times with consistency in times of heightened security.

Another important aspect is that this amendment aligns Australia's air cargo practice with best practice in the world. To align ourselves with best practice is to ensure that both the travelling public and those who rely on cargo for commercial purposes are protected, as is our country, as a consequence of ensuring that not only Australia but all countries work to achieve the best outcomes in this particular space. That has occurred.

This amendment was given rise to by an incident, a planned terrorist attack, in October 2010. That we reacted as best we could and discovered there were deficiencies within the regulations and have moved promptly to do something about that to protect the Australian travelling public as well as those involved in the aviation cargo sector should be something that is applauded, not something that the Opposition should waffle on about: apples coming from New Zealand or how you should hold a group of these together until you have got a big wad of documents to make a substantial change to legislation. We need to act and to act promptly in order to achieve proper outcomes for not only the travelling public but the Australian community at large. In closing, this piece of legislation will fundamentally increase flexibility in responding to heightened security threats to this country, it will reduce the regulatory burden and cost to industry members during their transition to the new air cargo security framework, it will allow for greater scrutiny, consistency and transparency in the training requirements of the air cargo industry sector and it will simplify technology for the industry and reduce confusion. It will ensure that we as a country are best positioned, according to the information that we have available to us at this stage, to protect Australia and the travelling public. It will also ensure that those who rely on the importation of air cargo are protected and are not affected by the vile efforts of those who use air cargo as another means of delivering terrorist threats throughout the world. I commend this piece of legislation. I think the amendment bill should be supported by all. It should be supported for the right reasons—that is, that this is an instance where the government has acted promptly to ensure that we have a suite of regulatory provisions in the security environment that is world's best practice. I commend the amendment bill to the House.

Mr CRAIG KELLY (Hughes) (11:21): I rise to speak on the Aviation Transport Security Amendment (Air Cargo) Bill 2011. The majority of legislation proposed by the government is ill-conceived and misguided, as we have seen, from GroceryWatch to pink batts to border protection. Just about everything they touch turns to a complete and utter shambles. As we witnessed last night with the budget, this mob would struggle to run a chook raffle. However, the coalition supports this bill, which demonstrates that on the very rare occasion when the government introduce a bill that will not damage our economic prosperity the coalition is prepared to support it.

Airfreight is essential to the world's economy. Every year, over 26 million tonnes of goods travel by airfreight around the world. In value, 30 per cent of all international trade in goods is carried by airfreight. No other means of transportation is better equipped to meet the economic realities of the future, where global supply chains and just-in-time logistics require companies to receive and ship greater quantities of goods more frequently, quickly and reliably over long distances. Australia, as an island continent with no land borders and geographically isolated from the major markets of the world, relies more heavily on efficient and competitive air services than any other country. Although airfreight represents less than one per cent of our nation's trade by volume, it makes up over 20 per cent by dollar value.

An efficient and competitive airfreight sector allows our nation to turn the tyranny of distance and our geographic isolation to our competitive advantage. Annually in Australia over 680,000 tonnes of airfreight are shipped, worth over $100 billion. An efficient and competitive airfreight sector also contributes significantly to the economic viability of passenger airlines, which are so vital to our tourism sector. The holds of passenger aircraft typically contain significant amounts of air cargo. Therefore, well-organised and economically efficient airfreight services are indispensable to the success of Australia's economy. However, there are risks to these efficient and competitive airfreight services. These risks are also a threat to our economic prosperity. These risks come from the threat of international terrorism, from anticompetitive practices and, of course, the delusional nonsense of a tax on

carbon dioxide. In recent years we have seen this danger to the efficient and competitive airfreight industry of anticompetitive practices such as price fixing and price discrimination. Only late last year the European Union fined 11 airlines, including Qantas, a total of €1 billion for forming a global cartel for fixing airfreight prices. This illegal price-fixing cartel conspired to fix fuel surcharges to ensure that, worldwide, airfreight carriers imposed a flat surcharge per kilo on all shipments. The cartel members also extended their illegal activities by conspiring to introduce a security surcharge and refusing to pay commissions.

In Europe, the Air France group received the biggest fine of €340 million. British Airways was fined €104 million, Singapore Airlines was fined €75 million, Cathay Pacific was fined €57 million and Qantas was fined €8.8 million. In addition, in the US further fines totalling US$1.5 billion were levied against airlines that acknowledged fixing fuel surcharges. In the US, Qantas agreed to pay a US$26.5 million settlement to resolve their liability under a US class action, and they still face a further $200 million class action in Australia. Hopefully, with these penalties, the threat of cartel conduct in the airfreight industry has diminished.

Another threat to our airfreight industry is the threat of anticompetitive price discrimination. Put simply, price discrimination occurs when the same product is sold to different buyers in competition with each other at prices where the difference is not reflected in costs. The dangers of price discrimination to the airfreight industry were evidenced about 10 years ago in three cases in Europe, known as the Spanish, Belgian and Portuguese airport cases. These cases were brought under article 82(c) of the EC Treaty, which makes it unlawful to apply:

… dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage.

While Europe and the USA also have these protections against price discrimination, Australia, under our competition laws, does not. So, until this loophole is closed in our competition laws, the risk of anticompetitive price discrimination remains a threat to the Australian airfreight industry.

The other major threat to an efficient and competitive airfreight industry is the threat of international terrorism. This threat of terrorism in Australia remains real. Only last December a group of Islamic extremists were found guilty by a jury of conspiring to plan a terrorist attack on the Holsworthy Army base in New South Wales, which is part of the electorate that I represent, the seat of Hughes. The jury heard that, armed with high-powered military weapons, this group planned to storm the lightly guarded base, shooting anyone in their sights until they were gunned down themselves or captured. The ringleader was seen on CCTV arriving at the Holsworthy railway station—a station which I often go to to give handouts to the many thousands of commuters who go through it every morning—walking along the perimeter fence of the Army base and approaching the gatehouse, which was manned only by unarmed private security guards. This attack was foiled only by the brilliant investigative work of our police, which potentially saved hundreds of lives.

The threat of international terrorism to the efficient airfreight sector was also highlighted last October, when two bombs containing powerful explosives were sent from Yemen through FedEx and UPS. They were bound for the US but were intercepted by security officials in the UK and Dubai. Qatar Airways confirmed that the bombs intercepted in Dubai had actually been transported on two of its passenger jets, the first from Yemen to Doha and then from Dubai on a second plane. The first leg would have seen these bombs on an Airbus A320 and on the second leg they would have been on an Airbus A320 or a Boeing 777. The devices seized in the UK also went via Dubai and are believed to have passed through Cologne airport in Germany before being intercepted in the UK. Both parcels were addressed to synagogues in Chicago, although it is believed that the bombs were meant to go off on the aircraft rather than at their destinations. Again, this plot was foiled by the work of our intelligence agencies.

The air parcel bombs addressed to synagogues in Chicago have highlighted a major vulnerability in the global aviation sector: our airfreight, where the checks are far less stringent than in passenger travel, even though the larger percentage of freight is carried on world passenger jets. In my previous occupation I was the export management for our company and I would often have to take goods down to Sydney Airport. I was often concerned and surprised by how easy it was to get goods on board a plane, although I was also concerned that additional security requirements could delay the procedure and hold up international trade. From these security threats we know that it is human nature that each new security incident promotes a desire to introduce yet more security measures. But good security is all about comprehensive threat assessment and balanced risk management, not the elimination of every conceivable risk. We must also remember that terrorists measure their success by how much we overreact to their provocations. Therefore, a reasoned and coordinated response to this threat is essential.

Security comes at a cost already measured in tens of billions of dollars to the world economy for aviation alone, and any new security procedures can be justified only when it is demonstrated that the benefits outweigh the additional burdens they impose on a society. Any new air cargo security programs need to be driven by a supply chain approach so that everyone from the manufacturer of the goods to the airport is responsible for the security of

shipments. That is why the coalition is happy to support this bill. The Accredited Air Cargo Agent Scheme extends the existing Regulated Air Cargo Agent Scheme to cover small operators with less complex business operations, such as couriers and contract drivers.

The coalition believes this bill gets the balance right to strengthen our air security, and we give our support to this bill. However, we must monitor the practical effects of the bill to ensure that small business is not unduly restricted by additional regulations which unnecessarily burden the efficient operation of our air freight industry, which is so vital to our ongoing economic prosperity.

Mr TEHAN (Wannon) (11:33): I rise also to support the Aviation Transport Security Amendment (Air Cargo) Bill 2011. The bill is designed to make a series of mainly technical amendments to the Aviation Transport Security Act 2004 to enhance Australia's ability to respond to emerging threats in aviation security and clarify existing provisions. The bill flows on from the action which was taken by the coalition after September 11, 2001, when we took necessary action to improve aviation security following the dreadful and appalling acts which occurred on that day. The importance of aviation security really hit home after 2001, and we saw that on two fronts. One is that the globe in many ways came to a standstill once it was realised that world aviation could be threatened by people who wanted to do nothing else but disrupt global air travel and to achieve nothing else but disrupt world trade completely. The importance of our aviation sector to global trade can never be underestimated. A country like Australia is wholly dependent on being able to export at least 80 per cent of what it produces, so if we cannot guarantee that those goods and services can access overseas markets by aviation then we put a hole in our national economy. Roughly 30 per cent of what we produce is reliant, in one way or another, on the aviation sector to get to global markets. Our tourism sector also is wholly reliant on our aviation sector. If we cannot allow Australians to travel overseas or, equally important, to enable foreign visitors to reach our shores, that also potentially and realistically puts a huge hole in the Australian economy.

But we have to make sure that in taking security measures in aviation we get the balance right. I think that, fortunately, this bill does that. We saw that some of the requirements put in place by the US and the European Union in the months that followed September 11 did have consequences for Australia's commercial interests. We have to plan so that, if there are future security issues in aviation, we make sure that the measures are balanced so that they do not impact on our commercial interests and fail to achieve the goals which they set out to do in our aviation security.

Following the actions that the coalition took after September 11, in February 2010 the Labor government announced the Strengthening Aviation Security Initiative, which consisted of a number of measures designed to strengthen Australia's international and domestic security against emerging threats. It highlighted that the government would invest $200 million in new and improved security technologies, including increased policing at airports and enhanced security procedures, as well as strengthened international cooperation. The announcement included $54.2 million for the establishment of a regulated shipper scheme and funding to assist industry to procure approximate examination technology such as X-ray and explosive trace detection equipment to secure air cargo.

The coalition has previously supported other measures in this package when they have come before the parliament, including the introduction of body scanners facilitated by the Customs Amendment (Export Controls and Other Measures) Bill. That is why we are also happy to support this bill. The announcement in February last year built on the enhanced aviation measures outlined in the government's aviation white paper, *Flight path to the future*, which was released in December. Once again, the coalition, correctly, generally endorsed this white paper because it was a logical progression of the Wheeler review of aviation, which was set up and completed by the former coalition government in 2005. I must say that it is incredibly pleasing to see that both sides of the House have proceeded in such a sensible and formal way with these measures. It shows that on this issue we can all work together to make sure that the aviation industry is securely protected. In the support we saw for the Wheeler review, followed by the aviation white paper, we have shown correctly that we are working well together on this issue. This is an important issue. In late October of last year we saw that cargo from Yemen had improvised explosive devices concealed inside printers. They were sent as air cargo consignments to the USA. If those devices had been detonated we once again could have seen the aviation sector grind to a halt, bringing with it all the economic and personal consequences that go with that.

In Australia the government increased security requirements for cargo from Yemen and Somalia, using the relevant acts. The situation demonstrated that we do have the ability to respond quickly. That is very pleasing given all the work that has gone on from both sides of the House on this issue.

This bill contains four measures designed to improve Australia's aviation security regime. The first amends the definition of 'aviation industry participant' to include accredited air cargo agents. This is a logical inclusion and once again one that we on this side support. Accredited air cargo agents include smaller operators involved in the

aviation industry who have less complex business operations, such as couriers and contact drivers. By including them within the definition, they will be required to have a transport security program and, importantly, it will ensure consistent and coordinated responses across the industry to special security directions. It will also compel them to comply with incident reporting requirements.

The second part of the bill refers to and extends the validity of regulated air cargo agent transport security programs. Once again, this is fairly straightforward in that the amendment is intended to ease the burden on industry participants and the department during the transition to the new air cargo security framework. The transitional provision will allow the industry to determine the most appropriate regulatory scheme for their business, reduce compliance costs and streamline arrangements, all of which is to be applauded.

The third allows for a legislative instrument to prescribe security training requirements. Allowing for a legislative instrument to prescribe requirements rather than by notice will increase transparency and allow for the scrutiny of parliament of the prescribed levels of security training. It is a sensible provision, especially in the fact that it allows parliament some oversight.

Fourthly, the bill makes two minor technical amendments. It removes certification provisions to reflect current operational practices already applied in the industry. Secondly, the bill replaces the term 'freight' with the term 'cargo', which is more relevant for industry participants. The term 'cargo' is used in other parts of the bill, so this amendment makes terminology more consistent throughout the bill.

This bill is supported by the coalition. We recognise the importance of aviation security. It obviously has consequences for the security of all Australian citizens. It is important for the flow of commerce, both to and from Australia. It is also vital to our tourism sector. I endorse this bill.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (11:44): I thank members for their comments and contributions to the debate on the Aviation Transport Security Amendment (Air Cargo) Bill 2011; indeed, I thank all members for their support of this legislation. Aviation security is something that should not be a partisan issue. It is important that we recognise that there are threats to our national security. There are people who would want to do us harm. It is vital that we have a debate in this parliament. The government is showing leadership on this issue by producing a comprehensive plan through the aviation white paper, which, I might inform members, is regarded highly, as it was when I had meetings in the UK at the time of the Yemeni package and threat that was mentioned by the member for Wannon. I was in London at that time and was able to meet with the head of transport security in London. We immediately put in place restrictions. But also the context of what we are doing here, the aviation white paper, is very highly regarded across the world.

Indeed, just last month I attended in Singapore an invitation-only meeting of IATA that looked at the range of issues. There were industry leaders. There were only two ministers present: the minister for Singapore and I, as the Australian minister. It was a great honour to our country and to me to be able to represent Australia at such a forum. Next month, I will be attending the IATA General Assembly, where there will be that cross-dialogue occurring to ensure that we have that international cooperation. We here in Australia need to do everything within our power to ensure that security and safety are the No. 1 priorities when it comes to aviation and that we get that right before we talk about other issues. But we also need to acknowledge and understand that, when it comes to security issues, we need international cooperation and we need to work in that global context with our regional neighbours.

I thank those members who have made a contribution to this debate and I thank them for their support of this bill. This is important legislation. It will enhance the security of the air cargo supply chain. The Australian government has a specific role in relation to transport and supply chain security. The Office of Transport Security in the Department of Infrastructure and Transport regulates the security arrangements in the transport industry to minimise the risk of unlawful interference that could otherwise result in catastrophic consequences.

The legislative framework of Australia's aviation security regime consists of a suite of measures to deter, detect and prevent acts of unlawful interference with aviation. The framework is constantly reviewed to ensure it adapts to evolving threats to the security of the Australian aviation industry. The security of air cargo is critical to ensuring Australia's compliance with the Convention on International Civil Aviation—the Chicago Convention—and also to ensuring that we meet the security requirements of key trading partners such as the United States and the European Union.

Approximately 80 per cent of international air cargo is carried on passenger aircraft. Total air cargo exports for Australia in 2008 were valued at $31 billion. Air cargo is mostly lightweight high-value goods requiring urgent delivery. The Australian air cargo industry is a diverse and multimodal environment. The handling and processing of air cargo involves a complex web of multiple operators. The air cargo industry's ability to respond quickly to security threats to the transport of goods and services domestically and internationally is crucial. The government

believes that security measures applied throughout the supply chain are the most effective and efficient way to manage security. I am pleased that there is bipartisan support for this sensible approach.

The bill contains four key amendments to the Aviation Transport Security Act 2004 to simplify and strengthen the existing security regulatory framework for supply chain security. The proposed amendments increase flexibility and responsiveness to situations of heightened security threat; reduce the regulatory burden and cost to industry members during the progressive transition to the new air cargo security framework; allow for greater scrutiny, consistency and transparency of training requirements for air cargo industry members; and simplify terminology appropriate to industry practices and procedures.

The amendments will provide the foundations for a whole-of-supply-chain security system which is sufficiently flexible that it can be adapted in line with new technology, parity with advancements in security arrangements applied by international counterparts and changes in the level of threat. I commend the bill to the House.

Bill read a second time.

Bill reported to the House without amendment.

Customs Amendment (Export Controls and Other Measures) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling) (11:51): I rise to speak on the Customs Amendment (Export Controls and other Measures) Bill 2011. The Australian Customs and Border Protection Service are responsible for managing the security and integrity of Australia's borders. Customs officers work hard day and night to detect and deter unlawful movements of goods and people across the border. Customs have responsibility for protecting Australians through the interception of illicit drugs, weapons, unauthorised arrivals, and postal items, and they also target high-risk travellers. Australian Customs officers do a great job under tough circumstances, day in and day out. Unfortunately they are being stretched due to the government's mismanagement of our borders, which was particularly evident in the Labor's latest budget handed down last night.

I would like to note at the outset that the coalition supports the purpose of this bill which is to amend the Customs Act 1901 and the Customs Depot Licensing Charges Act 1997 to strengthen the extent of Customs controls over export cargo and ensure consistent depot and warehouse licence conditions.

As noted in the bill's explanatory memorandum, the bill will:

a) allow Customs to give directions relating to goods in the export environment;

b) allow Customs to seek additional information in relation to goods being exported;

c) ensure continued Customs control of goods at a prescribed place for export;

d) ensure depot operators do not breach licence conditions when complying with a direction of the Secretary of the Department of Infrastructure and Transport;

e) allow Customs to impose new conditions on depot and warehouse licences at any time;

f) address breaches of the conditions of a depot or warehouse licence;

g) strengthen the powers of officers to give directions to depot licence holders;

h) allow the Chief Executive Officer of Customs (the CEO) to suspend or cancel depot licences;

i) set out the timeframes within which the CEO must decide whether or not to grant a warehouse licence;

j) allow the CEO to vary the place covered by a warehouse licence;

k) refund the warehouse licence fee on cancellation of a warehouse licence;

l) remove references to redundant provisions, and

m) remove the requirement to make a report of cargo in certain circumstances concerning lost or wrecked ships or aircraft.

While this bill makes some technical amendments which the coalition supports, the government has significantly fallen behind in the crucial area of national security, which was demonstrated in yesterday's budget which leaves Australia less secure than Labor has already made it. Among the vast array of cuts to Australia's national security agencies, it included a $9.3 million cut to the budget of the Australian Customs and Border Protection Service. Labor have also axed a further 90 staff from Customs, on top of the 250 cut in the 2010-11 budget. In an extraordinary move, the Labor Party have cut $6.9 million in funds to ASIO for their security checks of unauthorised arrivals at a time when they are being pressured to get through vast numbers of arrivals in an increasingly short space of time. To improve the budget's bottom line, the government have slashed $34 million

from Customs in their passenger facilitation function at Australia's eight international airports. Clearly, that is going to make those airports less safe.

These funding cuts will put immense pressure on our front-line border protection agencies that are already struggling to do more with fewer resources under this incompetent Labor government, who do not view Australia's national security as an important priority. This bill is being debated the day after it was revealed in the portfolio budget statements that the government is deceiving the Australian public on security at our ports and airports. It was revealed that the numbers of reported consignments of air and sea cargo have gone up significantly and are forecast to go up over the next four years. However, Labor has not increased the amount of air and sea cargo that is inspected or examined, which means that even less cargo will be properly checked under the new pared down regime.

In the 2009-10 budget Labor cut the budget for Customs for cargo screening by a staggering $58.1 million. This cut to screening by the Rudd-Gillard government reduced the number of potential sea cargo inspections by 25 per cent. Labor's cuts also resulted in a staggering 75 per cent reduction of air cargo inspections. In the recent Customs annual report it was revealed that only 4.3 per cent of sea cargo is X-rayed and only 0.6 per cent of sea cargo is physically examined. It was also concerning to find that 95.7 per cent of all sea cargo consignments are not being X-rayed. With the latest budget predictions, these figures will be even worse, with higher volumes of sea and air cargo consignments expected to come into Australia through our ports and airports in the coming years.

Customs officers have suffered at the hands of this government as they redirect scarce resources to pay for the government's border protection failures. We witnessed yesterday a staggering $1.7 billion blow-out in Labor's asylum seeker budget, which has exceeded even our worst expectations. I make the point that, very importantly, this is not money that enhances our border protection; this is money that is only being used to maintain the failure that has already occurred. It is just money to manage the people within our detention network.

In just four years Labor's border protection failures have taken the costs of managing asylum seekers from less than $100 million per year under the coalition to more than $1 billion per year under Labor. That is a staggering 1,000 per cent increase. Coming into this budget, asylum seeker costs have already risen by more than $1 billion since Labor abolished the strong border protection regime they inherited from the coalition when they came into office.

As we have seen, this year's budget takes these cost blow-outs to a whole new level of failure. The budget blow-out on asylum seeker costs has meant that other agencies—and, most importantly, our front-line national security agencies—have been forced to suffer. The cuts, coupled with the increased workload due to the flood of unauthorised arrivals, put extra strain on Customs officers working under border protection command. With myriad cuts to Australia's front-line border protection agencies, including Customs, it has become very clear that the Gillard Labor government are happy to let Australia's border security slip even further into the abyss of chaos that they have created, and they are not giving our front-line agencies a helping hand when they need it most.

Border protection and national security remain at the forefront of the coalition's priorities. We support the progressive enhancements to security being made at Australia's ports and airports every day. As I said, the measures in this legislation are relatively technical and the coalition supports them. Quite frankly, what is happening on our borders and the cuts that the national security agencies have had to endure under this budget are nothing short of a national disgrace. The coalition will be saying substantially more about these cuts in the days ahead.

Mr HAYES (Fowler—Government Whip) (11:59): Like the member for Stirling I also take the opportunity to support the Customs Amendment (Export Controls and Other Measures) Bill 2011 because, despite the rhetoric, he knows this is something that is properly balanced and duly targeted to strengthen Customs and border security of this country. I suppose that is one of the challenges in this place: to cut through some of the rhetoric occasionally. At least the coalition will vote the right way on this particular measure, but they will not waste an opportunity to try and target the budget or anything else. But it is important that they are all going to come in here, line up and support it. The reason they are going to do that is that this is the right thing to do.

This bill will bolster our ability to monitor and respond to specific security concerns with high-risk cargo by strengthening our control over international export cargo. The bill forms part of this government's commitment to a strong and efficient Customs and Border Protection Service and seeks to streamline and strengthen the export and import processes. Smooth and safe international export processes are vital to Australia's trading and business environment. In my electorate of Fowler I am staggered by the amount of import-export businesses that act out of the south-west of Sydney. This clearly envisages that. I will go to some of the processes that will make their job easier by giving a greater degree of clarity in the way they go about their business.

It is crucial that the Australian Customs and Border Protection Service is able to respond quickly and effectively to any security concerns. Unmanaged risks in exports threatens Australia's trade and business. It is essential that our Customs and border protection authorities are able to manage high-risk cargo effectively and efficiently. This bill supports the other security improvement initiatives relating to export cargo and enables the chief executive officer of Customs to ensure compliance with the laws of Commonwealth, state and territory jurisdictions. It will also address breaches of licence conditions by introducing strict liability offences. These measures will increase accountability and compliance with the law. They will also make doing the right thing—and, let's face it, most of our businesspeople in our areas are in business to do the right thing—easier in terms of compliance and will make the path a lot easier for them by introducing a greater degree of clarity into the process. So clearer procedures and terminology is one aspect that will provide greater clarity to these licence holders.

As I said—and I think this would probably go for most members in this place—import and export businesses do have a fundamental role in our modern economy, and this will give them greater clarity. It will streamline their activities and will give greater certainty. But in doing so it will assist Customs and Border Protection Service authorities to be able to manage areas which are potentially high risk in terms of our export trade.

The bill aligns legislation more closely with the existing export business processes. Clearly these measures will streamline export processes and will not compromise legitimate export cargo. The changes it makes to existing legislation are proportionate and balanced. They are based on the findings of the joint Customs and Border Protection Service and Department of Infrastructure and Transport review. Many of the changes in the bill are made in response to industry stakeholders who have suggested many of the changes, particularly with respect to the reporting of cargo on board ships and vessels which has been lost and reports already made. But that is just an example of the issue of streamlining. Border security is an issue that is important for all of us. We are an island, albeit a very big island. But to ensure that we have proper competitiveness for our industries we need to be able to encourage proper and appropriate export practices and ensure security within this country. This bill is significantly part of that general regime and forms part of the government's commitment in this area. And, as I say, I certainly—together with members of the opposition—am only too happy to be supporting these measures.

Whilst these are the matters before us, as I said, in terms of this particular space, ever since 9-11—now 10 years ago—our vigilance in these areas is not only ongoing; security in these areas changes and changes rapidly. I did hear, in the debate before last, concerning the Aviation Transport Security Amendment (Air Cargo) Bill, the leader of the Nationals criticising the government for having the audacity to bring forward amendments. That particular amendment arose as a result of a terrorist event that occurred in October of last year. We as a government are not going to wait until we have a suite of possible amendments forming a nice round body of legislation to put through. As a government we are going to act appropriately. Where changes are required we will make those changes and make no apology for doing it amendment by amendment if necessary if that is what it takes to strengthen our industries and protect our industries, our people and our communities. I commend this piece of legislation to the House.

Mr CRAIG KELLY (Hughes) (12:06): I rise to speak on the Customs Amendment (Export Controls and Other Measures) Bill 2011. The purpose of this bill is to amend the Customs Act and the Customs Depot Licensing Charges Act to strengthen the extent of control that Customs has over our export cargo and to ensure consistent depot and warehouse licence conditions.

The coalition is prepared to support this bill. However, we do note that the nature of this bill is contradictory to the government's general approach in many other measures. While this bill increases controls on our exports, at the very same time we have this government weakening controls on our imports, as we have seen with the soft approach on biosecurity where we have seen New Zealand apples being allowed into the country with the potential risk of fire blight. We have also seen the results of the government's soft approach to border protection and border security, with the financial and human disasters that this soft approach has caused and a blowout in costs of $1.7 billion—that is, $1,700 million—that could have been spent in other vitally needed sectors of the economy if it had not been spent on border security because of this government's failed policies.

Therefore you would think that the government would err on the side of caution when it came to fiddling with our long-standing and successful biosecurity arrangements. However, the government are prepared to roll the dice, cross their fingers and hope for the best on biosecurity. But God help them if, by weakening our controls on our borders, we see fire blight take hold in this country. They will be held responsible for decades to come.

So, while the coalition does support this bill, we say that its effects must be very carefully monitored to ensure that it does not tie down our exporters in red tape. For it is our exporters who underwrite our economic prosperity. We should be pinning medals on our exporters' chests, but instead this government's plans are to burden them with a tax on carbon dioxide emissions, placing them at a competitive disadvantage. Therefore, although the coalition supports this bill, we say its effects must be monitored very carefully, especially its effects on small business.

Exporting is hard enough. It is a time-critical business. And we cannot have the government burdening exporters with unnecessary red tape, which this bill has the potential to do. In conclusion, the coalition supports this bill. However, we will be monitoring its effects very closely.

Mr TEHAN (Wannon) (12:09): Thank you, Madam Deputy Speaker, for your patience while I make sure that I can deliver this speech. I rise to also support the passage of the Customs Amendment (Export Control and Other Measures) Bill 2011. The bill's purpose is to amend the Customs Act 1901 and the Customs Depot Licensing Charges Act 1997 to strengthen the extent of Customs controls over export cargo and ensure consistent depot and warehouse licence conditions. As noted in the bill's explanatory memorandum, this will allow Customs to give directions relating to goods in the export environment; allow Customs to seek additional information in relation to goods being exported; ensure continued Customs control of goods at a prescribed place for export; ensure depot operators do not breach licence conditions when complying with a direction of the Secretary of the Department of Infrastructure and Transport; allow Customs to impose new conditions on depot and warehouse licences at any time; address breaches of the conditions of a depot or warehouse licence; strengthen the powers of officers to give directions to depot licence holders; allow the chief executive officer of Customs—the CEO—to suspend or cancel depot licences; set out the time frames within which the CEO must decide whether or not to grant a warehouse licence; allow the CEO to vary the place covered by a warehouse licence; refund the warehouse licence fee on cancellation of a warehouse licence; remove references to redundant provisions; and, finally, remove the requirement to make a report of cargo. This bill makes some very sensible recommendations which the coalition support. They are obviously technical in nature and fairly straightforward and, as the two previous speakers on this side have quite clearly articulated, they will be supported on this side.

While we are dealing with this bill, I think it is timely to remind the House that, although there has on the whole been support for the great role that our Customs officials undertake, it is a real shame that the government mismanagement and ability to spend on things which are not in the national interest have meant that in yesterday's federal budget we have seen a $9.3 million cut to the budget of the Australian Customs and Border Protection Command. Given the increased demand on our Customs officers and officials, we do not need at this time to see the government taking an axe to people who are on the front line and doing important work for Australia as a whole. It is sad that such mismanagement has led to this, because in many ways it would be fantastic if we had a Treasurer who had managed the budget in a much better fashion that meant that those out there on the front line did not have to suffer the consequences. It is potentially front-line officers who are doing very good work to make sure that all our goods are transported in a timely and safe manner and that our borders are protected safely. I will conclude my remarks there by saying that these non-controversial amendments are supported by the coalition. However, I also highlight that, due to the mismanagement of the Gillard-Swan government, we have seen $9.3 million cut out of the Customs and Border Protection budget, which means that on the front line Australia will suffer.

Ms RISHWORTH (Kingston) (12:16): The Customs Amendment (Export Controls and Other Measures) Bill 2011 is an important bill. As just a bit of background, section 30 of the Customs Act sets up the circumstances in which goods are subject to customs control. If goods are subject to customs control, officers can exercise various powers in respect of such goods—for example, the power to examine goods. Having good border control of what comes in and out of the country is very important.

Mr Ciobo: You know nothing about it.

Ms RISHWORTH: That is just not true. The member for Moncrieff, I can see, is going to be talking about gambling reform and, quite frankly, some of the positions he has put on gambling are disgusting. He has no concern for the people who—

The DEPUTY SPEAKER (Ms S Bird): We will stay on the topic of the bill.

Ms RISHWORTH: I look forward to his contribution—

The DEPUTY SPEAKER: The member for Kingston will hold for a moment. I was seeking to indicate to the member for Moncrieff that yelling across the chamber is not the intervention allowed for. Is the member seeking to ask the question?

Mr Ciobo: No, Madam Deputy Speaker, but I have a point of order. I found those comments offensive suggesting that I would enjoy anyone's misery. I ask her to withdraw them.

The DEPUTY SPEAKER: As I was speaking at the time, I did not hear them, but I will ask for them to be withdrawn.

Ms RISHWORTH: I withdraw.

The DEPUTY SPEAKER: Thank you. It would meet the procedures of the chamber if members were to seek interventions in the appropriate manner. The member for Kingston has the call.

Ms RISHWORTH: What comes in and out of the country is important. I see the Minister for Justice is here. This non-controversial piece of legislation will be very important to ensure the control of what comes in and out of our country in a responsible manner. I commend the bill to the House.

Mr BRENDAN O'CONNOR (Gorton—Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice) (12:19): I rise to sign off on this very important bill, the Customs Amendment (Export Controls and Other Measures) Bill 2011, and I thank the opposition for its support, notwithstanding some of the ludicrous comments made by the member for Stirling. It is all very well to speak against something and vote for it, but it does underline somewhat the concerns that have allegedly been raised within the opposition. If, indeed, members have a problem, then clearly they have the capacity to move an amendment or vote against the bill that is before the House. The bill amends the Customs Act 1901 and the Customs Depot Licensing Charges Act 1997 to enhance the ability of the Australian Customs and Border Protection Service to respond to security concerns in the export cargo environment to provide greater consistency between the licensed depot and warehouse schemes. These amendments strengthen the extent of Customs and Border Protection's control over international export cargo. They will enable Customs and Border Protection to give directions relating to goods in the export environment and to seek additional information in relation to goods intended for export. This bill will improve Customs and Border Protection's ability to deal with goods in licensed depots and warehouses as well as align the procedures and terminology that apply to the two schemes. This includes new provisions for the suspension and cancellation of depot licences. The amendments will also enable the chief executive officer of Customs to apply conditions to depot and warehouse licences to ensure compliance with other Commonwealth laws such as the Aviation Transport Security Act 2004 and associated regulations.

The bill will ensure that a depot licence holder who is also a regulated air cargo agent will not be in breach of their depot licence conditions where the operator is required to comply with a direction from the secretary of Infrastructure and Transport. The bill also responds to recommendations made in the Australian National Audit Office report entitled *Customs' cargo management re-engineering project* by aligning the legislation more closely with the operations of the integrated cargo system for clearance of export goods. Finally, the bill removes the requirement for reporting cargo onboard lost or wrecked ships or aircraft, where a report has already been made, and it will remove some redundant provisions.

This bill responds to some of the problems that have beset Customs over a long period of time. This is an improvement to the way in which we store goods, and indeed it provides better oversight by Customs of such goods—which is important at any time and which I believe is increasingly important, given the potential for threats to this nation at our ports. So it is a good bill, and that is why I said at the outset that the opposition support the bill, notwithstanding some of the comments that have been made. I understand they are comments on the budget. People want to make comments that are extraneous to the bill. They want to talk about matters that do not go to the matter before them.

The reality is that the Customs and Border Protection Service do a remarkable job. As an agency they did a remarkable job under the Howard government and they are doing a remarkable job under this government, working with us in very difficult circumstances. We have an exponential growth in freight and passenger movements in our seaports and airports. We have a series of challenges that Customs have to deal with each and every day, and they do a great job. The fact that we have moved to much better risk-based assessments to examine cargo freight is a good thing, and we should deploy our resources where they are most needed, where potential challenges will arise. That has been happening over the last few years, under this government, with the full cooperation of the agency, and I appreciate the efforts of Customs and, in particular, its chief executive officer, Michael Carmody, for his leadership in this regard.

I commend this bill to the House. It is an important change to the regulation of depot licensing conditions. Again, notwithstanding some of the rhetorical flourishes from the member for Stirling, in the end the opposition know it is a good bill and that is why they support it.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.

COMMITTEES

Gambling Reform Committee

Report

Debate resumed on the motion:

That the House take note of the report.

Mr CIOBO (Moncrieff) (12:24): I rise to speak to the first report of the Joint Select Committee on Gambling Reform handed down recently that goes to and is entitled *The design and implementation of a mandatory pre-commitment system for electronic gambling machines* across Australia. It is no secret that I have very real and genuine concerns about the ineffectiveness of this report in addressing what, it was suggested, was the core focus of the committee—that is, to assist problem gamblers. Broader than that, I am concerned that the recommendations put forward by the majority of the committee, which did not include coalition members, will harm the industry significantly. We end up in a situation where, as a consequence of the committee's recommendations, Labor Party policy and the grubby deal that was done between Julia Gillard and the Independent member for Denison to form government, we are now faced with the situation where the likely policy outcome will be the implementation of laws that will see nothing happening with respect to assisting problem gamblers but will have a truly detrimental effect on the pubs and clubs sector across Australia. Why is this so, and how can I be certain: because of the valid concerns raised by members of the public and others with respect to the findings of the report.

In summary, it is relatively straightforward. We know as a matter of history that the Labor Party is only motivated to do something in this space as a consequence of the Prime Minister's deal with the Independent member for Denison. We know as a matter of history that poker machine reform was not a burning ambition of the Prime Minister, the Treasurer or cabinet. It was not something that was on the radar for this government until such time as it was demanded by the Independent member for Denison that there be reform in this space, namely, through the implementation of a mandatory precommitment system, that Labor suddenly said, 'Yes, we believe in it too.'

In fact the most concerning aspect of this is that it is now Labor Party policy to implement mandatory precommitment, which is what is driving this agenda. The reality is that if it were not Labor Party policy, if it were only the Independent member for Denison that wanted mandatory precommitment, then this would not happen. The reason why it will happen is that Labor has signed up to this holus-bolus. It is now Labor Party policy to have mandatory precommitment.

What concerned me was that for those of us who were appointed to the joint select committee, it was not a case of being charged with exploring mandatory precommitment; it was not a case of having an inquiry into whether mandatory precommitment would work; rather the answer was already given: there would be mandatory precommitment and the committee's task was simply to look at the way in which that should happen. We already knew before we started that the Labour Party and the Independent member for Denison, as well as of course Senator Xenophon, were all committed to making mandatory precommitment happen.

On the face of it, if you did not bother to look into the issue very much, you would think it seemed like a reasonably good idea. After all, I have seen Labour member after Labour member, as well as the Independent member for Denison, stand up, hand on heart, palms wringing, saying, 'This is about the 95,000 problem gamblers in Australia.' I have heard Labour member after Labour member, the Independent member for Denison and others engage in rhetoric about how policy changes need to be effected to do something for problem gamblers. As if anyone who is critical of the recommendations or the findings of the committee was in some way not motivated to assist problem gamblers.

We saw it just recently in the previous exchange between the member for Kingston and me where there is this disgraceful moral superiority that comes from those who back the recommendations of this report implying that in some way I and other members of the coalition who knock back and reject the recommendations are not concerned about problem gambling. It is disgraceful that members opposite would moralise on this issue, would claim a monopoly on assisting problem gamblers, when in reality they do not know the first thing about the impact of these recommendations on problem gamblers. That is the great disgrace, because the single most hard-done-by group as a result of these recommendations will in fact be problem gamblers. I will go into great detail to explain why because I understand this topic implicitly as well as on the basis of the evidence that has been supplied.

I think it is time that Labour members, the member for Denison and Senator Xenophon, were held to account to back up their rhetoric when it comes to this report, because I know they will fail. The reason they will fail is that there are several fundamental flaws with this particular report and the recommendations of the majority of the

report which cannot be overcome because they are illogical. The fundamental thrust from the member for Denison, from Labor members and indeed from the Independent senator, Senator Xenophon, was that mandatory precommitment would assist Australia's problem gamblers because of the fact that they would be required to precommit to a certain level of losses. On first principles, that sounds rational. On first principles, you would have to ask: who could disagree with that? If someone has a gambling problem, wouldn't logic suggest the very best thing you could do is make them commit to a certain level of losses and then be shut out of the system? It just seems like common sense. But what is clear from the evidence is that problem gamblers have a pathological problem. By definition, that is why they are called problem gamblers. By definition, someone who is a problem gambler—someone who is potentially losing their home, someone who is potentially losing their job, someone who is potentially engaging in criminal activity, someone who is potentially hurting the loved ones around them as a result of their gambling addiction—is not logical, is not rational.

That is the very reason why, when you say to a problem gambler who is already potentially losing their home, losing their loved ones and putting their life on the line and who is potentially suicidal as a direct consequence of their gambling habit, 'Look, you are responsible for setting your own gambling limit. We think you'll be able to handle that,' it is doomed to fail from the outset. Problem gamblers—and we know this from international examples—will set a limit that is exceptionally high, well above what they can afford. As a consequence, this piece of technology which the Labor Party and the member for Denison like to hold out as the silver bullet solution will in fact fail miserably. Someone with a pathological gambling addiction will not sit there and think to themselves, 'You know, I can only afford to lose $50 this week, so I'm going to set my limit at $50.' No, they are bound in a spiral of irrationality that will see them set a limit of $1,000 or $10,000. Who knows what the limit will be? But I guarantee you one thing, Madam Deputy Speaker: it will not be a rational limit, because this is a person who is battling an addiction, who is already losing their home and their family, who is having an impact on loved ones and who is potentially suicidal. Yet apparently they are meant to have this moment of clarity where they will say, 'I can only afford $50 this week. That will be my limit.'

The reality is that problem gamblers have a pathological problem and they need medical intervention. They need support and assistance to make them realise that they cannot handle gambling and that they should not be gambling, full stop. That is what is required, because the only people who will stand by a rational limit are rational people who do not have a gambling addiction. We know from the psychological evidence that was given to the committee that problem gamblers chase their losses. They are of the view that if only they were given one more shot, if only they had one more big wager, they would be able to win back that which they have already lost. That is the psychology and that is exactly what drives them to set unrealistic loss limits on their cards. That is why this technology simply will not work. The people who will set rational loss limits on their cards are recreational gamblers—the 4.8 million gamblers out of the five million poker machine players. They will set reasonable limits. I welcome the member for Denison, who has just come into the Committee. These are the people who will set rational loss limits on their cards. These are the people who will recognise that it is having an impact on their lives.

In addition to that, from the outset I have made it clear that without the integrity of a national database this system is doomed to fail. I was met with cries of protest from the member for Denison and from Labor members, who said I was scaremongering. They said I was scaremongering to suggest that there had to be biometric identifiers and that there needed to be a national database. This is where it all just conveniently slips through the net in the majority report of this committee, because they like to conveniently disregard the need for a national database. I have heard the member for Denison say this on numerous occasions: 'People don't have to worry because the information will be kept on the card.' Without a national database, there is nothing at all to prevent a problem gambler from going into—I will use a local example from my electorate—the Southport Surf Lifesaving Club, getting a card from the club after supplying their 100 points of ID, or whatever the regime may be for identity verification, setting their limit at $500 or whatever, expending that limit and then thinking: 'I've got to chase that loss. I'm going to go to the club down the road.' So they jump in their car and drive down to the Broadbeach Bowls Club. They go in there and say: 'I'd like to sign up for a card here. I want to play the pokies.' Without a national database there is no way that that bowls club can know what the surf lifesaving club has on their system. Without one, that person could have a card from every pub and club that they wanted. There must be a way to verify that this person is not using multiple cards in multiple venues. The only way to do that is to have a national database. Even the preferred, short-term political fix solution that the member for Denison and Labor members have proposed, which is that it be state based jurisdiction, does not overcome the problem that in tourism towns like the Gold Coast, for example, where we have a border right through the guts of it, people can swap across from jurisdiction to jurisdiction. There must be a national database. It is an absolute requirement for this to work. Otherwise, the person can have all of their particulars on their smart card from the Southport Surf Life Saving Club—the assurance that the member for Denison and Labor members like to claim—but that does not mean anything if they get another card from another venue when they provide their ID and the venues do not

know about each other. I have never heard members opposite address that, and I would dearly love to hear members opposite address that very issue. I invite members opposite to please tell me how you can get system integrity without having a central database. They know what I know, which is that you cannot.

In addition to that, let us talk about the recreational gamblers. Let us talk about the 4.8 million Australians who play the poker machines once a month or once every three or four months. This is the person who goes to the Southport Surf Life Saving Club, provides their 100 points of ID, gets their card, plays their 50 bucks on the poker machines, walks away and does not think about it for three months. Three months later when they turn up to some other club or even the same club and say, 'I would like to play the pokies,' the club will say, 'Where is your card from three months ago? You are on the system as having a card already. We need to see your card.' If the person says, 'I'm sorry. I haven't played the pokies for three months. Can you issue me with another one?' isn't that situation going to present some challenges? Do they just issue you with another card? You would assume not because how would you know that the problem gambler who just had a massive loss the day before is not also turning up and saying, 'I'm sorry. I lost my card. Can I get another one?' Therefore, you would have to assume that there are some systems in place for the person who only had a punt three months ago, has not thought about it again since, does not have a card on them and wants another one. Again, I would love to hear from members opposite their solution to this, because I have never heard it. The devil is in the detail when it comes to this, and they have been scant on detail every step of the way.

The single most offensive aspect of this—and it is offensive—that I have heard from members opposite with respect to the 70,000 people whose livelihoods rely on this industry and the 4.8 million recreational punters who do not have a gambling problem is the explanation that the reason the pubs and clubs are concerned is because there is going to be a massive deterioration in problem gambling revenue. The member for Denison and Labor members say that if you cannot survive as a club with deterioration in problem-gambling revenue then you have a failed business model. I have heard this time and time again. Indeed, the report itself deals with it. That is disingenuous, because their concerns are not about the revenue from problem gamblers. Their concerns revolve around the fact that the people who are going to be put off playing the poker machines are the 4.8 million recreational gamblers who do not have a problem. That is where the loss of revenue is going to come from—people who are not going to provide 100 points of ID in order to get a card, people who are not going to put up with a great big new federal bureaucracy in order to have a $30 or $40 punt on the poker machines.

Time does not allow me to get into the issue of low-intensity machines. But low-intensity machines were not a central part of the committee's focus. They were a quick political fix that came in during the last several weeks. They deserve to be a core part of the focus of the inquiry of the committee. For reasons I will go into in another forum, they are also not the solution.

Mr STEPHEN JONES (Throsby) (12:39): We are here today to comment on the report that was tabled in parliament this week by the Parliamentary Joint Select Committee on Gambling Reform, entitled *The design and implementation of a mandatory pre-commitment system for electronic gaming machines*. The reason that this committee has conducted the inquiry is that we have a problem. We have a problem with pokies addiction, and it is real. It is a public health issue, it is a family issue, it is a workplace issue and it is an economic issue. It will not go away as a result of the hysterical speeches of those who sit in the chamber opposite me. It will go away because members in this place have the courage to do something about it.

The reason we have an obligation to do something about it is that governments license the existence of gaming machines. We derive revenue from them. Therefore, we have an obligation to ensure that they are operating safely and in line with community values. I can tell the members opposite and everybody else that the community simply does not accept the proposition that any business, organisation or government should profit from the misery of others. Our objective in bringing these reforms forward is to ensure that we are able to properly regulate this form of gambling which is proven to have an addictive and damaging effect on so many Australians.

Throughout the 1990s there was a liberalisation of poker machines throughout Australia. It led to what the Productivity Commission has recently described as the maturation of the industry. In common speak, that has led to a growth in the number of machines in clubs, pubs and many other venues around the country. So we have the situation today where there are close to 200,000 electronic gaming machines in this country, and nearly half of them are in my state of New South Wales.

As I have already mentioned, we have an obligation to do something about this because governments derive a source of revenue from gaming and poker machine revenue. States derive about $5 billion per annum from gambling—about 10 per cent of state revenue—and a significant proportion of that comes from electronic gaming machines. The total gaming revenue in the economy as a whole was $19 billion in 2008-09, which is about $1,500 per adult.

As members opposite have indicated, Australians do not mind having a punt. I do not mind having a punt myself. I am amongst the estimated 600,000 people who play poker machines. Unfortunately, about 115,000 people have a problem with gambling. While these 115,000 people make up only about 15 per cent of the total gambling population, they contribute somewhere between 26 per cent or 40 per cent of gaming revenue. So we have a problem, particularly when you consider that hotels derive about one-third of their revenue, clubs about 60 per cent of their revenue and casinos about 78 per cent of their revenue from these machines. We have a problem and we have to deal with it.

We can stick our heads in the sand, like the member for Moncrieff, opposite, begs us to do and say that what we are doing at the moment is good enough. But we on this side of the House do not believe that that is fulfilling our obligation to the communities that we represent. We have put in place a proposition which says nothing more than this: we do not give up on problem gamblers and we do not think that people who play poker machines, as the member opposite seems to suggest, are somehow mad and bad most of their lives. We understand and the evidence before the committee was quite simply that, yes, when problem gamblers and many other gamblers are in a gaming environment and sitting before a poker machine they lose control and are not operating on the basis of reason that most of us would operate on normally. But even these people have moments of lucidity and moments of reason when they go home and they have to explain to their wife, their husband or their kids, or when they have to go to work the next day and explain why they are asking for an advance in their pay, or when they have to go and cash in their television or their video recorder. They have moments of reason and they understand that the behaviour they engaged in last night, last week or for the last 10 days when they were on a binge—'chasing the losses', as the member opposite has pointed out—was wrong. The tools that we are proposing to put in place will give them some control over that gambling addiction.

Mr Ciobo: But they are not rational.

Ms Rishworth: They're not irrational all the time.

Mr STEPHEN JONES: As the member for Kingston has pointed out, these people do not have a problem all the time; they have a problem when they are in a gaming situation. They have moments of reason, moments of lucidity.

Mr Ciobo interjecting—

Mr STEPHEN JONES: The evidence before the committee was quite clear on this point. It might have been evidence that was delivered on some of the many days when the member opposite who is interjecting so much was not there, but it was very clear that the expert evidence before the committee—

Mr Ciobo: I rise on a point of order. I have a reasonably wide tolerance for being verballed, but statements of factual inaccuracy like that one should be withdrawn. I find them offensive.

The DEPUTY SPEAKER (Ms K Livermore): The member for Moncrieff has made his point.

Mr STEPHEN JONES: The second reason we do not give up on problem gamblers and we believe the precommitment technology that has been the subject of this inquiry has a very good chance of solving or helping to resolve problem gambling is that it will prevent people who have been identified by experts as at-risk gamblers converting to problem gamblers. They will avoid doing that by using the precommitment technology to effectively set themselves a budget to punt, a budget to gamble, so that they know on a daily, weekly, monthly or yearly basis how much of their family income they are going to be able to put through a poker machine—how much they can afford to lose.

So we have very good reasons to believe—we are not as cynical as those members opposite—that the technologies and the systems that we are proposing to put in place will work. We believe they will work because they will stop the conversion of at-risk gamblers to problem gamblers and they will give problem gamblers who have already crossed the Rubicon some tools, in those moments of lucidity and reason, to take control of their gambling addiction. Of course in and of itself it is not the complete solution. It has to be part and parcel of a package of solutions. The recommendations put forward by the Joint Select Committee on Gambling Reform go to a combination of solutions.

Some objections have also been raised throughout the course of the inquiry about the egregious costs that this is going to visit upon the industry. We have listened closely to this evidence, and the report points out that for the most part these claims are widely exaggerated and these technologies can be introduced for a fraction of the cost that is estimated and a fraction of the revenue that is generated by one of these machines over its life span. With that comment made, we do make the concession and we do understand that there is going to be a need, particularly for small clubs, for us to have a phased introduction of these technologies and we have recommended exactly that.

I will make the point that the member for Moncrieff was alluding to and then going to quite pointedly in his contribution to the debate. I enjoyed his cross-examination of witnesses throughout the inquiry on this particular point. It goes to the issue of privacy and intrusion, that somehow the introduction of this technology is going to be the visitation upon every Australian citizen of some mammoth Big Brother database which is going to intrude upon every aspect of their private, social and working lives. Nothing could be further from the truth. We have ruled out quite early the use of biometric technology, despite the fact that many pubs are already introducing biometric technology as a condition of visiting their premises here and now. Many pubs in the state of New South Wales and elsewhere, I am reliably advised, are already introducing, beyond the pale of regulation, biometric technology—fingerprint scanners, retina scanners—as a condition of entering their premises. I believe, and I am sure that many right-minded citizens—and I suspect the member for Moncrieff—would agree with me, that this sort of activity should probably not be occurring outside the realm of regulation; but perhaps that is a matter for another day.

The second point that I would make on the issue of privacy and intrusion is that it is a condition of the establishment of a club that they set up and keep a membership register and ensure that anybody who enters the premises of a club, at least in New South Wales or Queensland and I suspect everywhere else, has proof of identity which satisfies the requirements of the legislation and is able by one means or another to satisfy the occupiers of the premises—the licensees, the club owners and managers—that when they enter those premises and intend to use the facilities, including the electronic gaming machine facilities on those premises, they can show that identity. That is to say, the database already exists. Not only does it exist but it collects information about the gaming habits of individual club members and visitors and the clubs already use that data to market to those patrons they know who are frequenters of electronic gaming machines. They do such things—and I make no value judgment about this whatsoever—as send free tickets for meals and a courtesy cab around to a regular punter's home and say, 'Come on down, we've got a special deal for you today; we will put on a meal and free drinks and we've got a special pokies promotion going on.'

I make no value judgment about that whatsoever. Clubs are entitled to market, but they are already using this data and we believe that the introduction of the mandatory precommitment technology is no greater intrusion on a club member or a club patron's privacy than already exists. In fact, through this mechanism we might serve to tidy up some of the practices that many within the community think are not meeting community standards and expectations.

We are far more optimistic than those opposite. If their real issue is problem gambling and they think that we should do something about it and if their real objection is this just ain't the problem, we are a bit more optimistic. This ain't the solution. We are a bit more optimistic than that. One of the recommendations of the committee, as the member for Moncrieff knows, is that there shall be a trial. I am quite confident that, as a result of the rollout of this technology and the trial that we intend to put in place, any of the teething problems that the member for Moncrieff is so passionately concerned about will be able to be dealt with. I am sure the member for Moncrieff and those he represents will get plenty more opportunities—

Mr Ciobo interjecting—

The DEPUTY SPEAKER: The member for Moncrieff has had his opportunity.

Mr STEPHEN JONES: to run his scare campaign around his alleged concerns about privacy. But I end my contribution where I began. Gambling addiction is real, it is a public health issue, it is a family issue, it is a family issue, it is a workplace issue and it is an economic issue and we cannot sit idly by and just identify all of the problems—for those of us who have the gumption and the courage to try to do something about it—without proffering some of the solutions that will make a real difference. Debate adjourned.

CONDOLENCES

Rose, Mr Lionel Edward, MBE

Debate resumed on the motion:

That the House express its deep regret at the death of Mr Lionel Rose MBE, place on record its appreciation for his outstanding service to world sport and to the Australian community and tender its profound sympathy to his family and friends in their loss.

Mr IRONS (Swan) (12:55): I rise to support the motion of the Prime Minister that was also spoken to by the Leader of the Opposition, about the death of the Australian boxing legend Lionel Rose. The reason I rise to speak about Lionel Rose is that I had the good fortune of meeting Lionel on quite a few occasions and entertaining him at my house on quite a few occasions. This was in 1980, after Lionel had finished his boxing career but when he was still well known and respected within the Australian sporting community. We all know that Lionel suffered

some hard times during his life, but he always managed to use that spirit of his, the fighting spirit that Lionel had, to continue to get on with his life.

I would like to put on record some information that I have researched about Lionel on the biography websites. Lionel Rose's career embodied the stuff legends are made of. In a boxing career begun in a makeshift ring in a poverty-stricken Aboriginal settlement, Rose developed a crushing punch that helped him become the first Australian Aborigine to win a world championship title and the second Australian to take home a world title in boxing. His win catapulted him to fame in Australia. His lifetime career of 53 fights with only 11 losses made him a legend in the world of boxing.

Lionel Rose was born on 21 June 1948 and raised in Jacksons Track, a poor Aboriginal settlement 50 miles south of Melbourne. The eldest of nine children in an Aboriginal family, Rose was on the wrong side of a society divided by racism, mistrust and economic disparity. As a child Rose escaped racism through boxing. Rose's father, an amateur boxer, inspired Rose to don his first pair of boxing gloves at the age of 14. The pair trained in a ring made of chicken wire. Rose and his siblings also became avid fans of tent matches, which were popular boxing bouts that travelled the country, much the way a circus might. However, it was at a ring match in Melbourne that Rose found his inspiration in another Aboriginal boxer.

> I'd seen plenty of tent fights when I was younger, but the great George Bracken was the first boxer I saw in the ring—

Rose told the website Vibe Australia.

> His great fighting style and speed really made me take an even bigger interest in boxing than before.

Rose began his amateur boxing career under the guidance of trainer Frank Oakes. He later married Oakes' daughter Jenny. Rose won his first big fight in 1963, the day after the death of his father. By the end of that year Rose had won Australia's national amateur flyweight title. Flyweight is one of the lowest weight classifications in boxing, with an upper limit of 112 pounds. In 1964, Rose narrowly missed being selected for the Australian Olympic team. By that time Rose knew he wanted to make a career of boxing and decided to go professional. In 1964, Rose began his professional training at Jack Rennie's Melbourne gym. Rennie, a legendary figure in Australian boxing, worked Rose hard often pairing him with Mick Croucher, a more experienced boxer 20 pounds heavier than Rose. Croucher recalled to the World Boxing Foundation website:

> Champions are born not made and [Rose] had enormous natural ability. Some people work hard in training and are very dedicated but to be a champion in any sport a person must be born with a natural gift and Lionel was fortunate enough to have that.

Under Rennie, Rose moved to the bantamweight division, with a weight limit of 118 pounds. He also developed what the *Age* described as an 'easy style married to a tooth-shaking straight left to the clenched jaws of all who came against him'. In September 1964, Rose won his first professional bout in eight rounds. He won his next four fights in a row. In all of 1965, Rose lost only one fight. Between January and October 1966, Rose won six of seven matches, qualifying to compete for Australia's bantamweight title. On October 28, 1966, Rose beat the reigning champion, Noel Kunde, in a 15-round decision to win the title. Rose went on to win his next nine matches, including a 13-round challenge to his title in December 1967. That fight made Rose famous in Australia, as his challenger Rocky Gatellari was expected to win. Yet that fame was nothing compared to what was about to come.

By 1968 Rose had a fight record of 29 wins and two losses. He was the two-time Australian bantamweight champion and had developed quite a following in the boxing world. Boxing promoters at the international level took notice and offered Rose a chance to fight then bantamweight world champion Masahiko 'Fighting' Harada at a title match in Tokyo. The Japanese fighter was already a legend in the ring, having successfully defended his world title five times. Rose was eager to take him on. His trainer Rennie was not so sure. According to the World Boxing Foundation website Rennie thought Rose, then barely 19 years old, 'wasn't yet ready for a World Title shot'. Nonetheless, Rose accepted the challenge. Rose arrived in Tokyo six weeks prior to the fight to train extensively and assimilate to the Japanese culture. Despite his preparations, no-one considered him a threat to Harada's title. Boxing scholar Jim Amato noted on the Inside Boxing website:

> When this Australian entered the ring to face Harada he was a prohibitive underdog. Very few gave him a legitimate chance.

Rose ignored the naysayers and entered the ring with confidence. The website actually says: 'An estimated 30 million Australians'—but I am sure it would have been more like three million—'tuning in by radio and television, entered with optimism.' The website further states:

> Rose started the fight by holding back, a stance which caught Harada off-guard. I expected Rose to come in and attack first but he didn't. So I started to take the initiative myself. That is where I made a mistake," Harada told The Age. After the third round, despite injuring his hand, Rose told Rennie, "Don't worry about me; this bloke can't punch," noted The Age. That

seemed true throughout much of the fight as Harada unleashed a volley of punches that Rose either ducked or absorbed without much notice. Meanwhile, Rose landed several stunning blows to the champ. "By the end of the flight the desperate champion was chasing Rose round the ring," wrote The Age. After 15 rounds, Rose became the new World Bantamweight Title. The disappointed Japanese crowd was stunned, but gave Rose a respectful ovation as he struggled to hold aloft the massive title trophy. Rennie proudly told The Age, '[Rose] was a boy doing a man's work, and he did it well. He was in a strange country, among a strange crowd, and he did not let this worry him.'

When Rose returned to Melbourne, he was met by an estimated quarter of a million people lining the streets to welcome him home. 'It was simply unbelievable,' Rose told Vibe Australia. 'To fulfil my ultimate dream and then be met by so many people was amazing. My picture was all over the newspapers and it made me realise how much it meant to everyone.' Later that year he was named Australian of the Year, the first Aborigine to receive such an honour. Rose had not only become an Australian hero; he had also become an Aboriginal icon. 'To see the way that my people looked at me and to know that I made a difference to them was an honour,' he told Vibe Australia. Rose refused to get involved in political issues, instead helping Aborigines, often children, at a grassroots level. One example occurred in 1999 when Rose gave his championship belt to an Aboriginal child who had been set on fire in a racially motivated attack.

In the late sixties and early seventies, Rose continued to fight successfully He defended his title three times: in July 1968; once again in Tokyo; in December 1968, in Inglewood, California; and in March 1969, in front of record crowds in Melbourne. The Inglewood match was memorable for two reasons. The challenger was a Mexican boxer, Chucho Castillo, and the fans were evenly split, with Americans rooting for Rose and Latin Americans pulling for Castillo. When Rose won in a decision after the 15th round, the crowd erupted into a riot. Over a dozen people, including a boxing official, were hospitalised.

Despite the sensation the riot made in the press, the most impressive moment for Rose during his California visit was meeting Elvis Presley:

I was punching a heavy bag in a gym in L.A., and I hear a voice sing out, "Hey, Lionel! What's doin'?" "And it was Elvis himself," Rose recalled to The Age. "I was in awe of him, but he said he was in awe of me." Music had been a part of Rose's life for even longer than boxing. He had learned to play guitar as a child and was never without one. "You're never lonesome with your guitar," Rose told The Age.

In 1969 Rose appeared on a televised variety show, singing along to his guitar. Australian producer and songwriter Johnny Young caught Rose's act and offered to pen a song for the boxer. The result was "Thank You," Rose's first single. The song reached the No. 1 spot in Australia's country charts. The following year Rose, again, made the charts with a cover of the country classic *Pick Me Up On Your Way Down*. Rose began touring as a musician when not boxing and, in 1970, recorded two albums for the Festival label. One of those, *Jackson's Track,* is considered a lost classic in Australian country music circles. Back in the boxing ring, Rose had a couple more successful fights before he fought Mexican boxer Ruben Olivares in August of 1969. Olivares, who went on to become a boxing legend, knocked Rose out in the fifth round, taking the world championship title. Rose fought seven more bouts over the next year and a half, winning five. However, he had begun to have trouble keeping his weight down to bantam levels. 'I used to spit a real lot in order to lose an ounce,' he recalled to the *Age*. By 1971 Rose was up to the lightweight category that had a weight limit of 135 pounds. In that division he fought unsuccessfully in a bid for the Australian lightweight title. By the end of 1971 he had gone down to the superfeatherweight level that had a weight limit of 130 pounds. In that category he made an unsuccessful bid for the world title in Japan. After that loss, Rose decided to hang up his gloves. He did not fight again for four years.

Rose interrupted his retirement and returned to the ring in 1975. However, after losing four of six bouts, he retired from the sport for good in 1976. Over the next few decades, Rose worked odd jobs, including running a cafe and performing as a musician. He soon fell on hard times due to alcoholism. At his lowest point, he was arrested for his role in a robbery attempt. Despite these setbacks, Rose remained a hero for both Aboriginal and white Australians. In 1991, a biography of Rose, called *Rose Against the Odds*, was published. In 1995 a full-length movie of the same name was released. Ten years later, Rose was honoured with an Australian stamp bearing a replica of his boxing gloves. That same year he was honoured with a Deadly Award for lifetime achievement in sports, one of Australia's most prestigious Aboriginal awards.

I would like to get on the record a couple of quotes by his peers. As the member for Bennelong will know, we all get a lot of plaudits when we are successful in sport but some of the most meaningful are the ones you get from your peers who played a sport with you. You understand those people. Jeff Fenech, who clawed his way out of working-class Marrickville in Sydney's inner west to win three world titles, told the *Australian*:

Lionel was simply brilliant, arguably the most gifted fighter this country ever produced.

Barry Michael, another famous Australian boxer, recalled:

Lionel would often jab with triple left hooks and thrown at incredible hand speed.

Australian boxing historian Paul Upham said:

Rose's win against Rocky Gattellari, himself a former WBC flyweight world title contender, at the old Sydney Stadium, remains one of the best pound-per-pound bouts in the annals of the sport in this country.

Lionel was to win with a knockout in the 13th round with a straight right hand and it was the very first boxing match televised interstate by the Seven Network.

I applaud the career and the life of Lionel Rose. It was a pleasure to have met him and entertain him in my home during a time when he was going through a tough period. He was a champion bloke and an Australian legend.

Sitting suspended from 13:07 to 16:00

Ms O'NEILL (Robertson) (16:00): I rise to put on the record my condolences on the passing of Lionel Rose, the famous Australian boxer. The condolence motion was discussed a little earlier this morning. Sadly, Mr Deputy Speaker Murphy, you were not here to hear the words of the member for Swan, who gave a quite detailed history and a very personal testimony to the life of Lionel Rose and what he contributed to Australian society. I also acknowledge the presence in the chamber of the member for Hasluck as the first Indigenous member in the House of Representatives. He shares with Lionel Rose that he was a first in Australian history, as Lionel was the first Australian of the Year and I think the first Australian champion in his teens as well. So there are a number of firsts happening here.

Lionel Rose was born in the late 1940s and grew up in Victoria in an Aboriginal settlement called Jackson's Track. The history is that his dad was a boxer, and the talent obviously ran in the family. Lionel Rose's talent was identified when he was quite young. Clearly Lionel saw an opportunity to use his talents to advance his life. By the age of 14 he was well engaged in boxing. By the age of 19, after a very short period of time—a space of just five years—he became the bantamweight champion of the world against Fighting Harada in Japan. I also recall, from when I was a young girl, not just the energy around that fight with Fighting Harada but also the fight with Rocky Gattellari.

As much as I might not be the person in this parliament who is most associated with boxing, in the absence of there being an eldest son in my family I sufficed, as the eldest daughter, as my father's companion in watching the boxing on the television on many, many evenings. It was a great passion of his to follow the boxing, so I was given the commentary of his view of many fights over many years. I recall very fondly the time I spent with my dad and the pride we felt watching Lionel Rose and his progress to the world championship, as well as the things that happened in the time that followed.

We listened on the radio, as well, to the reports of that boxing match. I can still recall the energy all these years later, even though I was only a child at the time. I can still recall how it captured a part of the imagination of Australians that an Aboriginal person was representing us, and we were very proud to be associated with Lionel's great success. One of the images I also recall is the victory parade that greeted Lionel on his return. For me there is an image of him in a sports car and of a ticker tape parade. How appropriate that such great recognition by a quarter of a million people was given to such a fighting hero of our nation.

The Prime Minister yesterday recorded Lionel Rose's success, a career of 42 wins from 53 bouts—no mean achievement—and, in fact, 12 knockouts amongst those successes. His refusal to fight in South Africa was also noted by the Prime Minister. We understand the courage and conviction of the man who lay beneath the fighter in that action.

As much as I enjoyed watching the boxing with my father, I think a more enduring love in my life has been a love of music. I can absolutely recall as a young girl hearing Lionel Rose's voice singing I Thank You for Just Being You. What good words they are to have as we remember him today. He was the first Aboriginal person that I knew, through the television. In my world there were no people in my class who identified as Aboriginal. There were no people in my community that I was familiar with who were Aboriginal. Lionel Rose was the first Aboriginal person that I met through the media.

I recall a man with a great smile, a man of humility, a man who was a world champion and a man who was seen as a hero. He is an inspiration and that is why I am pleased to be speaking here to this condolence motion. He is an inspiration to all young Australians, an ideal that teens might achieve great things, that they might become the very best in the world in their teen years and that success at that level is not only for the old but for those who have talent at any age. He is an inspiration to the first peoples of this nation: to follow your dreams, to believe in yourself and to achieve recognition not just in our own country as an Australian of the Year—the first Aboriginal Australian of the Year—but internationally, for the talents that lie within when they are unleashed are a great thing.

Also, for all Australians generally, he was a complex man. He lived a rich life—a tapestry of great times and also great sorrows, as we heard from the member for Swan. But he was a man of particular talents in the fields of

sport and music. One of his own songs was titled *I Thank You for Just Being You,* but I am sure that there are many Australians today who would say, 'I thank you, Lionel Rose, for just being you and the great joy you brought to our lives.'

Mr WYATT (Hasluck) (16:06): I rise to speak with pride on the condolence motion for Lionel Rose, an Aboriginal champion boxer, who served as an inspiration to many Australians but, particularly to Aboriginal people, he was a hero. Lionel Edward Rose was born on 21 June 1948 at Jackson's Track near Jindivick, Victoria, Australia and passed away at Warragul, Victoria, Australia, on 8 May, aged 62. In 2007 he had a stroke that left him partially paralysed. He had an impressive boxing record of 42 wins, with 12 wins by knockouts and 11 losses, out of a total of 53 fights. Lionel Rose was heralded as one of this country's greatest sporting heroes yet he was humble and down to earth. He will be missed by his family, but equally by the many he touched.

I want to use the words of Alan Duff from his book *Maori Heroes:*

Every family, group, tribe, race and nation needs heroes. Heroes give us someone to look up to. Heroes inspire us and provide a model and standard for people to aspire to. They represent what is best in us, the qualities of courage, determination, perseverance and humility and, yes, talent and intelligence. The first qualities listed are a necessity but the latter two are not. The most ordinary person is capable of being a hero.

Lionel Rose was our hero. David Horton's entry in the *Encyclopedia of Aboriginal Australia,* published by the Australian Institute of Aboriginal and Torres Strait Islander Studies, appears on pages 954 to 955:

Lionel Rose, Australian boxer. Lionel Rose was born in the early 1940s. He was one of Australia's most successful boxers. Lionel grew up in an Aboriginal settlement called Jackson's Track in Victoria. When Lionel was growing up he studied his father, who was also a boxer. Lionel saw boxing as an escape from the poor living in the country. He ended up winning his first Australian amateur flyweight title when he was just 15. One of Lionel's greatest achievements was winning a world title. Although he was not the first Aboriginal to win a world title he was the first boxer to do so. Rose won the bantamweight title in 1968 against Harada from Japan. He was also only the second Australian to win a world title while still in his teens. After Lionel missed out on the Tokyo Olympics in 1964, Rose turned professional. He was trained by a Melbourne trainer named Jack Rennie. Rose entered in a fight against Rocky Gattellari at Sydney stadium. Everybody was behind Rocky Gattellari but when Lionel Rose knocked him out in round 13 the fans had a new hero. When Lionel went to Japan to fight Harada, Harada already had five successful title defences to his credit. Harada was given advice that if he hit an Aboriginal in the legs he would fall immediately. He ignored the advice and hit him in the head, but this had no effect. In the ninth round Harada dropped to his knees from a short left punch to his chin. He then opened himself to more and more punishment and Lionel went on to win that fight. Lionel Rose became a symbolic figure in the interracial politics of the times. He won his world title just a few months after the referendum which gave the Australian government new powers to advance Aboriginal rights.

Lionel was 16 when he made his professional boxing debut, and at 18 he won the Australian bantamweight title. At 19, we know that he went on to win the fight against Fighting Harada. He gained a considerable amount of weight and moved up several classes to the lightweight, but he was unable to emulate his success as a bantamweight and retired in 1976.

Lionel Rose grew up in hardship, learning to box from his father, Roy, a useful fighter on the tent-show circuit. Lionel Rose began his professional boxing career on September 1964, outpointing Mario Magriss over eight rounds. The fight was in Warragul, but the majority of Rose's fights were held in Melbourne. He lived in Melbourne with Jack and Shirley Rennie, training every day in their backyard gym.

His defeat of Harada made Rose an instant national hero in Australia, and an icon among Aboriginal people. He responded well to the public reception at Melbourne Town Hall, which was witnessed by a crowd of more than 2,000. The parade had more than 250,000 and at a point later when he was interviewed he acknowledged the impact of that crowd on him and the success that he had achieved.

Lionel Rose of course was Australian of the Year in 1968, the first Aboriginal person to be awarded the honour. In 1996, Rose presented young burns-attack victim Tjandamurra O'Shane with his world-title belt, helping to speed the youngster's recovery. Tjandamurra had been the victim of a racially charged attack in Cairns the previous year. In 2007 Lionel Rose suffered a stroke that left him with speech and movement difficulties.

I also want to share with you the person Lionel Rose was. I cite an article by Cathy Bedford in which she wrote a personality profile. This profile gives an insight into Lionel Rose the person. To do her work justice, I will quote her article faithfully:

Lionel grew up in an Aboriginal settlement called Jackson's Track near the Gippsland town of Drouin in the 1940s. Born into a large family with tight budgets Lionel was forced to bring in money to support his eight younger brothers and sisters.

He instantly looked to his father, a professional boxer in the travelling tent-show circuit. Tragically Lionel's father and greatest boxing mentor died when he was 14 before he could see his son fight professionally.

I went from nothing to something, you know what I mean…in an instant...I got the shock of my life

"He saw one amateur fight and I won that." Lionel says. "Of course he was over the moon about that. He used to talk all the time about the boxing he showed me the real fundamentals of it. So by the time I got to the gym I trained under another fella named Frank Oakes; actually ended up marrying his daughter too."

Lionel's path to glory was not as straight forward. A young country boy taken swiftly to the bright lights of Melbourne. From small-time bouts to a chance at the big time.

"I went from nothing to something, you know what I mean…in an instant. When we got back to Melbourne so many people lined the streets to welcome you home at the town hall. And that's a memory that will never disappear from my mind. I got the shock of my life anyway. Especially because there were only 10 to see us off when we went over there to fight for the title."

"I wanted to go home after a fortnight, I couldn't hack the noise it was all that." Lionel says. "You know the city and the country it's all differences you know. I was 16 or 17 and I couldn't be doing the things that other 16 year olds do today."

I ended up cutting the song at Armstrong Studios in South Melbourne and blow me down it became number one within a fortnight. And it stayed at number one for 32 weeks.

"I had to be up at 6 o'clock running, I had to go to work during the day and then come home and train and then into bed again, I did that for six years… But it made a name for me and I've met some terrific people in my travels."

"That was in Los Angeles, we went out to MGM studios with Elvis Presley for about three hours. I was in awe of him anyway. We were the first allowed on his set in 10 years."

But singing was to be Lionel's triumph too. Who would have thought the poor boy from Jackson's track could progress from the musical domain of his lounge room to the heights of the Australian musical charts with the song 'Pick me up on your way down'.

"I did a show on Channel Seven called Sunny Side Up and sung a song called Pick me up on your way down." Lionel says. "Anyhow, Johnny Young came around to the gym and look he said 'I've got a song here, I'd like to record if you want to do it?' I said 'Nah I'm not into that I only sing in the bathroom or in the lounge room with the brothers and sisters'."

"But he persevered and I ended up cutting the song at Armstrong Studios in South Melbourne and blow me down it became number one within a fortnight. And it stayed at number one for 32 weeks that song."

But now, 25 years after he stepped out of the ring for the last time he has finally got his wish and returned to his roots in Gippsland.

"Well I'm doing good at the moment, thank you very much. It's all clear ahead so I'm just enjoying life at the moment."

"My mum only lives 5 mile away in Drouin so I'm back with my family, and I really am enjoying life immensely at the moment. I've got a hell of a lot of friends here, so there's no shortage of that you know."

"I've got fond memories of growing up here. They were probably the best times in my life. But life wasn't too hard, we lived in a community, there were uncles and aunties living next door and down the road a bit so it was a family thing."

"If you go down the track a bit and you look back, you realise that the days at Jacksons track were black tea and damper days but the fond memories I have of it are incredible."

Lionel Rose never lost his connections to his community nor his family. He cherished the times when he was boxing at the height of his career and many of the memories he shared with those of us who he knew. But equally he was as content back within his community, because the memories of where you grow up, your totems and the significance of the land around you, becomes important.

Lionel, you gave all Australians a hero to be proud of. In keeping with the lyrics of your song, thank you for being you. Rest in peace in the presence of the Almighty.

Mr LYONS (Bass) (16:17): I rise to acknowledge the life of Lionel Edward Rose. I mourn his passing. I will not go through the facts and figures that I have before me that others have covered and will cover. I think of my times in the YMCA boxing ring and when I went to the local shows, with Harry Paulsen beating the drum and asking people to roll up. As a kid, I always rolled up. There were always plenty of Aboriginal fighters. I had the good fortune of playing football with many Aboriginal players. In fact, every club that I played with had at least one Aboriginal player. But in Tasmanian in 1968 they did not stand up and talk about their Aboriginality. Lionel Rose not only gave Australia a hero but gave Tasmanian Aboriginals a hero and made them stand that bit prouder. I remember in 1968 listening to him fight Fighting Harada. What a great feeling that was for Australia. I am involved with Australian Rules footy and each year we have an Indigenous round. We have people like Syd Jackson come down and talk to us about Australian Aborigines and what a wonderful contribution they have made to sport. Before I embarrass myself any further I just want to say he was a hero. I bought his songs, although I did not buy too many records. I think *I thank you* was a great song for our nation at the time. *Pick me up on your way down*—we could still live with those words today, couldn't we? And *Please remember me*—I certainly do.

The DEPUTY SPEAKER (Mr Murphy): I thank the member for Lyons, and you certainly did not embarrass yourself.

Mr ALEXANDER (Bennelong) (16:20): I rise to speak on the sad and premature passing of one of our greatest ever sporting legends. It is rather difficult to do this after my friends the member for Hasluck and the member for Bass so vividly demonstrated what Lionel Rose did for our generation in bringing us together. He was born and raised in Jacksons Track, south-east of Melbourne, one of the few remaining untouched Aboriginal communities at the time. Lionel grew up in the most difficult of circumstances. He learned to box from his father,

Roy, who was an amateur fighter. Initially, when he could not afford gloves, he wrapped his hands in rags and he boxed in a ring made of fencing wire stretched between trees. There was no such thing as rope-a-dope for Lionel. He was given his first gloves at the age of 10 by a press photographer.

Lionel commenced organised training at the age of 15 under a local trainer, Frank Oakes; Lionel would later marry his daughter Jenny. Soon after, he won the Australian amateur flyweight title. He turned professional in 1964 after missing out on selection for the 1964 Olympic Games. He moved to Melbourne and lived with Jack and Shirley Rennie. Jack became his trainer and they worked out every day in their backyard gym. Interestingly, Harry Hopman was a great friend of Jack Rennie and a great fan of boxing. He took two young Australian tennis players who were living and training with him at the time to see Lionel do his farewell spar before he went to Los Angeles to defend his title: Phil Dent and I got to meet Lionel at that time. We were so impressed with his gentleness and with his incredible modesty. He was already a world champion at 19.

He built up a flawless record in Australia and New Zealand, leading to winning the Australian bantamweight title in October 1966. He continued to win belts, including a famous knockout win against Rocky Gattellari at Sydney Stadium. He then challenged the legendary national hero Fighting Harada for the world bantamweight title on 26 February 1968 in Tokyo. He was an enormous underdog; he was said to be too young to fight at this level. He made history by becoming the first Aboriginal Australian to win a world championship. He defeated Harada in 15 gruelling rounds.

This win made Rose an instant national hero and an icon among Aboriginal Australians. He was welcomed back to Melbourne by 250,000 fans to celebrate his great success. Rose defended his title again in Tokyo and in California, where the disappointed local crowds started a riot; the referee needed hospitalisation and over a dozen spectators were also treated. He retired in 1971, with a brief but unsuccessful comeback attempt in 1975.

Lionel Rose became the first Indigenous Australian to be awarded Australian of the Year in 1968, the same year he was awarded an MBE. In 2003, he was an inaugural inductee into the Australian National Boxing Hall of Fame. He was featured on an Australia Post stamp two years later and also awarded the Ella Lifetime Achievement Award for contribution to Aboriginal and Torres Strait Islander sport. Lionel went on to have a musical career. In 1970 he released two hit ballads: *I Thank You* and *Please Remember Me*. The song *I Thank You* was a nationwide hit, more recently used by the comedians Roy and HG as a substitute for the Australian national anthem during their sporting broadcasts.

After retiring from boxing Lionel remained an inspiration for Indigenous Australians. In 1996 Lionel gave his world title belt to a six-year-old Indigenous boy, Tjandamurra O'Shane, who was the innocent victim of a horrific schoolyard attack, suffering burns to 70 per cent of his body. Lionel hoped the belt would give O'Shane hope for a speedy recovery. In 2008 O'Shane completed year 12 and graduated from Woree State High School, providing a great joy for Lionel, who had suffered a stroke earlier that year.

An award-winning film of his life, a documentary called *Lionel*, premiered at the Melbourne International Film Festival in 2008. The film explored his rise and his struggle with the dimensions of being a mythic sporting figure, showing the contrast between hero and the man. The film is not just a tribute to an icon but an honest portrayal of a complex and conflicted human being. The filmmaker added the by-line: 'Lionel's imperfection may be larger than life, but so is his heart.'

Lionel Rose was an inspiration to his people, many of whom experience great hopelessness in white society. Lionel showed that anything is possible, that a poor young Indigenous boy could rise to be a world champion and become a national hero. It is a beautiful irony that, on the same day that Lionel passed, Daniel Geale, another young Australian with Indigenous heritage, won the IBF middleweight championship in Germany, becoming only the fourth Australian boxer to win a title on foreign soil.

Legendary trainer Johnny Lewis said:

I think Lionel Rose showed indigenous Australians that they could achieve anything if they worked hard, but he was an inspiration for all Australians.

Even current boxing champion Anthony Mundine, one not normally renowned for sharing the limelight, described Lionel Rose as the best Australian fighter ever. Lionel also became a symbol of the political discourse of the time, as debate on racial equality and Indigenous rights was the defining issue of the day. He turned professional the same year as the Freedom Ride and won his world title one year after the 1967 referendum.

It is interesting that Lionel found his fame in the manly art of self-defence, yet he displayed the most extraordinary level of gentleness. I grew up with a girl called Evonne Goolagong. Evonne showed the same extraordinary gentleness, as did Cathy Freeman later on. All three shared an incredible physical grace. In Lionel's case it belied his speed and also belied the power with which he hit. This unusual mix of manliness and gentleness produced in Lionel Rose, our champion, a gentle man. Thank you.

Ms HALL (Shortland—Government Whip) (16:27): My contribution will only be brief. I would like to place on record my tribute to a truly great Australian. Lionel Rose was a role model for not only Indigenous Australians but all Australians. Whilst I am not a person who is usually a boxing fan, I can remember where I was and what I was doing at the particular time that Lionel Rose won his world title. His win had a great impact in my community, which had a large Indigenous population. It had an empowering effect on those people, especially when he was made Australian of the Year. That showed just what a groundbreaking person he was and the impact he had on our society. The songs he wrote and the contribution he made crossed so many different layers of our society. I briefly place on the record of this House my appreciation and thanks for the work that he did.

Mr MATHESON (Macarthur) (16:30): I pay tribute to a great man and legend, Mr Lionel Rose MBE, who passed away on Sunday, 8 May 2011. I would also like to express my deepest sympathy and pass on my condolences to his family and friends. In 1968, when Lionel Rose beat Japanese boxer 'Fighting' Harada, Lionel became a role model for Aboriginal people throughout Australia. Lionel was a great champion and was rightly hailed as Australia's first Aboriginal world champion, with over 100,000 people attending a civic reception in his honour at Melbourne Town Hall. In that same year, Lionel was made Australian of the Year—what a great tribute to a great man. He was an absolute legend and a champion for his people and all Australians.

Lionel Rose was a remarkable man admired by all. He was a wonderful human being and it is fitting that he will be honoured with a state funeral. In a *Sydney Morning Herald* article on 9 May, Australian boxing trainer Johnny Lewis said:

It seems incredible that on the same day Lionel Rose leaves us Daniel Geale becomes a world champion.

Mr Lewis goes on to say:

Daniel is very proud of his indigenous background and the way was opened for Daniel by Lionel Rose and Tony Mundine. They were great role models. I think Lionel Rose showed Indigenous Australians that they could achieve anything if they worked hard, but he was an inspiration to all Australians.

This was a wonderful tribute to Lionel Rose by the legendary boxing trainer Johnny Lewis. Only four Australians have won world titles overseas—Jimmy Carruthers, Lionel Rose, Jeff Harding and a local boy from my Macarthur electorate, Daniel Geale. Daniel is a resident of Harrington Park; he trains at the Grange Old School Boxing gym at Smeaton Grange. Even though Daniel was born in Launceston, Tasmania, in recent years he has resided in the Macarthur electorate. Daniel won gold at the 2002 Commonwealth Games in Manchester and turned professional in 2004. In December of that year, he won the world IBO middleweight championship. On 8 May, Daniel won the IBF middleweight world championship—an amazing achievement. I am proud to say that my office gave Daniel the Aboriginal flag that he took with him to Germany for the world championship this year.

Daniel Geale is the latest Aboriginal champion to become a role model for the Aboriginal youth in my electorate. I am proud to be the member for Macarthur, a place where Aboriginal heritage is valued and cherished. The Macarthur region is home to one of the largest urban concentrations of Aboriginal people in Sydney. There are more than 5,000 Aboriginal or Torres Strait Islander people living in the Macarthur region, representing approximately 2.3 percent of the total population of my electorate. The median age for Indigenous residents in Macarthur is 17 years, compared to 32 years for the general population.

Macarthur over the years has produced many Aboriginal role models in sports, the arts, policing and education. People such as Djon Mundine, our internationally recognised Aboriginal curator at the Campbelltown Arts Centre; Constable Brenton Magee, a Campbelltown police officer and a great role model for local Aboriginal youth; and Frances Bodkin, a botanical author, teacher and traditional storyteller at the at the Mount Annan Botanic Gardens, who was recently one of 100 Indigenous women across the country recognised for their tireless contribution to the community. That is to name just a few of our local Aboriginal people who have made a significant contribution to our community. I am sure that Lionel would not mind me mentioning other inspirational Aboriginal leaders here today. There are many throughout all our communities. Lionel Rose was a quiet, unassuming Australian, a role model not only for Aboriginal people but for all Australians. He was a national hero for us all. It has been said that Lionel Rose's decency redefined sportsmanship. Lionel Rose led by example and remained a man of the people. There will never be enough accolades to celebrate the wonderful life of Lionel Rose and his contribution to humanity and Australian society. I am pleased to inform the House that Daniel Geale has these same attributes. I have no doubt that he will also become a role model for the youth of Australia and follow in the same footsteps as the great Lionel Rose, who will always be remembered.

Mr McCORMACK (Riverina) (16:35): I rise to pay tribute to Lionel Edward Rose MBE, world titleholder, Australian of the Year and modest singer, who overnight became an instant Australian hero and an icon amongst Aboriginal Australians—indeed, all Australians. Rose stayed true to his roots and his life throughout the rags to riches tale. He came from very modest beginnings to the highest level of international sport, taking the hopes of a nation with him. On 26 February 1968, Rose made history by becoming the first Aboriginal Australian to win a

world champion boxing title. That same year, Rose was also awarded Australian of the Year, making him the first Aboriginal Australian to be awarded the honour.

Lionel Rose was born and raised at Jacksons Track near the Victorian town of Warragul. He grew up in hardship, learning to box from his father, a useful fighter on the tent show circuit. Yet it was a friendship Lionel Rose forged with local press photographer Graham Walsh, who later introduced him to local Warragul trainer Frank Oakes, which launched him into the fighting circuit. The making of his career was once described by boxing historian Grantlee Kieza as a boxer who 'sparred with rags on his hands in a ring made from fencing wire stretched between trees'.

At the tender age of 16, Lionel Rose narrowly missed out on selection for the 1964 Tokyo Olympic Games. However, this was the year he began his professional boxing career on 9 September, when he outpointed Mario Magriss over eight rounds at a professional fight in Warragul. Over the next 18 months, Lionel Rose had a record of 13 wins, one loss and one knockout. It was on 26 October 1966 that he won the Australian bantamweight title. He won that title in a gruelling 15-round decision. Lionel Rose challenged Japanese boxer Fighting Harada for the world bantamweight title and won, again in a gruelling 15-round decision. On 8 March 1969, Lionel Rose retained the title with yet another 15-round decision over British boxer Alan Rudkin, but lost the title five months later in a fifth round knockout. Thinking that his career was over, Lionel Rose continued to box, but only unknown fighters. However, after a 10-round decision on 10 October 1970, when he upset Japanese lightweight champion Ishimatsu Suzuki, he once again positioned himself as a world title challenger.

All in all, in his professional boxing career Lionel Rose compiled a record of an impressive 42 wins, 11 losses and 12 wins by knockout. During his time off from boxing in the 1970s he became a modest Australian singer, releasing one album and two singles. His climb to the top from the lower end of society made him personable to Australians and a pillar to the Aboriginal community.

In 2007, Lionel Rose sadly suffered a stroke which left him with limited speech and movement. However, it was a short illness which took his life on 8 May 2011, at the all too young age of 62. Lionel Rose was an inspirational man whose tale is recognised both nationally and internationally. The world has lost a boxing champion, Australia has lost a national hero and his own people have lost a wonderful role model. He will be sadly missed and I offer my sincerest condolences to his family and also the countless members of his wider family, which stretches the length and breadth of the nation, the country he loved so much. To a great man and champion of his people, all people: may you rest in peace.

Mr BROADBENT (McMillan) (16:39): It was NAIDOC Week last year when a person walked into the room, and of course it was Lionel Rose, and no room was the same in Drouin if Lionel was in that room, or if Lionel was at the football ground, or if Lionel was around. Lionel did not want any attention whatsoever, as we have heard today from the very generous speakers who have spoken in this condolence debate and who have passed on their condolences to the family, as I do to the broader Rose family. As their local member, I am as distant from Lionel and his family as any other person of my background. But I am not distant from Jacksons Track, and I am not distant from the story of Jacksons Track. I do not think anybody fully understands the incredible story that Lionel Rose is, coming out of Jacksons Track. No-one understands the enormity of the journey of the young boy coming out of Jacksons Track onto the world stage.

I do not think he had much time for politicians, or even NAIDOC Week, but he was out with his family; he was doing what he wanted to do. It was great to hear from members of parliament, especially the member for Bass, who obviously has a very deep and personal connection to Indigenous communities because of the work he has done with young footballers and sportsmen. Lionel, speaking to you now—we were there listening to you on the radio. I do not like boxing, because for all of my life, when I have listened to or watched boxing, my heart was in terror that Lionel Rose or one of his sporting colleagues was going to be severely hurt boxing on behalf of this nation, because that is what he was doing. Maybe it seemed that he was doing it for himself, but the nation was watching Lionel Rose. The nation was listening to Lionel Rose. The nation was hoping and praying for his wellbeing and his success. Fourteen people saw him off when he left to go overseas, and when he achieved that success 250,000 people crowded the streets of Melbourne—all the way from Essendon Airport and all the way in, there were people standing on the side of the road waiting for Lionel's car to come past. He was our new hero. And don't we love a hero!

Jacksons Track was a disgrace. When Carolyn Landon wrote the story of Jacksons Track and put it in black and white, we had an issue. I do not cry reading books, but I cried many times when I was reading *Jackson's Track*. I had to put the book down, and I could not read the next page until I could get myself back to a state where the tears in my eyes were not destroying my ability to read the book *Jackson's Track*. As a local member, I know where this guy came from. And he must have had a burning desire within him. You would hear those who are competent in sport talk about his speed, his ability and the power that came from such a gentle soul. The only

person I ever met in Lionel Rose on the number of occasions that I met Lionel was a gentle, quiet, unassuming, humble human being. That is the person I knew. He did not have the humour of Syd Jackson. He did not even have what you would call grace and style—but humble!

Here was this guy who changed the world for Australia—to think that one of our Indigenous young people could go and tackle Fighting Harada and win. As you have heard from all of the people today who spoke about how he was rated, if he was on Sportsbet going into that fight, you would not have had any money on him at all. And he won. He won against the odds—as a child, as a teenager and as a boxer.

He could sing as well. I thought he sang *Telephone to Glory*.

Mr Wyatt: That was Jimmy Little.

Mr BROADBENT: Yes, I know, but I think Lionel actually recorded *Telephone to Glory*, which was one of the songs that we sang at my wedding. I am not saying I have an identification with Lionel because of that, but I am saying that it has been interesting and fascinating to hear the members of parliament in this place speak on Lionel Rose in the way they have today.

If this nation ever thinks that members of parliament do not care about our families, our Indigenous communities and all that goes with them, today is a perfect example of it being wrong. When tears were shed here today we all entered into that moment with the member for Bass. He said, 'I do not want to disgrace myself any more over this issue.' He was not disgracing himself. There was not a person here who was not standing with him. Vale, Lionel Rose.

I am sorry that he suffered after his stroke, but I want to let you all know that what I saw in that room was not just a hero but a family gathered around an ordinary man in protection, in care and in honour. He could go back to his community near Jacksons Track to live and say, 'I am very comfortable,' as he said to Kathy Bedford. He said, 'I am back with my family and I am very happy. I am living life well.'

His cousin, who was the chairman of the Boxing Federation, was interviewed by ABC Radio the other day. He said, 'He was never on time, so to get him to the footy on time we would always tell him that the football was two hours earlier, and then we would get him there.' He loved being there at the footy with his family, watching his family play. Even with his great talent and ability, his family's love of him was for his ordinariness—for his love of community, for his love of his family and just for the fact that he was nestled in their arms before he died.

Mr HUNT (Flinders) (16:48): It is a great honour to rise to speak in recognition of Lionel Rose and to do so after the members for Hasluck and McMillan. I say that because they both, in their own way, represent a part of this story. The member for McMillan represents the area in which the great Lionel Rose grew up. It was not a privileged background, as has been well set out. It was a tough, hard background, but he was an Australian who took an extraordinary journey. In my view, the definition of what we in this House seek to achieve for people is the opportunity to live the life of their choice. The title of a book by the great British explorer in the Danakil area of the Horn of Africa, Wilfred Thesiger, was *The Life of My Choice*. If that is what we aspire to bring in some small measure to Australia, Lionel Rose was the embodiment of that life. He came from the most humble of beginnings in the Gippsland area, an area adjacent to my own electorate. I know that on the Mornington Peninsula and in West Gippsland this is somebody they looked to as one of their own, and there was a great sense of affection many years—43 years—after he took on and beat Masahiko 'Fighting' Harada in Tokyo. He was looked upon as a local. He was looked upon as an Indigenous path maker and trailblazer. But above all else he was looked upon as an extraordinarily generous, decent and courageous human being.

So in our part of the world there is this great sense of affection, connection and gentle love for Lionel Rose which goes back to the fact that he was a local who came from a background which should not have led him to the world stage but which did, and he did it on his own terms and in his own way—a way which inspired generations of young Australians from all backgrounds. But on top of that he, along with Evonne Goolagong Cawley, also helped pave the way for Indigenous Australians to be held in a higher level of esteem and to give themselves that sense of the possibility that they could do anything in this country.

In that context we have somebody who was an inspiration to young locals in Gippsland and the Mornington Peninsula of Victoria and, more generally, Australia; a particular inspiration to Indigenous Australians; but, above all else—and this is where I want to finish in this very brief recognition and tribute—an exemplar to all of us of a life well lived. At end of day there is no doubt he was able to look back and, with family and friends around him and with his own set of achievements—yes, there was hardship at the start; yes, it was hard along the way; and, yes, there was hardship at the finish—look at a life well lived, believing and knowing that he had lived the life of his choice and done so in a way which brought honour to him and to his family and brought joy to millions of Australians.

Mr TUDGE (Aston) (16:52): I also rise to support the condolence motion for the late Mr Lionel Rose, and I would like to associate myself with some of the comments of the previous speakers, including Mr Hunt and Mr Broadbent, whom I have just listened to here. I am sorry I did not get to hear some of the earlier speakers as well; I understand they also gave very moving and honourable tributes to this great man.

Lionel Rose, as we all know, passed away last Sunday. He was a world champion sportsman, he was an Indigenous superstar and he was a great Australian. Of course, he is remembered primarily today by most Australians for being the first world champion boxer for Australia, and he won that title way back in 1968 in Tokyo, coming up against the world bantamweight champion at the time, Masahiko Harada. Lionel was just 19 years old when he took that fight on. He was the underdog. Few thought he would be able to win that fight against the world champion, but history showed that he did; and, in doing so, he changed sporting history in Australia forever. He also made an incredible contribution more broadly than that.

Today, when we think about our Indigenous sporting superstars and other Indigenous role models, we have many. We of course have dozens of AFL footballers who dominate the football field. We have had people like Evonne Goolagong Cawley. We have had Cathy Freeman. We have had Nova Peris-Kneebone, Wendell Sailor and the like. We have had other outstanding Indigenous role models reach the peak of our community, including the member for Hasluck here, who is a fellow parliamentarian. But back in 1968, when Lionel Rose became the world champion boxer, we did not have such circumstances. He was the first real Indigenous superstar and real Indigenous hero. Of course, he won this only a year after the referendum on Indigenous affairs. It was a unique time in Australian political history in regard to Indigenous issues, as the referendum was passed a year earlier with 90 per cent approval of the particular measure which gave the Commonwealth power to enact laws to the benefit of Indigenous people in Australia. His win came a year after that and, in doing so, gave Indigenous Australians, from what I have read, a huge confidence boost. As I mentioned, he became Australia's first Indigenous superstar.

It is interesting to note, when we reflect on his victory at that time, that the history books say it was not just Indigenous Australians who were celebrating like crazy over this incredible victory; indeed, there were 100,000 everyday Australians on the streets of Melbourne who gave him a tickertape parade when he returned. In some respects it was a remarkable act of reconciliation, without it being called that at the time. All Australians probably thought, 'We're just proud of this guy, who's a fantastic Aussie hero.' I think that is worth reflecting on as well.

He inspired all of us at the time with his sporting prowess and certainly inspired Indigenous Australians. Sadly, his victory did not mark a turning point in addressing Indigenous social and economic disadvantage. Indeed, in part the opposite is the case when we look back at some of the great social decline in Indigenous communities, particularly remote Indigenous communities, that started in about the late sixties and early to mid-seventies. While we are reflecting upon Lionel Rose today we should also be thinking about the disadvantage which still exists in Indigenous communities. Through Lionel Rose's memory we should commit to maintaining the condition of disadvantaged Indigenous people high on the political agenda of this parliament.

Lionel Rose was not just a great sports star but also, as other people have noted in this chamber, a very principled man. The *Australian*, in its editorial yesterday, pointed out that Rose took pride in refusing a lucrative offer to fight in apartheid-ridden South Africa in 1970, where he would have been classed as an honorary white. Also, in 1996, he generously gave his world title belt to six-year-old Tjandamurra O'Shane, who was the victim of a racially charged attack in Cairns, in the hope that it would hasten the child's recovery. All accounts are that he was a truly honourable man, a family man, a well-loved man and a principled man. We will remember Lionel Rose for all of that and more and we will remember him as an Australian hero.

The DEPUTY SPEAKER (Mr Murphy): I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

Honourable members having stood in their places—

The DEPUTY SPEAKER: I thank the Committee.

Ms HALL: I move:

That further proceedings be conducted in the House.

Question agreed to.

Choules, Mr Claude Stanley

Mrs ANDREWS (McPherson) (16:59): on indulgence—I rise to speak on the condolence motion for Mr Claude Choules and to pass on my sympathy and support to his extensive family. Along with many others, I was saddened to hear of the passing of Mr Choules on 4 May 2011, aged 110—the last of our World War I combat veterans. Mr Choules' passing brings to a significant end Australia's and the world's last living connection to World War I and closes another chapter in world history. I note that Mr Choules served in the British Royal Navy

during World War I, having joined at the age of 14, and I understand that he witnessed the scuttling of the German fleet in 1919. He also served with the Royal Australian Navy during World War II. So he has service in both World War I and World War II.

It is extraordinary to think that 70 million people served in World War I, with millions of these paying the ultimate sacrifice for their country. More than 750,000 Australians served during World War I, with 155,000 wounded and 64,000 losing their lives.

Reading about Mr Choules' life, I was reminded of my own family. Some of the history of Mr Choules' life is contained in his book which is titled *The Last of the Last*. I understand that Mr Choules started writing this book when he was in his 80s, with the support of his daughters, and that the book was subsequently published in 2009, when Mr Choules was 108. My great-grandfather, William Glanville, and Mr Choules both served in the British Royal Navy in World War I. My grandfather, William Henry Glanville, and Mr Choules both served in the Royal Australian Navy in World War II. My father, William Weir, also served in World War II but with the RAAF. Fortunately, they, like Mr Choules, returned home safely to their relatives and friends. Our veterans fought for our country so that Australia and the world could be free from oppression and violence. Mr Choules's 20 years of dedication to the defence of this nation is a shining reflection of the loyalty and selflessness demonstrated and embraced by Australia's veterans.

The McPherson electorate has an extensive veteran community, with the Burleigh Heads, Currumbin Palm Beach, Mudgeeraba and Tweed Heads and Coolangatta RSL sub-branches providing support to the McPherson veteran community. I know that they share my sorrow in Mr Choules's passing. Mr Choules can be assured that he has left behind a community that embraces our Anzacs. This has been demonstrated at recent Anzac Day services across the country. Attendance at our Gold Coast Anzac services is continuing to increase year by year. I understand that in excess of 10,000 people attended the dawn service conducted by the Currumbin Palm Beach RSL sub-branch, which was held at Elephant Rock on Currumbin Beach. That service was also telecast live throughout Australia.

Mr Choules is survived not only by his extensive family but also by a grateful nation, who will forever remember the sacrifices diggers like him made for Australia during the world wars. As a federal member of parliament, as the daughter, granddaughter and great-granddaughter of World War I and World War II veterans, and as an Australian, I am tremendously proud of the legacy Mr Choules and other veterans like him have left. Lest we forget.

Ms PARKE (Fremantle) (17:04): I join with other members in marking the death and honouring the life of Claude Stanley Choules, who was the last living combat veteran from World War I. In doing so, I endorse the remarks of the Prime Minister and the Leader of the Opposition and those of my parliamentary colleagues. If there is a theme to all our contributions it is, understandably, that of remembrance. It is a fact of life that time marches ever forward and it is a part of the human condition that successive generations constitute the links we have between the present day and our history. Claude Choules was the last living contact we had with the combat experience of World War I. On hearing of Claude's death, my thoughts turned to my grandfather, who served in the Middle East in World War One and in the Pacific in World War II. Jesse Lilburn 'Pat' Parke fudged his age upwards to be involved in the First World War, and downwards for the Second World War. He died of health problems related to his war service, before I was born. I am sure it is the case for many Australians that the passing of Claude Choules resonates strongly with their memory of relatives who were directly involved in World War I.

As long as Claude lived, a human connection remained to that time, a human connection remained to the history that also involved our grandfathers and great-uncles. Now that thread has been severed and we will have to make a greater effort as time passes so that we continue to remember, so that children born this week, whose lives never intersected with Claude Choules, will nevertheless come to learn and understand the horrors of war and the incredible suffering and sacrifices made by Australians in the cause of peace.

In this context I note that we will shortly mark the centenary of Anzac, which I am sure will provide a significant opportunity for us to remember as a nation and to strengthen our capacity to remember. I am aware, for example, of an effort underway to have added to the war memorial in Fremantle a set of plaques that record the more than 800 local men who lost their lives in World War I. It is a project that I wholeheartedly support.

I would like to note that Claude Choules has a special connection to Fremantle, for there was a time when Fremantle was both his home and to some extent his responsibility. Claude settled in Fremantle between the wars, and in World War II as a naval chief petty officer was apparently charged with the responsibility of rigging vessels in Fremantle harbour so that they could be blown up in the case of invasion. Thankfully, it never came to that. Of

course, it never came to that because of the efforts of service personnel like Claude Choules, because of the military and civilian fortitude of tens of millions across the allied nations.

After the Second World War, Claude became a cray fisherman, which was and continues to be a typical Fremantle profession. At 110, Claude Choules was the oldest Australian man and the seventh-oldest man alive, which is incredible. His life spanned a remarkable period of history, including the two most awful conflicts the human race has inflicted on itself. Claude's wife of more than 75 years, Ethel, a nurse, who he met on the ship out to Australia, died when she was 98. Claude cared for her until the end, sleeping on a canvas sheet on the floor by her bed. He is survived by three children, 11 grandchildren, 22 great-grandchildren and three great-great-grandchildren. Our best wishes and condolences go out to all of them, and I will be honoured to convey these sentiments to Claude's family at his funeral service, which is to be held next Friday, 20 May, at St Johns Anglican Church in Fremantle.

On hearing the news of Claude's death, I called and spoke with Claude's daughter, Anne Pow, who lives in Palmyra in my electorate. Anne made the point to me that Claude hated war and the glorification of war. With all his personal experience, Claude Choules believed that war was pointless; and, as much as he was and is a symbol of remembrance, we should not whitewash the fact that he personally did not like to dwell on the wars. As I understand it, he only marched in the Anzac parades when he was ordered to.

Anne wanted to impress on me the fact that her dad was a remarkably happy man. I think that is a quality that comes through even in the photographs that accompany the newspaper stories of his death. I like to think that one of the secrets of his long life was his happiness. He was also clearly a loving and good humoured man and a man devoted to his family. Those are the qualities I believe he would have most wanted to be remembered for.

Mr IRONS (Swan) (17:08): I rise today to support the motion by the Prime Minister and the Leader of the Opposition. The member for Fremantle and I have something in common: Claude was living in the electorate of Swan when he passed away but he also, as the member for Fremantle said, spent time living in the Fremantle electorate.

Claude was the last surviving combat male from World War I. He lived in WA in the electorate of Swan at the Gracewood hostel in Salter Point. For those who do not know Salter Point, it is a peaceful area along the Swan River, and I am sure it would have been a great and peaceful place for him to spend his last days. I know the staff of Gracewood will be missing him, as will his family and all those who knew him.

In my small way, on behalf of the people of the electorate of Swan, I wish to pass on my condolences to Claude's family. Claude did not like war and he saw it as his job so he did what he had to do. He was typical of many veterans who do not glorify war, but at the same time he was a symbol of the men and women of the Allies who fought to preserve our way of life and the many freedoms and rights we enjoy as a society. He along with his fellow Allied force members, whether they be men or women, were prepared to make the ultimate sacrifice for their countries. We have recently held Anzac ceremonies all over Australia and other parts of the world to recognise the fallen members of Claude's troop and Allied forces in conflicts around the world, but particularly the ones Australian and New Zealand forces fought in. People like Claude are symbols and reminders to us of these valiant men and women.

I have taken some details from the *Sydney Morning Herald* article by Gerry Carman, which gives us an insight into the man who was referred to as 'the last of the last':

As a centenarian, he retained a sense of humour, insisting a laugh was good for the senses and the soul. Asked the secret of his longevity, he responded: "Don't die."

He was also the oldest man living in Australia when he died.

Towards the end, a degenerative eye disorder, exacerbated by a fall, meant Choules relied on touch. But overall, he appeared to be in remarkably good health.

His daughter, Anne Pow, attributed his long life to his overall fitness, healthy lifestyle and a happy, contented disposition that allowed him to eat and sleep well to the end.

He didn't own a car until he was 50 and rode a bicycle everywhere. And, his wife, Ethel, a children's nurse, ensured the family always had a healthy, balanced diet long before modern health fads took hold.

Claude Stanley Choules, who held dual British and Australian nationality, was born on March 3, 1901, at Wyre Piddle, Pershore, in Worcestershire, one of five children of Madelin and Henry, a haberdasher and gambler. His mother abandoned the family when he was a young child - for many years he thought she had died - and his older brothers were sent to different family homes while his father raised him and his sisters, Phyllis and Gwen. This would later shape his make-up as a considerate, conscientious and attentive father, polite to all.

Choules dropped out of school at 14 and fibbed about his age to join the navy in 1915. The previous year he had tried to join the army as a bugle boy when he learnt that his brothers, Douglas and Leslie, were serving in the British Army. Both had

fought at Gallipoli before going on to fight on the Western Front in France, where Douglas was gassed and died a year later and Leslie won the Military Medal for bravery.

After initial training on HMS Impregnable, at one time a 140-gun square-rigged wooden battleship, Choules served in the North Sea on HMS Revenge, flagship of the Royal Navy's first battle squadron.

He witnessed two historic events at the end of the Great War: the surrender of the Imperial German Navy at the Firth of Forth off Scotland's east coast, on November 21, 1918, 10 days after the armistice; and he was present at Scapa Flow in the Orkney Islands on June 21, 1919, when German admiral Ludwig von Reuter ordered his interned fleet to be scuttled. Preventive action limited the scuttling to 52 of the 74 ships.

Between 1920 and 1923, Choules served in the Mediterranean before being seconded with 11 other Royal Navy personnel to come to Australia in 1926 on loan to the RAN as an instructor at Flinders Naval Depot on the Mornington Peninsula.

On the way to Australia, on the passenger ship SS Diogenes, Choules met Ethel Wildgoose, a Scot on her way to Melbourne, and they married not long after.

Choules asked for a permanent transfer to the RAN. He returned to Britain for courses to qualify as a chief torpedo and anti-submarine instructor and he was also on duty for the construction of the RAN's heavy cruisers, Australia and Canberra. He was part of the commissioning crew of HMAS Canberra, in which he served until 1931.

Choules took his discharge from the RAN that year but remained in the reserve; he rejoined the RAN the following year as a torpedo and anti-submarine instructor, with the rank of chief petty officer. During World War II, he served as the RAN's senior demolition expert in Western Australia. Early in the war, he disposed of the first German mine to wash up on Australia's shores, near Esperance in Western Australia. During the dark days of 1942, he set explosives to blow up oil tanks and placed depth charges in ships unable to leave Fremantle Harbour in anticipation of a Japanese landing.

Had the Japanese invaded, he would also have had to ride a bicycle about 500 kilometres south to Albany to blow up harbour facilities there.

He remained in the RAN after the war and transferred to the Naval Dockyard Police, which enabled him to stay in the service until 1956, five years longer than regulations allowed for RAN ratings, who had to retire at 50.

But Choules was not done with the sea. He bought a crayfish boat and spent 10 years fishing with Ethel. He also shot rabbits and culled kangaroos - until he saw the film *Bambi*.

Despite his military record, Choules became a pacifist. He was known to have disagreed with the celebration of Australia's most important war memorial holiday, Anzac Day, and refused to march in annual commemoration parades.

An excellent ballroom dancer, he had pumps made for his whirls across the dance floor doing the foxtrot, which he taught his daughters and grandchildren. He also loved to play the mouth organ; not surprisingly, his favourite tunes were seas shanties, including *What Shall We Do with a Drunken Sailor*?

Ethel Choules died in 2006, aged 98, and Claude spent his last years at the Gracewood Hostel at Salter Point in Perth.

His death follows that of American Frank Buckles, who died in February, also aged 110, and who, until then, had been the oldest surviving veteran of World War I. He'd been an ambulance driver near the Western Front. … Claude Choules is survived by his children, Daphne, Anne and Adrian, 13 grandchildren, 26 great-grandchildren and two great-great-grandchildren.

Claude Choules was a symbol of those before our time and our generation who gave to their country—did not ask what they could take from their country but were prepared to give to their country. A lot of us should remember those qualities and those character traits as we go about our daily lives and see what we can give to this country in memory of people like Claude Choules, to celebrate his contribution to Britain and to Australia.

Ms O'NEILL (Robertson) (17:16): I rise to express my condolences on the passing of Mr Claude Choules. On Thursday, 5 May 2011 Mr Claude Choules, the last-known veteran to have served in World War I, passed away. While he spent his later life here in Australia and fought for Australia in World War II, it is Mr Choules's connection as a British serviceman to the First World War that I wish to reflect on here today.

As a teacher, I have had the opportunity to teach and learn about the war, so often called the Great War. So extreme the loss of life, so long the conflict, so broad the impact, it was a war that our forebears hoped would be the war to end all wars. Claude Choules was there in the fray as a serviceman in the British Royal Navy. He lived a life, as did his peers, impacted by the realities of that long and tragic conflict. But, while Mr Choules's passing marks the end of that historical period and our connection with World War I, it is important in my view to honour his passing by placing on the record in this place that he and those who served alongside him will not be forgotten.

Recently, students from my electorate of Robertson undertook an excursion to Villers-Bretonneux and assisted with the Anzac Day service there. They were supported and encouraged in this excursion by Roger Macey, who continues the tradition established by Mr Paul Salmon and his fellow history staff, and obviously very much encouraged by their school principal. I understand that all present at the service were described on the day as 'pilgrims', reinforcing the sense and depth of esteem held for those who served and died, or survived, on Flanders Fields.

I offer my condolences and those of the people of the seat of Robertson to the Choules family at this time of great personal loss. I also offer them some comfort at this time in the observation of two young Aussies, Emily Rayner and George Margin, the school captains of Brisbane Water Secondary College, who were at Villers-Bretonneux this Anzac Day. They both reported back to their school and gave a speech to the gathered assembly. Emily Rayner had the following to say:

> As young Australians it became incredibly emotional for us to experience first hand the physical and spiritual presence they left behind … those graves are ultimately a profound and visual statement depicting the sacrifice that each and every one of them gave for us.'

George Margin, the boy school captain, responded to an epitaph that he read on the grave of an Australian soldier by the name of Philip Ball who died on the Western Front. The epitaph simply said, 'I fought and died in the Great War; did I die in vain?' George's response is:

> Philip Ball and all the thousands of other Australians, I say to you: You did not die in vain. We made this pilgrimage to honour your sacrifice. We will never forget.

Claude Choules, the last of the last, we will remember you. We honour your service and your life. We will never forget you.

Mr HAWKE (Mitchell) (17:19): It is appropriate today that we reflect as a House on the passing away of Claude Choules, who died at the age of 110 in Perth in a nursing home. It is appropriate that we take this opportunity to pause at this juncture to reflect not just on his personal iconic qualities that have been so ably outlined by my colleagues here today but also on the fact that he was the last known combat veteran of World War I, the war that was to end all wars. When you reflect upon the life of Claude Choules, here was a man who signed up at the age of just 14 years of age in the Royal Navy and who served on famous ships, like the HMAS *Impregnable* and the HMAS *Revenge*; who was a commissioning crewmember of the HMAS *Canberra* before World War II and who served with her until 1931; who served in two world wars, the most famous conflicts of human history; and who was a person who rejected war as a means to an end, who never liked it and never commemorated it or regarded it as something that he would tolerate.

We are here today, because of the service and sacrifice of so many people like Claude, that great generation of Australians who volunteered to put themselves in harms way. I want to take a moment to reflect upon this conflict and Claude's contribution and the contributions of those Australians who did so much for us in World War I, because it is very important. Out of a population of just five million—a tiny component of the entire world—416,809 men enlisted in World War I. That goes to show what a great nation Australia truly is: in the cause of freedom, 416,809 people out of five million enlisted voluntarily to fight. That is the mark of the strength of a free society like Australia.

The citizen soldier is something that I believe in quite passionately. Every free nation, indeed, needs a citizen soldiery. When you look at the great Australian military tradition that has emerged since our nation's formation, the citizen soldier—the ordinary person who steps forward to volunteer their life for their family, for their friends and for their country—is the hallmark of greatness. There is no other nation or system that can replicate that quality of a person putting themselves into harm's way by their own choice. They do not ask what their country can do for them; they ask what they can do for their country. Every free society that you look at has this. If you go back to Rome, republican Rome had the citizen soldier, and they conquered the known world. In Elizabethan England, privateers fought the Spanish and the closed markets. Minutemen in Boston in the United States of America were citizens who within minutes would take up a musket and fight the oppression of invaders who they regarded as taking over their country and their land.

In Australia, we had those 416,809 men out of five million—men like Sir John Monash, who at the beginning of the First World War was a citizen, a successful engineer. At the end, he commanded the Australian corps; he was Field Marshall Sir John Monash. He was laden with honours. He was appointed Knight Grand Cross of the Order of St Michael and St George and Knight Commander of the Bath. He was mentioned in despatches five times. He was decorated by the French, Belgian and American governments. And he was an ordinary Australian, like those 416,809 men. They were ordinary Australians, not soldiers. They stepped up to save our country from oppression. It reminds me of that great story of the Australian who came back from World War I to be congratulated on being a great soldier. That unknown soldier gave an immortal retort: 'I am not a soldier; I am a farmer.'

That is why I am such a supporter of the citizen soldier and the reserve forces in our country today. That great Australian military tradition that has been passed down by men like Claude Choules through his life, his service and his belief that he should do something to make our country a better place. The life of Mr Choules spanned an incredible era of technological and other change. Yet that tradition of military service—that tradition of people doing something for other people, of stepping up to the plate and joining our Defence forces—carries forward. The

service and sacrifice of those in the Australian Defence forces has a connection and a bond to those who have served our nation over a span of more than a century—indeed, the span of the life of Claude Choules. He would have been happy to see it. His generation nurtured and preserved a way of life that we embrace today. It is my hope in supporting this motion of the House today—and I commend the House for bringing forward such a motion—that we also let future generations be so privileged as to live under the same freedom and values of Australia through the dedication of the young people who are in uniform all around the world deployed on our behalf today. I want to thank Mr Choules and those 416,000 brave men of that great generation of people who stepped up to fight for the cause of freedom in our world. I endorse this motion before the House today.

Mr McCORMACK (Riverina) (17:25): The passing of Claude Choules is truly the end of an era. Mr Choules is *The last of the last*—the title of his autobiography. A significant chapter in world history ends with his passing. He was the last known living combat veteran of the Great War of 1914 to 1918 when he died in Perth on 5 May, aged 110. His death follows that of American Frank Buckles, who died in February, also aged 110, and who until then had been the oldest surviving veteran of World War I. Claude Choules was also the last surviving sailor of World War I and served in both the Royal Navy and the Royal Australian Navy. In fact, he was only two days younger than the RAN, which was established on 1 March 1901.

In 1914, after hearing that his two older brothers, Douglas and Leslie, were serving in the British Army, Mr Choules tried to join as a bugle boy. However, a year later, at the age of 14, he fibbed about his age and joined the Royal Navy and served in the North Sea on the HMS *Revenge*, the flagship of the Royal Navy's first battle squadron.

Claude Choules witnessed two historic events at the end of the Great War: the surrender of the imperial German navy at the Firth of Forth off Scotland's east coast on 21 November 1918, 10 days after the Armistice; and he was present at Scapa Flow in the Orkney Islands on 21 June 1919 when German Admiral Ludwig von Reuter ordered his interned fleet to be scuttled. During World War II, Claude Choules was acting torpedo officer of the HMAS *Fremantle* and served in the RAN until 1956.

The knowledge and memories this gentleman possessed are beyond our comprehension; the changes and momentous occasions in world history he saw, experienced and felt is staggering. With his passing an historic curtain is sadly drawn. Although he scorned the glorification of war, Claude Choules was a fine example of the men and women who served and who serve so bravely for us—the price of freedom being eternal vigilance. He is an example of the servicemen who fight for peace and stability for Australia and who ensure that democracy prevails.

As the member for Riverina, whose hometown of Wagga Wagga is also home to the soldier, with the important strategic and training bases of both the Royal Australian Air Force and Royal Australian Navy, the death of a serviceman has always been felt deeply no matter the age. The selfless sacrifice and courageous commitment made by men such as Claude Choules ensures the spirit which exists within every person who wears a military uniform continues to burn brightly. I offer my sincere condolences to his very extensive family. Mr Claude Charles Choules—lest we forget.

Cowan, the Hon. David Bruce

Debate resumed.

Mr RUDDOCK (Berowra) (00:00): On indulgence—I first thank the Leader of the House for referring this matter to this chamber for discussion. I know a number of my colleagues intend to speak to it. It is not always the case that the passing of a former member is acknowledged by a condolence motion which is spoken to but, on this occasion, I very much wanted it to be. Bruce Cowan passed away on 7 April this year, and it is somewhat ironic that today is the inaugural memorial ceremony conducted by the Association of Former Members of the Parliament of Australia in recognition of those people, former members, who have passed away between the last parliament and this parliament. Bruce Cowan's name is recorded in the honour record of those deceased members and senators of the Australian parliament who were remembered today. I wanted to note of Bruce, somebody I knew well and with whom I served, that he was a particularly remarkable individual. While his name was David Bruce Cowan, he was Bruce. He was born in 1926. He was educated at Oxley Island Public School and Taree High School. He worked as a dairy farmer, a real estate agent and a stock and station agent before serving as an alderman on Taree Municipal Council, rising to the post of deputy mayor between 1959 and 1965. He had earlier been unsuccessful in tilts at the state parliament, but he was elected as member for Oxley in a by-election in 1965. He retained the seat through five elections, during which time he served as Minister for Agriculture and Minister for Water Resources in New South Wales. He resigned the seat in 1980 to contest the federal seat of Lyne. He was elected and he held that seat until his retirement.

What it does not state in recording those dates was that he served with my late father, who was a member of the New South Wales parliament and also a minister. They served contemporaneously. I still have photographs in my electorate office and in my home of Bruce and my father as they sat together in the legislative assembly of New South Wales. I thought it was somewhat ironic that at a later point in time Max Ruddock, who had also served in local government and in the state parliament, had one of his former colleagues, also a deputy mayor, in the federal parliament with his son. I came to see a lot of Bruce. I enjoyed his company. I think he had a very considerable contribution to make in public service.

As I reflected on this motion today, one of the observations that have been made about him that particularly impressed me was that he was a very strong coalitionist. In his maiden speech he said:

I am pleased to say that we have, particularly in the Federal coalition and in the New South Wales parliamentary National Country Party, of which I was a member, a very happy and very close association with anti-socialist policies which are so important to us.

He was a man of his time. I note the Labor Party do not claim to be socialist these days, but I am sure they do not mind being reminded of it. He was a person who gave very considerable public service. It was recognised on his retirement in comments from a former leader, Tim Fischer, who had also served with Bruce in the legislative assembly of New South Wales and in the federal parliament. He noted that Bruce had given some two decades of dedicated and determined service. He went on to say that the member for Lyne had also suffered a horrific personal tragedy, of which I think many of us are aware, in losing his wife, Marion. The former leader went on to say that Bruce:

… elected to carry on in the service of his electorate. I salute his service to this Parliament and to the widest range of community groups he represents. Nothing was too small or too large for Bruce to undertake. He finetuned my process of representation when I was a very young and new member of the New South Wales Parliament.

He went on to say:

In a sense he showed me the 'two-minute Tim' trick: the ability to be available in front of a post office or a council chamber and do a fair dinkum tour of one's electorate, being readily available to everybody.

Bruce was a man of the people. He served the people of the North Coast with particular dedication. I had the opportunity, particularly as a member of the parliamentary delegation to the United Kingdom and Ireland shortly after Marion's death in 1988, to travel with Bruce and with the late Glen Sheil as members of that delegation. He was great company to us. He was a fine mentor to those like my wife, Heather, who claims some Scots heritage. He and Glen Sheil both identified very much with that heritage. His service to the nation was recognised by the award of an OAM, I think richly deserved. I want to finalise my comments by noting that we all are very much concerned at the loss of him, at 85. I give my condolences to his now widow, Jan. Bruce was the father of Jane and Rosemary—the wife of my state parliamentary colleague and now New South Wales Premier Barry O'Farrell—and Mandy, Michael and Peter. He was the proud and loving grandfather of Tom, Will, Sheri, James, Xiao Lian and Xin Hu.

Bruce Cowan is a person whom you miss. I miss him. I reflect upon him as a fine former colleague. I am delighted, as I said, that the Leader of the House has given us an opportunity today to pay this tribute to him.

Mr TRUSS (Wide Bay—Leader of The Nationals) (17:36): Like the honourable member for Berowra, I extend my appreciation that the parliament has made a little time available for us to reflect on the life of Bruce Cowan. The previous speaker would have been in the federal parliament, I suspect, for the whole of the time that Bruce Cowan was a member of this House. Bruce Cowan's last term was my first term, so we crossed over by about three years. I have very fond memories of Bruce as a man. I got to know him briefly before I entered the federal parliament, but our relationship extended beyond the time of his retirement. Frequently when I went to the Taree or Port Macquarie area he made sure that he was around so that we could talk about issues. He was keenly interested in politics for all of his life, right up to his very last days.

When I attended his funeral service in Taree and listened to people talk about his life it reminded me of how similar his early life was to my own. I could see many similarities in the way in which we grew up and, I suspect, the sorts of things that led us into politics. Bruce Cowan was born on a dairy farm on Oxley Island. It would have been a battle. Dairy farming has always been hard work. I was also born on a small farm. It had ceased to be a dairy farm by the time I was born, but all the relics of the dairy industry were there. He had his start in the Junior Farmers organisation. So did I. That later became Rural Youth. It gave us, as farm children, a real opportunity to meet other young people in our district and to understand something about living and working with other people and broadening our own experience.

Bruce then went into local government, as I did. He became Deputy Mayor of Taree City Council, where he served with distinction. By that time he had actually left the farm and was operating a station agent and real estate

business in the town. He was very active in his community on a whole range of agricultural issue—and was all through his life. I was interested again to hear, at his funeral, people talking about the things that he had been doing only in the past weeks in support of local community organisations, especially the church where his funeral was held, and his keen interest in community affairs.

My fundamental description of Bruce Cowan, if I had to put it into one word, would be that this guy was a gentleman. He was a humble man, an able man, a man who cared about the people around him. He endured a great deal of hardship through his own life but always cared about others. He was keen to listen. He was always interested in the views of others. He certainly had his own views, but he was interested also to hear what other people had to say and was very keen to follow through on their concerns. It is also interesting that he never used speaking notes—he always spoke without notes and spoke from the heart. Speaking without notes enabled him to speak more freely than he otherwise would have been able to do. He certainly was a man of substance, but also he was a man of great warmth and great feeling.

Bruce is one of the few people to have served in all three tiers of government. As mentioned earlier, he was on the Taree council, serving as deputy mayor; he moved into the New South Wales parliament, where he served as a minister under two premiers; and then he moved into the federal parliament. I am sure he would have wished also to have been a minister in the federal parliament, but that was not to be. Nonetheless, he always had the respect of his colleagues in this place. Indeed, it would be hard to identify any political or personal foe that he ever really developed in his life. He respected his opponents and generally got on very well with them.

I met Bruce Cowan on the very first day I came to this parliament, at the airport in Sydney. The National Party was in a bit of trouble at the time because we had had a bad election result. Our leader had been defeated and the first job of new members of parliament coming to Canberra was to choose a new leader. Bruce had always been a lifelong friend of Ian Sinclair and felt deeply aggrieved that Ian had been deposed as leader. He felt that we needed to do the right thing and put Ian back as the leader of the party. He lobbied strongly and compassionately for that. His friendship with Ian lasted a very long time, right up to Bruce's death. Indeed, Ian and Rosemary were present at his funeral, along with a large number of state and federal political colleagues from New South Wales and interstate.

In about 1987 his wife Laura was killed in a car accident. That was another very difficult time for the Nationals because at about the same time Noel Hicks, the member for Riverina, lost his wife in a car accident. Both women were at the time going about their duties as the spouses of members of Parliament. It did draw to the attention of all of us the dangers of travelling on country roads over very long distances. They are the risks that we all take as people who need to be active around our electorates all the time. Losing Laura was a huge blow to Bruce, but he later married Jan Churchill and Jan, with her wonderful personality, was able to help Bruce in his work as an MP and then right through the rest of his life.

The other thing we will always remember was Bruce's dedication and his commitment. He had two daughters, and one, Rosemary, is the wife of the new New South Wales Premier. Having met Bruce's grandsons, Tom and Will, I suspect there may end up being three generations of his family in politics. They are a wonderful couple of boys and I am sure they also have an enormous contribution to make in the future.

Bruce was recognised with an Order of Australia in 1991 for his service to government and the citizens of the Taree region. He had already served 35 years in local, state and federal parliament—a remarkable record. He was a very fine man. I felt that his farewell service at St John's Anglican Church in Taree was one of the most impressive I have been to. The town turned out and his friends were there—and his friends naturally included some well-known and famous people. But everyone attended not to be in the company of famous people but because they respected Bruce as a man. They acknowledged the contribution he had made to Taree and district, and those of us who regarded him as a friend—virtually everyone who knew him—knew that we had lost someone we cherished very deeply. I extend my sympathies to Jan, and to his daughters Rosemary and Jane and their extended families. They can be very proud of Bruce for the role he has played and for the model and the lead he has provided for so many people.

Mr OAKESHOTT (Lyne) (17:44): On the first day of a recent trek with the member for Cook and the member for Blaxland, some shocking news that came through in the middle of the jungle in Borneo was of the passing of Bruce Cowan, the former member for Lyne. It was the loss of a man who I considered a friend, both as a former member for Lyne and as a very active community member on the mid-North Coast of New South Wales. I endorse the comments of the Liberal member for Berowra, the Father of the House and the Leader of the Nationals, the member for Wide Bay. It is somewhat reflective and symbolic of Bruce himself that we have a spread of the field talking in his honour on this condolence motion—that is, in the order of a father, a leader, and a local member, the three aspects of Bruce's life that I think he considered to be of importance in that order.

He was a father first, and valued the wide family network that he had on the mid-North Coast and throughout New South Wales. Other speakers have mentioned that family network. As well, he was a community leader; even when he was outside the parliament, he was a leader of men. Right until his passing he was very active in many aspects of community life, sometimes hassling current local members to attend meetings, to address issues and, quite rightly, to remain focused on community life first and foremost.

As well, he had some incredible skills in his time as a local member. His 13 years in federal parliament and his time in the state parliament before that left the reputation of a man who had an incredible memory for names and some very gifted skills in engaging with community; facilitation skills, negotiating skills and, as a community builder, uniting skills that have left a legacy to this day. He is, I can confirm to the House, widely and broadly respected on the mid-North Coast of New South Wales, and his legacy certainly lingers well beyond his passing.

Friends and family of the late Bruce Cowan honoured Mr Cowan's record of service to the parliament at a memorial service on the mid-North Coast on 11 April. Personally, I was devastated not to be there because of this trek, but I have let Jan and the Cowan family know that he is certainly someone held in high regard by current sitting members. This condolence motion will be well received by the family.

Bruce, who passed away on 7 April, aged 85, served in the New South Wales parliament as the member for Oxley for 15 years before being elected to this place in 1980 and serving 13 years as a very good and well-respected member for the seat of Lyne up to his retirement in 1993. His contribution to community life, including eight years as an alderman on the Taree Municipal Council at the time—now Greater Taree City Council—was acknowledged with his appointment as a member of the Order of Australia in 1998, and the award of the Centenary Medal in 2001. They are small symbolic gestures of a lifetime of service to community. On behalf of the mid-North Coast and the electors of Lyne, I confirm that our community has lost a good man. Our thoughts, along with those of many in our community are with Mr Cowan's wife Jan and his family at this time.

Mr McCORMACK (Riverina) (17:49): David Bruce Cowan AM, farmer's son, real estate and stock and station agent, Rotarian, member of both the New South Wales and federal parliaments, family man, local champion. Born at Taree in 1926 and known as Bruce, he was educated at Oxley Island Public School and Taree High before embarking on his working life. Mr Cowan's political life began when he joined the Country Party of Australia and he first became a member of the central executive in 1952. He served with distinction as state member for Oxley from 1965 to 1980 and federal member for Lyne from 1980 to his retirement in 1993. On top of his time in local government for Taree Council from 1957 to 1965, that is a fine record of service to public life, a record of distinction, of dedication, of—as is the motto of his beloved Rotary club and he enjoyed membership of the progressive Taree club for 37 years—service above self.

Bruce Cowan was eloquently remembered by New South Wales Nationals Chairman Christine Ferguson. 'Bruce was loved by all,' Mrs Ferguson said. 'He was one of those good old-fashioned Country Party-National Party people, quiet and unassuming. Someone who achieved great things for his community through hard work, through knowing the people he represented, through always being in touch with the grassroots of his electorate and the party he represented. He was above all else a gentleman.' This is a sentiment echoed by the Nationals leader in his tribute. Bruce Cowan, friend to all, local champion, may he rest in peace. He was also particularly proud of the Nationals success in the recent state election, especially the elevation to Premier of his son-in-law, Liberal leader Barry O'Farrell. My sincerest condolences and those of the National Party family go to Mr Cowan's extended family and friends.

BILLS

Tax Laws Amendment (2011 Measures No. 2) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr TONY SMITH (Casey) (17:52): The coalition will not be opposing the Tax Laws Amendment (2011 Measures No. 2) Bill. Like all tax law amendment bills, this makes a number of changes to the tax law and the administration of tax. It does so in this case through five schedules, all essentially unrelated. I will run through each of them briefly. Schedule 1 adds some deductible gift recipients to the existing schedule—namely, the Charlie Perkins Trust for children and students and the Roberta Sykes Indigenous Education Foundation. It adds those to the relevant list allowing donations over $2 to be tax deductible and thereby encouraging public support for charitable activities.

The second schedule deals with some changes with respect to self-managed superannuation funds. The provision in this schedule will allow the government, through regulation, to impose rules on self-managed

superannuation fund investments in personal use assets, such as collectables and artworks amongst a number of other things identified. Members would be aware that the sole purpose test of the relevant superannuation act requires that assets of a superannuation fund be held for the sole purpose of generating retirement income. The recent Cooper Review, the review of the entire superannuation system, recommended that self-managed superannuation funds be prohibited from investing in personal use assets and that those assets, to the extent that they existed within those funds, should be disposed of within five years. The review found that personal use assets lent themselves to personal enjoyment and therefore failed that sole purpose test that I just outlined. The government announced back in July last year that it did not support those conclusions of the Cooper review but said that it would tighten the requirements around personal use assets rather than take up the recommendation to prohibit them. That is what this schedule seeks to do—to provide the government with the power of regulation to impose rules relating to investment of personal use assets by self-managed superannuation funds.

The Assistant Treasurer, the member for Maribyrnong, outlined in his second reading speech back on 24 March the government's intentions in this regard when he said that the amendments would allow regulations to make rules relating to how self-managed superannuation fund trustees make, hold and realise investments in collectables and personal use assets. He said that the purpose of the rules would be to ensure that these investments are made for retirement income purposes and not for current day benefit. He further advised that the content of those regulations is being developed in consultation with the industry. We believe that this reflects a sensible balance. We understand that it is supported by the Self-Managed Super Fund Professionals Association of Australia.

The third schedule deals with tax file numbers with respect to locating superannuation accounts in order to facilitate consolidation of those accounts. It allows super fund trustees and retirement savings account holders to use tax file numbers to locate accounts and facilitate consolidation of multiple accounts. At the present point in time, there are some restrictions on the ways that super funds can use tax file numbers. In particular, they are not permitted to use tax file numbers to locate accounts for the purposes of the very consolidation that this schedule deals with. This will not replace account or membership numbers, but will simply remove the requirement that super funds use other methods for searching for multiple funds before using tax file numbers. Apparently, individuals can still choose not to give their tax file number. There are not changes to the consequences for failing to do so. We agree on this side of the House that it is important to maximise individual retirement savings and for small accounts to be consolidated as easily and as quickly as possible.

The fourth schedule deals with the goods and services tax and specifically the issue of the determination of Australian taxes, fees and charges with respect to the goods and services tax. Currently, the federal Treasurer determines by legislative instrument those Australian taxes, fees and charges that are not regarded as consideration for a taxable supply and therefore not subject to GST. That determination is an administrative process involving the Ministerial Council for Federal Financial Relations and the formal agreement of state and territory treasurers. The instrument is updated twice yearly and over the now more than 10 years of the operation of the goods and services tax it has grown, I am advised, to over 600 pages. The government's view is that this is becoming a significant administrative burden on all levels of government. The amendment means that the default position will be that Australian taxes, fees and charges are not subject to GST and therefore will not need to be listed. Regulation may be made to treat the payment of an Australian tax, fee or charge as consideration for supply and therefore as subject to the goods and services tax. On the subject of goods and services tax, my friend opposite would think it remiss of me not to remind the House that I always welcome in tax law amendment bills schedules that consolidate and protect the goods and services tax which this side of the House fought so hard to implement and those opposite fought so hard to prevent coming into existence. Now that they are in government, perhaps they realise the errors of their ways, and it is good to see them preserving and protecting the goods and services tax which their former leader and former Prime Minister said on the day of its introduction would be marked down 100 years from now as 'a day of fundamental injustice'. I had been unfair in the past that no-one would remember Fundamental Injustice Day declared by the member for Griffith back in 1999, when the legislation for the goods and services tax passed through the House. I think in the years from now he will remember Fundamental Injustice Day, but it will not be the day that the goods and services tax passed through the House; it will be 24 June 2010.

Schedule 5, the final schedule, as is often the case with these tax law amendment bills, simply makes a range of corrections, additions and the sorts of changes and improvements you would expect to see in taxation law. We do not oppose this bill, and I commend it to the House.

Mr CRAIG THOMSON (Dobell) (18:01): It is always good to hear members of the opposition talking about their past record as the highest taxing government in Australia's history, and it is great that the member for Casey took the opportunity to remind us again. He should not be so modest, though: it was not one year that they were the highest taxing government in history; they held the record for four years in a row. It is a terrific record, and we love the way you always come out to remind the Australian public. We love the way that you remind them that

your government was the highest taxing government in Australia's history and it has been this government that has gone about reforming tax to make sure that ordinary Australians are not slugged to the extent that they were when those on the other side had the Treasury benches.

I am not sure that I would necessarily be making the boast about being the highest taxing government in history, but that is something the member for Casey obviously likes to remind us about on many occasions—and I encourage him to continue to remind us about the former government's record in relation to tax!

Ms Owens: My pensioners remind me.

Mr CRAIG THOMSON: As the member for Parramatta points out, we are constantly reminded by our constituents, particularly those on fixed incomes or those on pensions, of the high-taxing history of the former government.

I rise to support the Tax Laws Amendment (2011 Measures No. 2) Bill 2011. It has a number of schedules, and I will go through each of those schedules to look at what they are actually proposing. The first schedule is about deductible gift recipients. Under the current law taxpayers can claim income tax deductions for certain gifts to organisations with DGR status. Division 30 of the Income Tax Assessment Act 1997 sets out the requirements for organisations to be granted DGR status. Organisations must either fit one of the general categories of DGR or be specifically listed under these provisions. This schedule lists the Charlie Perkins Trust for Children and Students and the Roberta Sykes Indigenous Education Foundation. It also changes the name of one deductible gift recipient from Guides Australia Inc. to Girl Guides Australia.

The Charlie Perkins Trust was established in late 2002 in memory of the late Dr Charles Perkins AO. The trust's aim is to advance the education of Aboriginal and Torres Strait Islanders through the provision of scholarships to Indigenous persons for study at overseas institutions such as Oxford and Cambridge University. The Roberta Sykes Indigenous Education Foundation was established in 1990 and works to advance the education and life opportunities for Aboriginal and Torres Strait Islanders and provide additional assistance, such as assisting with the cost of relocating families and partners, to female Indigenous scholars undertaking programs overseas. Listing the Charlie Perkins Trust for Children and Students and the Roberta Sykes Indigenous Education Foundation means that the organisations will be in a significantly better position to attract private and corporate donors, and to raise funds for their ongoing work supporting Indigenous Australians to undertake higher education at prestigious overseas universities such as Oxford, Cambridge and Harvard.

Schedule 2 is in relation to self-managed superannuation fund investments in collectables and personal use assets. This measure will allow implementation of the government's election commitment to tighten legislative restrictions on self-managed superannuation funds, investments and collectables and personal use assets. The Super System Review recommended that SMSF investments in collectables and personal use assets should be prohibited because these assets lend themselves to personal enjoyment and therefore can involve current day benefits being derived by those using or accessing these assets. This recommendation was restricted to SMSF investments because of the closely held nature of SMSFs, where members have direct control over the investment of their retirement savings.

In response to criticisms of the recommendation by SMSF and art industry representatives, the government rejected this recommendation in recognition that collectables can be legitimate investments for some SMSF trustees. However, the government also announced that it would tighten the legislative standards applying to SMSF investment in collectables and personal use assets to ensure that such investments do not give rise to current day benefits for SMSF trustees. The legislative standards that will apply to SMSF investment in collectables and personal use assets are being developed in consultation with the industry, and will be set out in regulations. These measures will enable those regulations to be made. This measure also removes a reference to the provision that was repealed on 24 September 2007.

These amendments will allow implementation of the government's election promise to tighten legislative restrictions on self-managed superannuation fund investments in collectables and personal use assets to ensure that they do not give rise to current day benefits. It will give authority for regulations to make rules in relation to how these investments are made, held and realised. It will also give the regulations authority to impose a penalty of not more than 10 penalty units for contraventions of the regulations, and to provide for the transitional period of existing investments held prior to 1 July 2011. The regulations being developed in consultation with industry will be released for public consultation prior to being finalised. These amendments, as I have also said, remove reference to a provision that was repealed on 24 September 2007.

Schedule 3 relates to superannuation tax file number amendments. Schedule 3 makes a number of amendments which will improve the operation of the superannuation industry. It allows superannuation fund trustees and retirement savings account providers to use tax file numbers to locate members' accounts without first having to

use other methods of identification, and will facilitate account consolidation. The new law will allow superannuation fund trustees and RSA providers to use tax file numbers to locate a member's account details. However, the law will not allow the fund to use tax file numbers to replace their existing account numbers. The aim of the law is to remove the impediment for funds to use other search methods before tax file numbers are used. It will not replace existing account identification methods, such as account or membership numbers. This ensures that the amendment operates in accordance with the National Privacy Principle 7: that tax file numbers should not become a national identifier. The amendments will also allow superannuation fund trustees and RSA providers to use tax file numbers to facilitate the consolidation of multi-accounts held by the same person in the same superannuation fund and across multiple superannuation funds, provided the requirements of the regulations are met.

These amendments will improve the administrative efficiency of the superannuation industry, and make it easier for superannuation fund trustees and retirement saving account providers to locate member accounts and to facilitate account consolidation. These amendments will be subject to appropriate privacy safeguards. In keeping with the current guidelines governing the use of tax file numbers, it will remain voluntary for individuals to provide their tax file number to their superannuation fund or to their RSA provider.

The measure is part of the government's package of stronger super reforms, which were announced on 16 December 2010. Allowing for the greater use of tax file numbers is the first of a number of initiatives from the package that will improve the administrative efficiency of the superannuation industry. Regulations will be enacted to support the use of tax file numbers and to facilitate the account consolidation process. This will include requirements for member consent and other procedures and processes that superannuation fund trustees and RSA providers must follow before consolidating accounts. These regulations will, again, be developed in consultation with the industry. Schedule 4 exempts Australian taxes, fees and charges from the goods and services tax. Currently, Australian taxes, fees and charges are exempt from GST by being listed in a determination made by the Treasurer under division 81 of the GST act and agreed to by the states and territories. The determination has grown to over 680 pages, and its compilation is a cumbersome and time-consuming process. The schedule will repeal and replace division 81 of the GST act to allow entities to self-assess the GST treatment of a payment of an Australian tax or an Australian fee or charge in accordance with certain principles. Under these amendments, government entities will no longer need to have an Australian tax or certain categories of Australian fees or charges listed on the determination in order for those taxes, fees or charges not to be subject to GST. The amendments will amend the GST law to replace the current mechanism for exempting Australian taxes, fees and charges with a legislative exemption with effect from 1 July 2011. Generally, the measure will provide the same outcome as the current mechanism but in a more efficient manner. This measure will provide increased certainty to taxpayers and government agencies in relation to the GST treatment of new taxes, fees and charges, as the tax treatment is not dependent on the item being listed in the determination. A legislative exemption will provide a more effective and transparent approach to exempting Australian taxes, fees and charges from the GST compared to the current exemption mechanism.

Schedule 5 relates to the 12-month export period for the GST-free supply of boats. The legislation provides that the supply of a new recreational boat will be GST free if the boat is exported from Australia within 12 months of delivery or certain other events in the case of payment by instalment. This is subject to certain conditions. There are two main sets of conditions: conditions relating to the nature of the boat—the boat must be a new recreational boat—and the boat must not be used in any form of disqualifying activity, with certain exemptions. Under the conditions for a new recreational boat, essentially the boat must be constructed in Australia; not be a substantially reconstructed boat; not used, sold or leased since completion, except in connection with the supply or acquisition of the boat as trading stock, or in connection with the particular supply or acquisition by the purchaser under consideration; be principally designed or fitted out for recreational purposes and not be a commercial boat. The first two conditions essentially ensure the boat is a new boat; the last two conditions ensure the boat is a recreational type boat. Under the disqualifying use conditions, the boat cannot be used as security for a loan except a loan to buy the boat itself. It cannot be used to carry on an enterprise in Australia. It cannot be used to carry on an enterprise outside Australia, except for private or domestic purposes or for a private recreational pursuit or hobby. The former exemption may embrace the latter exemption, which has been added out of caution.

Essentially, an overseas business may buy a new recreational boat in Australia and allow its employees to sail around Australia in the boat, or live in it while it is moored somewhere for 12 months and for consideration except where the employee of an overseas business is allowed to sail or live on the boat as above, or the boat is used to compete in a race or sporting event. Essentially, these conditions are designed to use the boat for commercial purposes or financial gain while in Australia. The actual supply of the boat by the supplier to the purchaser relates

to the carrying on of an enterprise, but is not a disqualifying activity. The commissioner has the discretion to extend the 12-month export period as he does under the existing 60-day export period for a GST-free supply.

An exemption from disqualifying use has been provided to the use of the boat in a private capacity by the purchaser to participate in a racing or sporting event. This is in recognition that Australia is home to world-class sporting events including boats, such as yacht races and waterski events, and that participation in such events with a new boat built for Australian conditions could encourage some purchasers—in particular, foreign purchasers—to buy a new boat in Australia.

The measure was not implemented via a refund system, as proposed by several submissions, for administrative and legal reasons. A refund system would relieve the supplier of any further GST obligations after he paid the GST to the government. However, a mechanism was not available within existing resources to pay refunds of this nature. Further, these submissions suggested that a control permit be deemed to have been granted to the purchaser immediately after the boat was purchased and the supplier forwarded the GST. This would have been a necessary component for the use of a refund system to implement the measure. However, to grant and control permits in this way would have required more complex legislative changes than in this bill, and this would have delayed considerably legislation to implement the measure. Schedule 6 is in relation to other amendments. Schedule 6 makes various other amendments to the taxation laws. The amendments seek to ensure that taxation operates as intended by correcting technical or drafting defects. It is essentially a technical schedule.

While this may not be the most exciting piece of legislation, it is nonetheless an important piece of legislation. It is part of this government's ongoing reform in relation to taxation generally. It is part of making sure that business in Australia is simpler and more streamlined. For those reasons it is important that this legislation be supported. I commend the bill to the House.

Ms ROWLAND (Greenway) (18:15): I am very pleased to speak in support of the Tax Laws Amendment (2011 Measures No. 2) Bill 2011. It is very satisfying to speak on bills such as this one because they reinforce some very responsive and progressive reforms that this government is pursuing. I thank the Assistant Treasurer and Minister for Financial Services and Superannuation for his commitment to creating a better future for all Australians. This bill demonstrates the commitment of the government to fulfilling its election promise of increasing the level of education for Indigenous Australians. This bill also takes steps towards fulfilling the government's election commitment to the creation of a stronger and fairer superannuation industry. Both measures are an investment in the future, the former by assisting Indigenous Australians to achieve educational equality and the latter by ensuring the provision of a comfortable retirement for all Australians, including many in my electorate of Greenway.

This bill does a number of important things and I would like to focus on three of them. The bill grants deductible gift recipient, or DGR, status to two educational trusts designed to support Indigenous education. It enables the regulation of investments by trustees of self-managed superannuation funds to ensure that there is no misuse of superannuation assets and it allows the use of tax file numbers by trustees of superannuation funds and retirement savings account providers to locate and consolidate member accounts. These important measures will result in a better future for all Australians by increasing the level of Indigenous education and by providing a comfortable retirement for working Australians.

Schedule 1 of the bill adds two organisations to the list of DGR recipients. These two organisations are the Charlie Perkins Trust, for children and students, and the Roberta Sykes Indigenous Education Foundation. The Charlie Perkins Trust was established in 2002 in memory of the late Dr Charlie Perkins AO. Dr Perkins was an inspiration to both Indigenous and non-Indigenous Australians alike. In a life full of achievements, Dr Perkins was responsible for the organisation of the famous Freedom Ride, which exposed the discrimination suffered by Indigenous Australians, in 1965. He was the first Indigenous person to graduate from university, in 1966, and he was appointed to a number of influential roles, such as Commissioner of the Aboriginal and Torres Strait Islander Commission and Secretary of the Department of Aboriginal Affairs, before being awarded the Order of Australia in 1987.

The Charlie Perkins Trust seeks to continue the inspiring work of Dr Perkins by providing for the advancement and education of Aboriginal and Torres Strait Islander people. The trust provides scholarships for overseas study at institutions such as Oxford, Cambridge and Harvard, which provide Indigenous students with the opportunity to access their unlimited potential and which will undoubtedly pay dividends to Australia in the future.

The second organisation is the Roberta Sykes Indigenous Education Foundation, which was established in 1990. Dr Sykes was another inspirational Australian whose legacy will surely be long. Dr Sykes was a poet and author who was heavily involved in the Aboriginal land rights movement and who, among other roles, was the Executive Secretary of the Aboriginal Tent Embassy in 1972. Among her many achievements, Dr Sykes was the

first Indigenous Australian to attend an American university, receiving a PhD from Harvard. She was later awarded the Australian Human Rights Medal, in 1994, in recognition of her tireless campaigning for Aboriginal rights. The Roberta Sykes Indigenous Education Foundation also aims to advance the education of Aboriginal and Torres Strait Islander people and specifically provides additional assistance to female Indigenous scholars undertaking programs overseas, such as assisting with relocation costs for partners or family.

By being specifically listed as DGRs, the Charlie Perkins Trust and the Roberta Sykes Indigenous Education Foundation will be in a significantly better position to attract private and corporate donors. The increased donations will allow these great organisations to help even more Indigenous Australians to reach their potential. I am very proud to support these measures which will provide such a tangible benefit to Indigenous Australians and the future of our country. It is a strong demonstration of the commitment of this government to the advancement of the education of Indigenous Australians. It is very important for my electorate of Greenway as the Blacktown local government area is home to the largest Indigenous population in New South Wales, something which is not very well known.

Another feature of the bill I would like to comment on is being implemented as part of the government's election commitment to a fairer, stronger and simpler superannuation system. With this measure the government lays the foundation to regulate SMSF investment in collectables and personal use assets. SMSFs account for 99 per cent of all superannuation funds in Australia, numbering approximately 430,000. They hold over 30 per cent of all superannuation assets and, in recent years, they have enjoyed an annualised growth rate of 20 per cent. These statistics are very real and they can be found in APRA's *Annual Superannuation Bulletin*, published on 19 January this year.

As a popular vehicle for superannuation management, which forms such a significant portion of the superannuation industry, it is vital that SMSFs maintain a high standard of governance. Indeed, one of the key messages from the Cooper review and the government's Stronger Super response relates to the importance of these high levels of governance amongst SMSFs. The bill implements measures which will ensure that SMSF trustees do not derive any current day benefits from investments in collectables and personal use assets. These new measures will ensure that SMSF assets cannot be misused by an SMSF trustee, for example, by 'collecting' and then driving high-end sports cars or 'investing' in expensive artwork which is then displayed in the trustee's home. The government recognises that investment in collectables and personal use assets can be a legitimate investment for some SMSF trustees. Accordingly, the measures implemented by this bill do not call for a blanket prohibition on SMSF investment in collectables and personal use assets.

The government is certainly aware that to completely prohibit such investments would unreasonably prejudice certain industries, such as the significant art industry in this country. Instead, in fulfilment of the government's election promise, the measures allow the investment in collectables and personal use assets to continue, but remove the ability of the SMSF trustee to derive any current day benefit from such investment. The bill does this by allowing the creation of specific regulations regarding collectables and personal use assets with which SMSF trustees will need to comply. The regulations can relate to the making, holding or realising of such investments, and may prescribe penalties for noncompliance. These new measures will ensure that, as the number of SMSFs grows, their standard of governance will remain high. In this way the government is fulfilling its election commitment to create a fairer, stronger and simpler superannuation system for the future.

The third measure under this bill I would like to discuss fulfils another election promise of this government. Under schedule 3 of the bill, the government proposes to amend legislation and grant to superannuation fund trustees and retirement savings account providers the ability to use the TFNs of members to locate and consolidate the superannuation contributions of those members. This initiative is also consistent with the government's commitment to the creation of this fairer, stronger and simpler superannuation system.

This is an extremely important item. There is currently some $18.8 billion in lost superannuation in some 5.8 million lost superannuation accounts. While lost superannuation is still held on trust by the trustee of an eligible rollover fund, or in some cases the trustee of a superannuation fund, the lost super moneys are not being managed at the direction of the member for whose benefit they are held. It is vital that every Australian is able to enjoy a secure, comfortable retirement. Ensuring every working Australian is in full control of their superannuation is critical to achieving this outcome.

An efficient way of tracking down lost superannuation is by using the TFN of a fund member. However, while many account holders supply their TFNs to superannuation funds, it is actually against the law for trustees to use a TFN as the primary search method for lost accounts. This is a significant impediment to efficient administration of the superannuation industry. This new initiative will allow a trustee to locate and consolidate lost accounts using the TFNs of superannuation fund members without first needing to exhaust all other avenues. This will improve the administrative efficiency of the superannuation industry, which in turn will result in better returns to members.

It is also important to note that privacy safeguards will not be compromised by this initiative. It will remain voluntary for individuals to provide their TFN to their superannuation fund or retirement savings account provider, and TFNs will not replace account numbers as primary identifiers. These amendments are consistent with the provisions of the Privacy Act 1988, the National Privacy Principles contained in that act as well as the TFN Guidelines. To ensure that the account consolidation process is carried out in the most efficient way, regulations will again be developed in consultation with industry. Among other requirements, member consent will be required for the consolidation of accounts, and processes and procedures will be created which superannuation fund trustees and retirement savings providers must follow before beginning the consolidation process.

There are several benefits associated with this bill which I have sought to highlight. With the passage of this bill it is evident that many Australians will achieve a tangible benefit from these measures to be implemented. These actions are also a genuine reminder of this government's commitment to policy delivery and fulfilling its vision for the future of Australia. It is a great example of the Assistant Treasurer and the Minister for Financial Services and Superannuation, and the people on this side more generally, listening to the needs of our constituents and responding to important policy issues. The bill delivers on multiple election promises that will undoubtedly have a very positive impact on sectors such as Indigenous communities throughout Australia and will assist in addressing some of the very real challenges facing the superannuation industry now and in the future. I commend the bill.

Ms BIRD (Cunningham) (18:26): I take the opportunity to speak briefly to schedules 1 to 4 and 6, which have been covered quite extensively by the member for Casey and my colleagues the member for Dobell and the member for Greenway. I will just touch on those briefly; then I want to go to schedule 5 in particular. Schedule 1, as has been indicated, has added two additional organisations to the list of deductible death recipients in the Income Tax Assessment Act 1997—that is, the Charlie Perkins Trust for Children and Students and the Roberta Sykes Indigenous Education Foundation fund. As was indicated by the member for Greenway, both organisations are established in the names of significant and important Indigenous Australians with a very worthwhile cause at the heart of their activities, and I think this is something that will be well supported across all members of the House.

Schedule 2 amends the Superannuation Industry (Supervision) Act 1993, and that is to permit the regulation to impose rules on self-managed superannuation fund trustees that make, hold or realise investments involving collectibles and personal-use assets. As indicated, the intention was to ensure the appropriate use of assets within those trust funds and was a commitment in the election campaign. I would also commend that. I understand from the contribution of the member for Casey that it is also supported on the other side.

Schedule 3 amends the Superannuation Industry (Supervision) Act and the Retirement Savings Accounts Act 1997 to allow the use of tax file numbers for a very specific purpose in order to locate member accounts without having to use other methods that may be less accurate and appropriate, but within a very strict and specific purpose in order not to breach the privacy considerations that need to be used when utilising tax file numbers. Schedule 4 amends GST law to replace the current mechanism for ensuring Australian taxes, fees and charges are not subject to GST, with a legislative exemption which allows for the making of regulations to treat an Australian tax or an Australian fee or charge in a particular way. The amendments allow the GST treatment of an Australian tax, fee or charge to be determined against legislative principles, providing the same outcome as the current mechanism but in a more efficient manner. So I would support all of those first four schedules. Schedule 6 is a range of miscellaneous amendments which I would also support.

I particularly want to take the opportunity to speak to schedule 5 because it is something that I have worked on for quite a few years—indeed, since we were in opposition—in conjunction with a local business called Seawind Catamarans. Seawind had approached me during the period in which their sector of the industry was campaigning around these reforms in order to support their international competitiveness. I am a great supporter, as many of my colleagues are, of the manufacturing sector of this country, and this is an important local manufacturing business. The dilemma that they faced was that the way the GST rules operated meant that people who purchased one of their catamarans had to export it within 60 days under the GST application. That creates a problem in a number of areas. Often these people are buying their first large boat, and they need to be taught how to navigate it properly. Often that is best done by sailing up and down the coast. The other advantage of that for us as a nation, of course, is not only the selling of a locally manufactured boat but also the fact that they then visit ports up and down our coastal areas, spending tourist dollars and participating in our tourist based areas as well.

The concern was that we needed to have a way to extend the amount of time in which they could utilise a boat for a private purpose in Australia beyond the standard 60 days. This particular schedule extends that to 12 months, but it does put very appropriate conditions and controls around that to ensure that the intention is achieved in making our manufacturing sector in the boatbuilding area competitive. Certainly since I first started working with them on this particular amendment, I was conscious that for something like Seawind Catamarans we have seen the

global financial crisis and the very high Australian dollar and, like many in the sector, these things are putting real pressure on this local industry. They have a building facility in my electorate, which the Treasurer has visited, in fact, and there is also a second site in Nowra. They employ a significant number of people, and we are, obviously, very keen to see that business continue in our region.

To be able to add a small bit to making them internationally competitive through this particular amendment is particularly important. I think the schedule is well worth supporting, and I particularly commend the work that has been done to put it together in a way that means it does achieve what it is intended to achieve. The member for Dobell went through all the detail of that, so I will not repeat that, but I do welcome that particular schedule on behalf of our local industry. I commend all six schedules in this bill to the House.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (18:32): Firstly, I would like to thank the members who have contributed to this debate: the members for Dobell, Greenway, Cunningham and, indeed, Casey.

Schedule 1 amends the deductible gift recipient—DGR—provisions of the Income Tax Assessment Act 1997. Taxpayers can claim an income tax deduction for gifts to organisations that are DGRs. This schedule adds two new organisations to the act: the Charlie Perkins Trust and the Roberta Sykes Indigenous Education Foundation. It also recognises the name change of Guides Australia Incorporated to Girl Guides Australia. Making these organisations deductible gift recipients will assist them in attracting public support for their activities.

Schedule 2 allows regulations to make rules relating to how self-managed superannuation fund—SMSF—trustees make, hold and realise investments in collectables and personal use assets. Collectables can be a legitimate investment for some SMSF trustees. However, there is a risk that SMSF trustees may gain current day benefit from these investments due to the nature of the assets. These amendments allow regulations to be made that will ensure SMSF investments in collectables and personal use assets are made for retirement income purposes, rather than current day benefit. The schedule also removes a reference to a provision that was repealed in 2007.

Schedule 3 will improve the administrative processes of superannuation fund trustees and retirement savings account providers by removing the requirement for funds to use other search methods before tax file numbers are used. It will also allow superannuation fund trustees and retirement savings account providers to use tax file numbers to facilitate the consolidation of multiple superannuation accounts held by the same person, provided the conditions in the regulations are met. The accompanying regulations will ensure that appropriate safeguards are in place to support the use of tax file numbers, facilitating the account consolidation process and to protect the privacy of members.

Schedule 4 will amend the GST law to replace the current mechanism for exempting Australian taxes, fees and charges with a legislative exemption with effect from 1 July 2011. The GST law currently specifies that Australian taxes, fees and charges are exempt from GST if they are included in a determination of the Treasurer. This measure will allow the GST treatment of an Australian tax, fee or charge to be determined against legislative principles. Generally this measure will provide the same outcome as the current mechanism, but in a more efficient manner. This measure will provide increased certainty to taxpayers and government agencies in relation to the GST treatment of new taxes, fees and charges, as the tax treatment is not dependent on the item being listed in the determination. A legislative exemption will provide a more effective and transparent approach to exempting Australian taxes, fees and charges from the GST compared to the current exemption mechanism.

Finally, schedule 5 to this bill covers other amendments to tax laws. These amendments are part of the government's commitment to the care and maintenance of the tax law, and include some legislative issues raised by the public through the tax issues entry system. This bill deserves the support of the parliament.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

International Tax Agreements Amendment Bill (No. 1) 2011

Second Reading

Mr TONY SMITH (Casey) (18:36): I rise to speak ever so briefly—I alert those opposite—to the International Tax Agreements Amendment Bill (No. 1) 2011. This bill has two schedules, dealing with separate issues. It amends the International Tax Agreements Act 1953 to modify and streamline the structure of that act. The act will, as a consequence of this bill, be shortened. It will omit almost all of the schedules to the act and instead incorporate treaties by reference to other accessible resources, principally the Australian Treaty Series online database of treaties. This was outlined with great clarity by the Assistant Treasurer in his second reading

speech on 23 March 2007, and I am quite happy to point that out. It was outlined by the Assistant Treasurer with great clarity, and we recognise him for that on the basis that it happens ever so rarely.

This schedule will substantially reduce the size of the act and is a sensible housekeeping measure. Schedule 2 of the bill amends the same act to give force of law in Australia to new taxation arrangements with Aruba, Chile, the Cook Islands, Guernsey, Malaysia, Samoa and Turkey. It does so in those cases to cover the allocation of taxing rights and transfer pricing adjustments. With respect to Chile, Malaysia and Turkey, the agreements deal with different issues; they will cover the avoidance of double taxation and tax evasion.

Legislation in this area is a regular feature. Australia is participating in these types of agreements all the time for the betterment of the tax system. This legislation like so many others is representative of Australia's commitment to international agreements to avoid double taxation, to codify tax allocations and to combat international tax avoidance. It has the support of the coalition.

Dr JENSEN (Tangney) (18:39): I rise to discuss some of the issues arising from the International Tax Agreements Amendment Bill (No. 1) 2011. While seemingly innocuous and straightforward, the bill touches on some broader issues regarding taxation in Australia, and I would like to expand on these issues. The bill broadly solidifies the agreement between Australia and a number of other nations to avoid double taxation. This is a step in the right direction. After all, lower tax is always the preferred scenario. I encourage this government to minimise taxation where at all possible. The bill is also designed to crack down on tax evasion with respect to taxes on income, the aim being to ensure that the government continues to collect income tax earned overseas at all costs.

Reform elicited by this bill will go some small way to ensuring that people like Mr Parishan, in my electorate of Tangney, are no longer unfairly targeted through double taxation—but, sadly, only in a handful of nations. Mr Parishan is on the verge of selling his family home in order to pay a $250,000 tax bill. This retrospective tax bill is on income earned during two of the five years he worked in both Qatar and Dubai as a structural engineer. While Mr Parishan paid various duty, tariff, import and export taxes, the fact that his income was not directly taxed in the United Arab Emirates nations means that Australia's Treasury is within its right to effectively take my constituent to the cleaners. While income earned by Mr Parishan in Dubai and Qatar is not subject to an income tax, other receipts including money, duty, tariff, import and export taxes—paid in addition to the cost of living burden in these countries, must surely, in any just taxation assessment, be taken into consideration when making any rulings on whether income has been fairly taxed overseas.

While a selective focus by the Australian Treasury on income tax is unfair, it is also a lost opportunity for our federal government coffers. Tax receipts from other streams of income earned overseas are largely ignored or only minimally taxed. A focus on the single income tax model narrows the federal government's receipts and pressure to meet mounting deficits forces drastic and overzealous actions when chasing taxes the government believes they are owed. This can only be to the detriment of our citizens. There is not an agreement between Australia and either Qatar or Dubai for the avoidance of double taxation and the prevention of fiscal evasion with respect to withholding tax, tax on income or in respect of administrative provisions.

At present, the general proposition under Australian law is that treaties which Australia has joined are not directly and automatically incorporated into Australian law. While amendments contained in this bill will give Australia's tax treaties the force of law through streamlined arrangements, the fact that we are not reciprocal signatories with countries of significant Australian expatriate investment and development is of most concern. Why are our citizens who work in countries with no income tax, but with other excises and tariffs, attacked by the Australian Taxation Office? Let us look at whether it is even necessary to have an income tax at current indexation levels—or indeed an income tax at all. Should we look at a greater focus on consumption taxes and the like to improve efficiencies and drive down bureaucratic waste? I believe that income tax and the money it generates for the government is the facilitator of government growth and waste, including those moneys earned overseas. The Treasury will tell us that an income tax is imperative. After all, it addresses what would inevitably be a shrinking revenue base. However, this is what Treasury is tasked to do. It is their job to ensure that government spending can be met by reciprocal taxation receipts. This relationship is fundamentally flawed. It places the onus on the government of the day to constantly keep a check on its budget growth. This trust that we have placed in the federal government to self-regulate its spending has been betrayed, with both parties massively increasing the size of the federal government over successive governments. Real issues arise from this growth in the federal government, most importantly the issues of economic and social freedoms. The federal government has expanded far beyond its proper constitutional limits, regulating virtually every aspect of our lives. There is no real argument about whether we live in an over-regulated society; the fact is readily accepted and backed up by numerous studies. Big government and numerous departments and bureaucracies take billions of dollars out of the legitimate private economy and penalise productive behaviour, with most Australians giving a large chunk of their income and other monies to the federal government. Philosophically this is taking money directly from some Australians

to give to others, with inefficiencies resulting from bureaucratic process. The ridiculous complexity of our tax laws makes tax time a nightmare for both individuals and businesses. These factors are made worse by our electoral cycle. Come election time Australians are given the false choice between bigger and bigger government; between which party can promise and redistribute wealth to a greater extent while maintaining a facade of fiscal responsibility. These are two choices from the same side of the coin.

The Australian people need to grasp the concept that the more government spends, the more freedom they lose—both personal and economic. All things considered, Australians should be dismayed by the income tax mess and the tragic loss of liberty and freedom which has ensued. Yes, reductions in income taxation would force the federal government to be massively reduced, but that is a good thing. It would force a debate on spending levels. Again this is a good thing, but we ought not to be debating whether we can save a million here or a million there; we should be debating whether whole departments, agencies, and programs funded by the budget should exist at all. Little cuts here and there do not address the big picture problem. To get to this small government place we need to get away from the idea that big government makes our lives better, that government can do anything other than redistribute and then waste economic resources from the productive private sector and citizenry.

Examples of government overreach are everywhere. The hot button issue at the moment is cost of living pressures. It is a problem government cannot make better, but can make infinitely worse by meddling in the affairs of private citizens. Every attempt at providing handouts and stimulus merely inflates the economy and makes life harder for everyone. So why not try the opposite; why not less government, less tax and reduced expenditure? If the average Australian was to look at how much they pay in tax and then cut that number in half, this would go a long way to solving the cost of living pressures and inflation in the economy. The answer is less, not more. Perhaps US Congressman Ron Paul said it best:

I believe income taxes are responsible for the transformation of the federal government from one of limited powers into a vast leviathan whose tentacles reach into almost every aspect of American life.

In our case, all that needs to change in that statement is to substitute 'Australian' for 'American'. Money, duty, tariffs and import and export taxes must also be considered when making judgment on taxation owed to the government to ensure double taxation does not occur even under amendments contained in this bill. Most tax discussions are based around simplification for taxpayers and ensuring a solid revenue base for the government. But we also need to discuss how much of our private citizens' money should be entrusted to a government and for what purposes. This inevitably will require a review of the way taxes are collected. While amendments contained in this bill will give Australia's tax treaties the force of law through streamlined arrangements, a discussion of the fact that Australia is not a reciprocal signatory with countries of significant Australian expatriate investment and development is an issue that must be placed on the table.

Mr NEUMANN (Blair) (18:49): I speak in support of the International Tax Agreements Amendment Bill (No. 1) 2011. I expected my speech to be short, somewhat lukewarm and even turgid and it probably will be, but I cannot resist responding to the member for Tangney. They are a broad church, those Western Australian Liberals, aren't they? The member for Tangney talked about a false choice; the only false choice we have are those opposite who claim that they are supporters of the market, free enterprise and small government. But John Howard never found a rort for the middle class that he did not want to fund. He funded them in every chance he got.

They were the architects of big government. In the mid-2000s the proportion of tax to GDP under the Howard coalition government was way above this government. In fact, one of the first things we did was reduce the size of government compared to tax revenue and GDP. It is extraordinary that the member for Tangney could come in here and say that. I thought he might be starting to go on as an apostle of Reaganomics, but he is even quoting Ron Paul. Not even mainstream Republicans would quote Ron Paul as someone in the mainstream of conservative thought.

The member for Tangney would have us believe that we should get rid of taxation. The income taxation system, as cumbersome and as difficult as it is—and I studied the Income Tax Assessment Act when I was at law school all those years ago; you had to virtually weigh it because it was so heavy, you could not read it—it is the method by which we civilise this country. It is the way in which we provide for education, health, roads, infrastructure and community grants. It is the way we support the poor, the weak, the oppressed, the disadvantaged and the disabled. We do it through the Income Tax Assessment Act and the taxation system. In the dog-eat-dog world of the member for Tangney and those opposite they would not even provide for these people. They do not want the government to civilise.

I actually do believe the member for Tangney, having listened to his speech on this bill, is a devotee of Margaret Thatcher. He said there was no such thing as society, only families and individuals. There is a community, there is a society and the Income Tax Assessment Act helps us to provide for health and hospital funding in our electorates and schools, roads and the kinds of things that our communities expect and, I think, our

nation expects as well. What we do with the Income Tax Assessment Act and taxation income helps fund our prosperity and economic development because the market cannot provide for everything. Those caucus colleagues of yours in the National Party, those Queensland Nationals, will tell you how important it is to fund those areas that the market cannot provide for. I reckon if he goes into the National Party caucus room any time when parliament sits in May with that sort of speech they would probably chuck him out. Having heard his speech, there is probably not a party in parliament that the member for Tangney feels comfortable in. We know that those opposite tried to get rid of him a couple of times, but they just could not do it.

I speak in support of this legislation and I will be turgid and brief now. It will come as no surprise to anyone that, like the Income Tax Assessment Act, the International Tax Agreements Act 1953 is a pretty cumbersome piece of legislation. The bill before the chamber fulfils two important agendas. I think it modifies and streamlines the structure of the act and it provides a legal basis to combat tax avoidance and evasion in a number of different jurisdictions: Aruba, Chile, the Cook Islands, Malaysia, Guernsey and Samoa. The bill will simplify the presentation of the operative provisions of the act and incorporate the treaties that we have undertaken with these foreign entities by reference to accessible online resources. Schedule 2—and this bill, like a lot of bills, provides for schedules by which we pass the legislation—gives the force of law in Australia to new bilateral taxation agreements with Aruba, Chile, the Cook Islands, Guernsey, Malaysia, Samoa and Turkey. The Chilean and Turkish treaties reduce taxation barriers to bilateral trade and investment and that is a very good thing. These treaties will improve the integrity of the taxation system by providing a framework through which the Commissioner of Taxation can have cooperative bilateral arrangements with his counterparts to prevent taxation evasion in other jurisdictions. That is also a good thing, because the Department of Homeland Security in the US has said that the flow of offshore money between countries in a way that prevents proper taxation is a $16.2 trillion industry; they hide it in tax havens all over the place. This accountability, this idea of the commissioners speaking to one another, is a very important thing.

The agreement with Malaysia will amend the current Australia-Malaysia tax treaty to update the exchange-of-information article in that treaty to the current international standards endorsed by the OECD, the G20 and the United Nations. Malaysia is a neighbour. It is growing in importance to Australia. Certainly on our side of politics we think that, when it comes to border protection, asylum seekers and refugees, Malaysia is not just an economic partner but a cooperative regional partner in the regional framework we have for dealing with these issues.

The other agreements with Aruba, the Cook Islands, Guernsey and Samoa seek to eliminate double taxation on certain income derived by individuals such as government workers, students, business apprentices, pensioners and retirees. These four agreements also provide a mutually agreed procedure for the resolution of taxation disputes involving transfer pricing adjustments.

This is another example of the federal Labor government's commitment to improving and streamlining the taxation system. It is not something you might take to the gym every morning but it is something that might assist the Australian public. With this bill it becomes even harder for those who seek to deny our nations a share of the prosperity of their companies and to avoid paying tax. We do not mind if people make the arrangements lawfully and legitimately but we do not want them engaged in tax evasion. That is a problem across not just our country but our region and the world. Taxation, as I said, contributes to the health, education, wellbeing and prosperity of the whole country, including the people in the electorate of Blair, in Ipswich and the Somerset region. This legislation is an example of our commitment to ensuring accountability in the national interest, and I commend the bill to the House.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (18:57): First of all, I would like to thank the members who participated in the debate on the International Tax Agreements Amendment Bill (No. 1) 2011. The government is committed to the removal of taxation barriers that could impede Australia's bilateral trade and investment relationships with other countries. Australia is also committed to international cooperation between revenue authorities to combat tax avoidance and evasion. This bill will give effect to both of these commitments by giving the force of law to new bilateral taxation agreements between Australia and Aruba, Chile, the Cook Islands, Guernsey, Malaysia, Samoa and Turkey. Each of these agreements will strengthen Australia's bilateral economic relationships with these jurisdictions and, directly or indirectly, will help to discourage taxpayers from seeking to use offshore arrangements to avoid Australian tax by increasing the probability of detection.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Main Committee adjourned at 18:59

QUESTIONS IN WRITING

Official Development Assistance

(Question No. 107)

Mr Bandt asked the Minister for Foreign Affairs, in writing, on 25 November 2010:

How is the Government going to build on official development assistance policies covered by the current Water and Sanitation Initiative after its funding expires in June 2011, specifically: (a) what amount of funding will be allocated to water, sanitation and hygiene in the aid program in (i) 2011-12, (ii) 2012-13, and (iii) 2013-14; (b) how will water, sanitation and hygiene be integrated into the Government's priority programs of health and education; and (c) how many of the schools constructed with Australian official development assistance include the required number of child-friendly toilets for girls and boys, and safe drinking water supplies.

Mr Rudd: The answer to the honourable member's question is as follows:

(a) Future allocations of Australian Official Development Assistance, including for water, sanitation and hygiene, will be considered in the context of the 2011-12 Budget.

(b) Australia's approach to development assistance in education emphasises that school infrastructure should meet basic standards, including separate sanitation facilities for girls and boys. This is integrated into the design process for AusAID programs. The inclusion of appropriate sanitation facilities in schools will contribute to achieving education targets and should decrease the incidence of diarrhoeal disease, which prevents children from attending school. Appropriate facilities also assist greater enrolment of girls in education. Water and sanitation programs are part of a broader approach to improve children's health, which also includes supporting vaccine initiatives and access to basic health care.

(c) While AusAID does not collect statistics on the number of schools with child-friendly toilets and safe drinking water supplies constructed using Australian Official Development Assistance, toilets and water supplies are typically included in the construction projects. For example, in Kiribati, AusAID supported the construction of a specially designed toilet block which has made it safer for technical and vocational education and training students and teachers to attend school, including students with disabilities. Also in Kiribati, AusAID has commenced an education program which includes rehabilitating government schools to meet the National Infrastructure Standards and is working jointly with United Nations agencies to improve water and sanitation facilities on schools on the Outer Islands. In Nauru, all six infant and primary schools have been fully refurbished with improved water and sanitation facilities. In Laos Australia contributed to the construction of 125 primary schools with toilets and water supplies between 2007 and 2010. Additionally, Australia funded the construction of 258 latrines and 300 water supplies for primary schools in Laos through the Access to Basic Education program between 2006 and 2011. In Indonesia schools built with Australian support include separate toilet facilities for girls and boys. Since 2008 all schools built in Indonesia with Australian support have ramps and accessible toilets for children with disabilities, making more than 1,000 schools more accessible. The Government of Indonesia now requires all new schools to have disabled access, including toilets, as a result of Australia including disability access in Australia Indonesia Basic Education Program schools.

Digital Television

(Question No. 127)

Mr Christensen asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 25 November 2010.

(1) Is the Minister aware that entire rural communities like Hideaway and Dingo Beach in the Whitsundays and Guthalungra (just north-west of Bowen) are going to be left without easy access to digital television when the switchover happens in 2011.

(2) What action is the Minister taking to remedy this inequity, specifically, would the Government consider funding the upgrade (to digital) of local blackspot transmitters in these areas (currently managed by local councils) so that residents can receive digital television at no extra cost to residents in city areas.

(3) If no action will be taken to remedy this inequity, how does the Minister justify the fact that residents in these regional communities will have to pay extra for both set-top boxes and satellite transmitters in order to receive digital television, when everyone else will receive it for just the price of a set-top box.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

(1) No communities will be left without easy access to digital television when digital switchover happens in regional Queensland in late 2011. Residents in areas without access to a broadcaster operated transmitter, such as Dingo Beach, Hideaway Bay and Guthalungra, will be able to receive the full range of 16 digital television services and a local news service by way of the new government-funded direct to home Viewer Access Satellite Television (VAST) service.

(2) The government is not generally funding the upgrade of self help towers. The government is providing funding for the delivery of digital television to people throughout Australia without access to broadcaster-operated transmitters through the VAST service.

There is no local black spot transmitter designed to serve the area in which Guthalungra lies however viewers here will be able to receive digital television via VAST.

Hideaway Bay and Dingo Beach both rely for their analog television on a terrestrial retransmission of the remote broadcasters' Aurora satellite service. This means they currently only receive four television channels: ABC Queensland, SBS Queensland and the remote area commercial channels of Southern Cross Seven and Imparja Nine, with none of the local regional news services broadcast by the commercial broadcasters in the Queensland Central Coast and Whitsundays licence area. Under VAST, they will have access to their local news on WIN, SCM and 7 and receive the full range of 16 digital channels. This is the equivalent level of content as Australia's metropolitan centres and most regional areas.

In addition to the significant improvement in their television content, VAST will also alleviate the financial burden on local communities such as Hideaway Bay and Dingo Beach in running and maintaining a local terrestrial self-help transmitter.

Broadcasters are converting some self help facilities to digital. The choice of facilities to be converted is a matter for broadcasters. Communities will retain the option of converting their self-help facilities to digital themselves because they are not being converted by the broadcasters, rather than accessing the VAST service, but must make their own arrangements to assess and implement this option.

(3) Residents in communities that currently receive their television services through self help facilities that are not being converted to digital by broadcasters, such as Dingo Beach and Hideaway Bay, will be eligible to receive assistance to convert to the VAST service under the government's Satellite Subsidy Scheme.

Under the Satellite Subsidy Scheme, eligible households will pay a predetermined co-payment—which is expected to be between $200 and $350—directly to the installer. The co-payment will be fixed as part of the contract between the Government and the service providers, and households will be clearly advised of this co-payment in advance of the installations taking place. Contracts have not yet been entered into for installations in regional Queensland, so final co-payment amounts have not yet been determined.

After this initial outlay, Dingo Beach and Hideaway Bay residents will face few if any further costs to receive the VAST service, and the Whitsunday Shire Council, which operates the Dingo Beach retransmission facility, will no longer have to bear the capital and ongoing costs associated with the retransmission of all commercial and national channels.

Guthalungra is an area which has always had poor terrestrial television coverage because broadcasters have not established a local transmitter to serve the area. Some people in the area may already be receiving their television services through the existing Aurora direct to home satellite service. These people may convert to VAST now for the cost of the VAST set top box. Other viewers in the area will have to purchase a satellite dish and a VAST set top box to receive the VAST service. This is no different from the situation for viewers in metropolitan areas who have to go to the VAST service because they are unable to receive a terrestrial signal.

Ministers and Ministerial Staff: Mobile Phones and iPads

(Question Nos 136 and 149)

Mr Briggs asked the Minister for Foreign Affairs and the Minister for Trade, in writing, on 25 November 2010:

(1) How many (a) mobile phones, (b) blackberries and (c) I-Pads are currently allocated to the (i) Minister, and (ii) the Minister's ministerial staff.

(2) In respect of mobile phone usage between (a) 3 December 2007 and 24 November 2010, and (b) 24 June 2010 and 24 November 2010, what was the total cost for (a) the Minister, and (b) the Minister's ministerial staff.

(3) For each month since December 2007, what was the cost of mobile phone usage for each mobile phone account allocated to the (a) Minister, and (b) Minister's ministerial staff.

Mr Rudd: On behalf of the Minister for Trade and myself, the answer to the honourable member's question is as follows:

(1) (a) and (b) The following table sets out how many mobile phones and blackberries were allocated to the Minister and the Minister's ministerial staff as at 25 November 2010:

	Mobile phones	Blackberries
Minister for Foreign Affairs	1	1
Minister for Foreign Affairs ministerial staff	3	10
Minister for Trade	1	1
Minister for Trade ministerial staff	4	7

(c) One I-Pad had been allocated as of 25 November 2010.

(2)

Minister for Foreign Affairs

(a) Between 3 December 2007 and 24 November 2010, the total cost of mobile phone usage was:

For the Minister	$36,262.38
For the Minister's ministerial staff	$94,141

(b) Between 24 June 2010 and 24 November 2010, the total cost of mobile phone usage was:

For the Minister	$2,999.37
For the Minister's ministerial staff	$18,688.02

Minister for Trade

(a) Between 3 December 2007 and 24 November 2010, the total cost of mobile phone usage was:

For the Minister	$22,652.60
For the Minister's ministerial staff	$90,516.04

(b) Between 24 June 2010 and 24 November 2010, the total cost of mobile phone usage was:

For the Minister	$2,897.71
For the Minister's ministerial staff	$4,197.13

(3) The attached tables provide the costs, for each month since December 2007, of mobile phone usage for each mobile phone account allocated to (a) the Minister for Foreign Affairs and the Minister for Trade, and (b) ministerial staff of the Minister for Foreign Affairs and the Minister for Trade.

A copy of the attachment can be obtained from the House of Representatives Tables Office

Ministers and Ministerial Staff: Mobile Phones and iPads

(Question No. 162)

Mr Briggs asked the Minister for Veterans' Affairs, in writing, on 25 November 2010:

(1) How many

(a) mobile phones,

(b) Blackberries and

(c) iPads are currently allocated to the

(i) Minister, and

(ii) the Minister's ministerial staff.

(2) In respect of mobile phone usage between

(a) 3 December 2007 and 24 November 2010, and

(b) 24 June 2010 and 24 November 2010, what was the total cost for

(a) the Minister, and

(b) the Minister's ministerial staff.

(3) For each month since December 2007, what was the cost of mobile phone usage for each mobile phone account allocated to the

(a) Minister, and

(b) Minister's ministerial staff.

Mr Snowdon: The answer to the honourable member's question is as follows:

(1) (i) The following is currently allocated by the Department to the Minister:

(a) mobile phones: 0

(b) Blackberries: 1

(c) iPads: 1

(ii) The following is currently allocated to the Minister's staff:

(a) mobile phones: 0

(b) Blackberries: 5

(c) iPads: 0

(2) (i) In respect of mobile phone usage, the total cost for the Minister between

(a) December 2007 and November 2010, inclusive, was $3,994.07

(b) July 2010 and November 2010, inclusive, was $ 156.03

(ii) In respect of mobile phone usage, the total cost for the Minister's staff between

(a) December 2007 and November 2010, inclusive, was $41,004.59

(b) July 2010 and November 2010, inclusive, was $ 5,010.79.

Note: Total costs are based on usage for the full month in each case.

(3) For each month since December 2007, the cost of mobile phone usage for each mobile phone account allocated to the:

Minister:

Date	Total Including GST

Date	Total Including GST
Dec-07	$54.20
Jan-08	$54.93
Feb-08	$54.93
Mar-08	$54.93
Apr-08	$221.68
May-08	$221.68
Jun-08	$101.12
Jul-08	$73.06
Aug-08	$49.43
Sep-08	$110.15
Oct-08	$79.03
Nov-08	$584.78
Dec-08	$65.35
Jan-09	$234.87
Feb-09	$96.78
Mar-09	$131.66
Apr-09	$54.70
May-09	$786.10
Jun-09	$57.55
Jul-09	$42.64
Aug-09	$49.93
Sep-09	$49.89
Oct-09	$85.03
Nov-09	$59.57
Dec-09	$50.16
Jan-10	$50.52
Feb-10	$68.74
Mar-10	$72.22
Apr-10	$54.27
May-10	$103.56
Jun-10	$64.58
Jul-10	$56.89
Aug-10	$50.71
Sep-10	$48.43
Oct-10*	$0.00
Nov-10*	$0.00
Dec 10*	$0.00
Jan 11	$136.95
Feb 11	$70.85
Mar 11	$69.90
TOTAL	$4271.77

* The account for the Minister's phone was not transferred from the Department of Health and Ageing to the Department of Veterans' Affairs until January 2011.

Minister's staff:

Date	Total Including GST
Dec-07	$0.00
Jan-08	$0.00
Feb-08	$59.94
Mar-08	$519.42
Apr-08	$699.68
May-08	$3,186.03
Jun-08	$860.50
Jul-08	$653.41
Aug-08	$883.78
Sep-08	$1,137.47
Oct-08	$930.06
Nov-08	$1,586.99
Dec-08	$953.16
Jan-09	$963.62
Feb-09	$994.24

Date	Total Including GST
Mar-09	$1,077.46
Apr-09	$1,172.84
May-09	$3,516.93
Jun-09	$1,065.06
Jul-09	$1,262.52
Aug-09	$602.75
Sep-09	$971.36
Oct-09	$990.40
Nov-09	$1,098.22
Dec-09	$1,881.42
Jan-10	$1,178.30
Feb-10	$1,729.74
Mar-10	$1,336.78
Apr-10	$1,348.32
May-10	$2,176.52
Jun-10	$1,156.88
Jul-10	$1,229.00
Aug-10	$1,426.03
Sep-10	$1,314.59
Oct-10	$267.55
Nov-10	$773.62
Dec 10	$792.11
Jan 11	$795.07
Feb 11	$730.07
Mar 11	$869.78
TOTAL	$44,191.62

Digital Television

(Question No. 173)

Mr Oakeshott asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 8 February 2011:

Similar to the residents in the Mildura/Sunraysia region in Victoria, will residents in remote areas of Mid-North Coast NSW be able to access digital television via Viewer Access Satellite Television while they await the digital switchover due to commence in two years; if not, why not.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

In June 2010, the Broadcasting Legislation Amendment (Digital Television) Act 2010 (the Digital Television Act) amended the Broadcasting Services Act 1992 (the BSA) to facilitate the delivery of commercial digital television services by satellite to viewers in areas of inadequate digital terrestrial reception. The services licensed under section 38C of the BSA are collectively known as the Viewer Access Satellite Television (VAST) service.

To preserve the integrity of existing commercial television licence areas, access to the VAST satellite service is subject to conditional access arrangements.

The Digital Television Act introduced policy objectives for a conditional access scheme for the VAST service. The policy objectives identify several categories of access to the VAST service as follows:

- Category A – viewers in remote licence areas and all viewers in non-remote areas that currently receive free-to-air services under an out-of-area service authorisation;
- Category B – areas in regional and metropolitan areas that are deemed to have inadequate reception of terrestrial commercial television broadcasting services; and
- Category C—areas that are neither Category A nor Category B.

Viewers in Category A can access the VAST service from its commencement. Viewers in Category B or Category C cannot be granted access to the VAST service until six months before switchover in their area.

The purpose of these timeframes is to allow commercial terrestrial broadcasters time to rollout their planned digital terrestrial infrastructure before switchover. The commercial broadcasters have agreed to upgrade a number of analog self-help retransmission sites to digital and to rollout a number of gap-fillers to improve the coverage of digital television. The commercial broadcasters will upgrade the self-help retransmission sites at Long Flat and Telegraph Point on the mid-North NSW Coast and rollout a gap-filler at Bonny Hills. The final list of sites to be converted by the broadcasters is subject to negotiation between the licensee of the site and the broadcasters, and will depend on detailed assessments of the commercial

or technical viability of the sites. If, six months before switchover in a licence area, a viewer is still unable to receive adequate digital terrestrial reception, they will be eligible to apply to access the VAST service.

This means that viewers on the mid-North Coast that reside in the Remote and Central Eastern Australia licence area are able to immediately apply to the scheme administrator to access the VAST service. Viewers on the mid-North Coast that reside in the Northern New South Wales licence area will be eligible to apply for VAST service six months before switchover in their licence area which is in the second half of 2012. Viewers are able to check their eligibility for the VAST service, by visiting the mySwitch website at:

www.digitalready.gov.au/MySwitch.aspx.

As the Mildura/Sunraysia licence area switched to digital-only television signals on 30 June 2010, residents in the Mildura/Sunraysia licence area who are unable to receive adequate reception of terrestrial digital commercial television services are eligible to apply to access the VAST service now. Similarly, viewers who cannot receive adequate digital terrestrial reception in the regional South Australia licence areas and the regional Victoria licence areas, which are due to switchover on 5 May 2011, are also eligible to apply to access the VAST service.

Superclinics

(Question No. 195

Dr Southcott asked the Minister for Health and Ageing, in writing, on 21 February 2011:

(1) Without identifying any individual medical practices or any individual medical practitioner, how many Medicare provider numbers have been issued in total to the (a) eight GP Super Clinics which are operational, (b) remaining 28 GP Super Clinics from 2007-08 election commitments which are not yet operational, and (c) 28 GP Super Clinics which are 2010-11 commitments.

(2) How many of the provider numbers in part (1) have been issued to medical practitioners who are recognised as general practitioners by Medicare Australia.

(3) How many services have been billed to Medicare against the provider numbers in (a) part (1), and (b) part (2).

Ms Roxon: The answer to the honourable member's question is as follows:

(1) The GP Super Clinics Program does not collect this information. The Australian Government does not own or operate GP Super Clinics and recruitment and engagement of service providers is the responsibility of the owner/operator of each clinic. Provider number registration is therefore a matter for the owner/operator and the individual health professionals.

(2) Refer to (1) above.

(3) Refer to (1) above. Under the GP Super Clinics Program, self reported data is collected on patient presentations to GPs and allied health professionals. This data is not collected on the basis of Medicare/non-Medicare services. This reflects more completely the multidisciplinary nature of the services being provided in GP Super Clinics, some of which are not Medicare eligible services.

Superclinics

(Question No. 196)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 21 February 2011:

(1) Without identifying any individual medical practices or any individual medical practitioner, how many Medicare provider numbers have been issued in total to the (a) eight GP Super Clinics which are operational, (b) remaining 28 GP Super Clinics from 2007-08 election commitments which are not yet operational, and (c) 28 GP Super Clinics which are 2010-11 commitments.

(2) How many of the provider numbers in part (1) have been issued to medical practitioners who are recognised as general practitioners by Medicare Australia.

(3) How many services have been billed to Medicare against the provider numbers in (a) part (1), and (b) part (2).

Ms Roxon: The answer to the honourable member's question is as follows:

(1) The GP Super Clinics Program does not collect this information. The Australian Government does not own or operate GP Super Clinics and recruitment and engagement of service providers is the responsibility of the owner/operator of each clinic. Provider number registration is therefore a matter for the owner/operator and the individual health professionals.

(2) Refer to (1) above.

(3) Refer to (1) above. Under the GP Super Clinics Program, self reported data is collected on patient presentations to GPs and allied health professionals. This data is not collected on the basis of Medicare/non-Medicare services. This reflects more completely the multidisciplinary nature of the services being provided in GP Super Clinics, some of which are not Medicare eligible services.

Superclinics

(Question No. 201)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 21 February2011:

For each of the eight GP Super Clinics that are operational, on what days of the week and over what span of hours is a general practitioner available to see patients.

Ms Roxon: The answer to the honourable member's question is as follows:

There are currently ten GP Super Clinics that are operational. The following table identifies GP availability in relation to these GP Super Clinic opening hours.

GP Super Clinic	Opening Hours	Hours of GP availability
Ballan	Monday and Friday 8.30am to 9pm Tuesday and Thursday 8.30am to 6.30pm Saturday 9.00am to 3.00pm	All opening hours and 24 hour on call service.
Strathpine	Monday to Friday 8.00am to 7pm Saturday 8am to 6pm Sunday 9am to 5pm	All opening hours. The Clinic is only closed on Christmas Day and Good Friday. After Hours service is provided by Family Care Medical Services.
Port Stephens	Monday, Wednesday and Friday 8am to 5pm Tuesday and Thursday 8am to 8pm Saturday and Sunday 10am to 3pm	All opening hours. The clinic has a 24 hour on call arrangement through GP Access.
Palmerston	Monday to Friday 8am to 6pm	All opening hours. Urgent Care After Hours from 6pm to 8am seven days a week
Devonport		
Wenvoe Street	Monday to Thursday 8.30am to 6.30pm Friday 8.30am to 6pm	All opening hours
William Street	Monday to Friday 8.30am to 5pm Saturday 9am to 11.30am	All opening hours GPs from the Devonport GP Super Clinic also participate in a shared After Hours roster with the East Devonport Medical Centre.
Geelong	Monday to Friday 8am to 8pm Saturday 9am to 1pm	All opening hours and on call Monday to Friday 5am to 8am
Ipswich	Monday to Friday 8am to 6pm	All opening hours. Weekend opening planned in coming months as demand increases. The existing Ipswich After Hours Co-operative service currently provides After Hours care.
Southern Lake Macquarie	Monday to Friday 8.30am to 5pm	All opening hours. Extended hours service at nearby "sister" practice Monday to Friday 5pm to 8pm, Saturday and Sunday 12 noon to 3pm.
Brisbane Southside Annerley Hub	Monday to Friday 8am to 6pm	All opening hours. Weekend access as service expands. Anticipated within 12 months, 8am to 10pm seven days a week.
Burnie	Monday to Friday 8.30am to 9pm Saturday and Sunday 2pm to 6pm	All opening hours. Also participates in an After Hours GP Assist program.

United States of America: Australian Trade Missions and Consulater

(Question No. 203)

Mr Crook asked the Minister for Foreign Affairs, in writing, on 22 February 2011:

In respect of trade missions and consulates in the United States of America (USA) during 2010-11: (a) how many staff in his department are located in (i) the USA, and (ii) Australia, but supporting his department's operations in the USA; (b) what staffing costs are associated with part (a)(i) and (ii); (c) how many staff from Australian Government departments other than his are supporting his department's operations in the USA; (d) how many consultants are engaged by his department in the USA, and at what cost; and (e) what is the total budgeted expenditure for his department's operations in the USA, and what sum has been spent to date.

Mr Rudd: The answer to the honourable member's question is as follows:

(a) (i) 45 Australian-based DFAT employees and 112 locally-engaged employees (as at 31 January 2011).

(ii) There are 10 departmental officers currently working in the United States Branch of Americas and Africa Division (AAD) (as at 31 January 2011).

(b) (i) From 1 July 2010 to 31 January 2011 DFAT incurred $7,026,957 in salaries and entitlements expenses for Australian-based staff in the USA.

(ii) From 1 July 2010 to 31 January 2011 DFAT incurred $741,170 in salaries and entitlements expenses for staff in Australia supporting DFAT's operations in the USA.

(c) There are 212 Australian Government employees from departments and agencies other than DFAT deployed in support of the work of Australian embassies, trade missions and consulates in the USA.

(d) Details of all contracts entered into by the department (including consultants) are compiled biannually in the Senate Order on Government Agency Contracts (the "Murray Report"). Details of the "Murray Report" for calendar year 2010 can be found at http://www.dfat.gov.au/dept/contracts/ and a report covering the 2010-11 financial year will be compiled after 30 June 2011.

(e) From 1 July 2010 to 31 January 2011 DFAT incurred $16,662,671 in operating expenses for operations in the USA and is planning further expenditure of $10,567,496 from 1 February 2011 to 30 June 2011 (post operating costs only, excludes A-based salaries and entitlements).

Australian Public Service Implementation Network

(Question No. 207)

Mr Fletcher asked the Special Minister of State for the Public Service and Integrity, in writing, on 24 February 2011:

In respect of the Advisory Group on Reform of Australian Government Administration's report Ahead of the Game: Blueprint for the reform of Australian Government administration (March 2010, page 44), has the Policy Implementation Network been formed; if so, has it met to consider lessons learned from the Home Insulation Program, the Green Loans Program and the Building the Education Revolution program; if so, what was the outcome.

Mr Gray: I am advised that the answer to the honourable member's question is as follows:

Planning for the formation of the APS Implementation Network is underway and is being progressed in conjunction with a broader capability development agenda. It is expected that the first meeting of the Network will be held in May 2011.

Superclinics

(Question No. 210)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 28 February 2011:

For each of the 64 locations of the GP Super Clinics, (a) is it classified as a District of Workforce Shortage on her department's database, (b) what is the Medicare utilisation data, (c) is the Medicare utilisation (i) above average in comparison with the national average, (ii) below average in comparison with the national average, and (iii) at the same level as the national average.

Ms Roxon: The answer to the honourable member's question is as follows:

(a) Refer to Attachment A. Noting that the locations for the GP Super Clinics were determined against five different criteria:

Poor access to health services;

Poor health infrastructure;

Where a GP Super Clinic could help take pressure off emergency departments;

High levels of chronic disease and/or populations with high needs, such as large numbers of children or the elderly; and

Areas currently experiencing, or anticipated to experience, rapid population growth.

(b) This information is confidential under the secrecy provisions (Section 130) of the Health Insurance Act 1973 as it would provide activity and billing information for individual medical practices.

(c) Refer to (b) above.

Attachment A

GP Super Clinic	District of Workforce Shortage – status as at time of announcement
Canberra, ACT	Y
Blacktown, NSW	N
Blue Mountains, NSW	Y
Broken Hill, NSW	Y
Coffs Harbour, NSW	N
Grafton, NSW	Y
Gunnedah, NSW	Y
Jindabyne, NSW	N
Lismore, NSW	N
Liverpool, NSW	N
North Central Coast (Warnervale),	Y

GP Super Clinic	District of Workforce Shortage – status as at time of announcement
NSW	
Nowra, NSW	N
Port Macquarie, NSW	N
Port Stephens, NSW	Y
Queanbeyan, NSW	Y
Raymond Terrace, NSW	Y
Riverina, NSW	Y
Shellharbour, NSW	Y
South Central Coast, NSW	Y
Southern Lake Macquarie (Morisset), NSW	Y
Tweed Heads, NSW	N
Darwin, NT	Y
Palmerston, NT	Y
Brisbane Southside, QLD	N
Bundaberg, QLD	N
Caboolture, QLD	Y
Cairns, QLD	N
Emerald, QLD	Y
Gladstone, QLD	N
Gold Coast, QLD	N
Ipswich, QLD	N
Mackay, QLD	Y
Mount Isa, QLD	Y
Redcliffe, QLD	Y
Strathpine, QLD	N
Sunshine Coast, QLD	N
Townsville, QLD	N
Wynnum, QLD	Y
Adelaide, SA	N
Modbury, SA	Y
Mount Barker, SA	N
Noarlunga, SA	N
Playford North, SA	Y
Burnie, TAS	Y
Clarence, TAS	Y
Devonport, TAS	Y
Sorell, TAS	Y
Ballan, VIC	Y
Bendigo, VIC	Y
Berwick, VIC	N
Cobram, VIC	N
Hume City, VIC	N
Geelong, VIC	Y
Portland, VIC	Y
South Morang, VIC	Y
Wallan, VIC	N
West Melbourne, VIC	N
Wodonga, VIC	Y
Cockburn, WA	Y
Karratha, WA	Y
Midland, WA	Y
Northam, WA	Y
Rockingham, WA	Y
Wanneroo, WA	Y

Superclinics

(Question No. 211)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 28 February 2011:

For each of the 64 locations of the GP Super Clinics, (a) what sum has been spent on (i) funding for capital works, (ii) recurrent funding, and (iii) relocation incentives, and (b) what proportion (as a percentage) of the total amount of funding available has been paid to the funding recipients.

Ms Roxon: The answer to the honourable member's question is as follows:

Noting—Of the 64 GP Super Clinics, expenditure to date relates to the original 36 GP Super Clinics. The processes in place for the additional 28 GP Super Clinics were identified by the Minister in her media release of 28 October 2010. These processes are proceeding.

The following figures reflect recurrent funding and relocation incentives at an aggregated level only as there are commercial-in-confidence and privacy protection considerations in releasing these figures on an individual clinic level.

(a) and (b) As at the end of February 2011, a total of $127,316,804.55 (GST exclusive) GP Super Clinics grant funding had been provided (representing 70.1% of total funding available for the first tranche of 36 GP Super Clinics), including:

(i) a total of $126,689,204.55 in funding for capital works;

(ii) a total of $625,000 for recurrent funding; and

(iii) a total of $2,600 for relocation incentives.

Superclinics

(Question No. 212)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 28 February 2011:

Of the $280.2 M allocated to the 2007-08 GP Super Clinics Program, what sum has already been paid to the funding recipients.

Ms Roxon: The answer to the honourable member's question is as follows:

The $280.2 M allocated to the GP Super Clinic Program assumed an amount for Medicare Benefits Schedule (MBS), Pharmaceutical Benefits Scheme (PBS) and Department of Veteran Affairs (DVA) flow ons. Therefore of the total, $181.7 M was specified for grant funding. Of this, approximately $127 M has been paid to funding recipients to date against milestones outlined in the relevant Funding Agreements.

Superclinics

(Question No. 214)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 10 February 2011:

In total and at each location of the nine operational GP Super Clinics, how many (a) services have been delivered, (b) GP services have been delivered, (c) allied care services have been delivered, and what type of allied health care, and (d) specialist medical services have been delivered.

Ms Roxon: The answer to the honourable member's question is as follows:

There are currently 10 operational GP Super Clinics. The Department of Health and Ageing provides self reported numbers of service presentations at an aggregated level only. Self reported services numbers for individual clinics are not made publicly available as:

(i) there are commercial-in-confidence and privacy protection considerations around releasing data at the individual clinic level; and

(ii) service numbers are not comparable (depending on when the Clinics commenced services, the size of the community, the number of service providers engaged etc) and could be open to misinterpretation.

(a) As at the end of January 2011, the GP Super Clinics reported over 280,000 presentations at these clinics. This includes those clinics which have offered early services prior to officially opening.

(b) Of the services at (a) above, over 196,000 were GP services.

(c) Of the services at (a) above, approximately 84,000 were allied health services. The self reported data is aggregated at an overall allied health level and does not specify the types of allied health care.

(d) The GP Super Clinics program is aimed at supporting integrated, multidisciplinary, patient centred, primary health care services. Medical specialist services are not classified as primary care and are therefore not specifically captured.

Primary Care Infrastructure Grants

(Question No. 218)

Mr Baldwin asked the Minister for Health and Ageing, in writing, on 1 March 2011:

In respect of the Government's commitment to primary care infrastructure upgrades—

(1) What total sum of funding is currently available.

(2) What total sum of funding has been allocated to (a) 2010-11, (b) 2011-12, (c) 2012-13, (d) 2013-14, and (e) financial years beyond 2013-14.

(3) In respect of the Australian Standard Geographical Classification—Remoteness Areas (RA), will there be a limit by (a) number, (b) dollar value, or (c) share of available funding, to the projects funded under this program in: (i) non-capital city RA1, (ii) capital city RA1, (iii) RA2, (iv) RA3, (v) RA4, and (vi) RA5.

Ms Roxon: The answer to the honourable member's question is as follows:

(1) The Primary Care Infrastructure Grants initiative comprises $117 million in total for 2010-2011 and 2011-2012.

(2) The sum of funds allocated to primary care infrastructure grants is approximately $64.5 million for 2010-2011 grant round and approximately $52.5 million for 2011-2012 grant round.

(3) Under the agreement between the Australian Labor Party and the Independent Members, Mr Tony Windsor and Mr Rob Oakeshott, $41 million of the $117 million available for Primary Care Infrastructure grants was allocated for regional Australia. This $41 million is being provided through grant rounds in 2010-11 and 2011-12.

Under the 2010-11 grant round, approximately $31.4 million has been allocated to shortlisted applicants. The remainder of the commitment, approximately $9.6 million, is anticipated to be provided through the 2011-12 grant round.

Building Better Regional Cities Program

(Question No. 224)

Mr Baldwin asked the Minister for Sustainability, Environment, Water, Population and Communities, in writing, on 1 March 2011:

In respect of the Building Better Regional Cities Program:

(1) What total sum of funding is currently available.

(2) What total sum of funding has been allocated to (a) 2010-11, (b) 2011-12, (c) 2012-13, (d) 2013-14, and (e) financial years beyond 2013-14.

(3) In respect of the Australian Standard Geographical Classification—Remoteness Areas (RA), will there be a limit by (a) number, (b) dollar value, or (c) share of available funding, to the projects funded under this program in: (i) non-capital city RA1, (ii) capital city RA1, (iii) RA2, (iv) RA3, (v) RA4, and (vi) RA5.

Mr Burke: The answer to the honourable member's question is as follows:

The total amount of funding available is $100 million in administered funds and $3.05 million in departmental funds.

The total sum of funding available per financial year is as follows:

	Financial Year	Administered ($m)	Departmental ($m)
a)	2010-11	-	0.24
b)	2011-12	30.0	0.933
c)	2012-13	35.0	0.937
d)	2013-14	35.0	0.940
	Total	100.0	3.050
e)	No funding is available beyond the 2013-14 financial year.		

No. It is not envisaged that remote area categories will be used to allocate funding under this program.

Mental Health

(Question No. 225)

Mr Christensen asked the Minister for Health and Ageing, in writing, on 2 March 2011:

(1) What is the Government doing about the major shortcomings in the current mental health system in Mackay, reported in the ABC's program Four Corners on 9 August 2010.

(2) Given the above issues, and Mackay's proactive Division of General Practice particularly in relation to mental health, why was Mackay not chosen to be part of the recent Mental Health Forum.

(3) Why has there been no increase in the Medicare incentive payments under the Mental Health Nurse Incentive Program (MHNIP) since its inception by the previous Government almost five years ago.

(4) Why are nurses working under the MHNIP still paid the same money as almost five years ago when in that time, there has been a number of increases in wages to almost every other sector of the community.

(5) Why is mental health nursing no longer a recognised speciality area under the national registration scheme.

Mr Butler: The answer to the honourable member's question is as follows:

(1) Mental health is an important component of the Government's second term agenda. At the COAG meeting of 13 February 2011, COAG agreed to consider mental health at its next meeting. Work on future mental health reform options for discussion by COAG is currently underway. To assist in informing Commonwealth consideration of reform options, the Government is undertaking a broad stakeholder engagement strategy (including consulting with the National Advisory Council on Mental

Health, establishing a Mental Health Expert Working Group, national forums with mental health consumers and carers, and receiving written comment and feedback). This will assist in informing the development of a cohesive strategy for mental health reform to provide a more effective and sustainable system over the long term for all Australians affected by mental illness.

Under the Access to Allied Psychological Services (ATAPS) initiative the Department of Health and Ageing engages Divisions of General Practice to allow GPs to refer patients who have been diagnosed as having a common mental disorder such as depression or anxiety, of mild to moderate severity, to an allied health professional to provide short term focused psychological strategies services. Under its current funding agreement, Mackay Division of General Practice will receive $418,632.63 (GST Inc) to provide ATAPS services for 2010-11.

New arrangements under a second tier of funding have been introduced to allow ATAPS to be more flexible and target particular situations and needs, including the need for psychological services associated with disasters. On 2 March 2011 Mackay Division of General Practice submitted a proposal for additional funding to assist people affected by the 2010 Queensland floods and cyclone Yasi. This proposal is currently being considered by the Department.

In the 2010-11 Budget the Government committed $58.5 million to provide funding for flexible care packages of clinical and care coordination services to better support up to 25,000 people with severe mental illness in the community. An additional $60 million was committed under the Mental Health: Taking Action to Tackle Suicide election commitment package for non-clinical support services such as structured social activities, personal helpers and respite services for carers to enhance the flexible care packages and to enable wrap around care to be tailored to the needs of the individual.

The Government has also begun to roll out eight highly-targeted programs ($113.2 million) as part of the $274 million (over four years) Mental Health: Taking Action to Tackle Suicide election commitment package. This package includes $115 million to boost frontline services and provide more services to those at greatest risk of suicide, including psychology and psychiatry services and including the non-clinical support to assist people with severe mental illness and carers with day-to-day needs. The Mackay Division of General Practice is expected to receive additional funding under this new measure in 2011-12.

(2) I have held 14 face to face forums around the country with mental health consumers and carers to hear their views on options for progressing mental health reform into the future. The Mental Health Council of Australia (MHCA) coordinated the arrangements for the forums including invitations. A list of the dates and locations of the forums is below:

	Location	State	Date
1	Adelaide	SA	30 November 2010
2	Mandurah	WA	02 December 2010
3	Perth	WA	02 December 2010
4	Sydney	NSW	03 December 2010
5	Newcastle	NSW	03 December 2010
6	Brisbane	Qld	06 December 2010
7	Canberra	ACT	08 December 2010
8	On-line with the Inspire Foundation (ReachOut.com)	NSW	08 December 2010
9	Tamworth	NSW	09 December 2010
10	Launceston	Tas	13 December 2010
11	Hobart	Tas	13 December 2010
12	Melbourne	Vic	14 December 2010
13	Darwin	NT	16 December 2010
14	Cairns	Qld	17 December 2010
15	Atherton	Qld	17 December 2010

I also heard views from young people during an online forum hosted by the Inspire Foundation on 8 December 2010.

There was a high level of interest in attending these forums, and to ensure those who could not attend had an avenue to express their views, members of the public and interested organisations were also invited to provide submissions about future mental health reform options. The closing date for submissions was 15 February 2011.

(3) The Mental Health Nurse Incentive Program provides incentive payments to eligible organisations, including Divisions of General Practice and private psychiatry practices, that engage mental health nurses to provide coordinated clinical care to patients with severe and persistent mental illness.

The Program is structured as an incentive based program to encourage eligible organisations to engage the services of mental health nurses and is not intended to provide a full wage subsidy.

The Program continues to grow under the current level of incentive payments.

(4) Under the Mental Health Nurse Incentive Program, incentive payments are made to the eligible organisation. Wages are negotiated between the organisation and the mental health nurse.

(5) Decisions relating to the recognition of nurse specialty areas are taken by the Nursing and Midwifery Board of Australia, which is the organisation vested with standard setting for the regulation of nursing and midwifery under the National Registration and Accreditation Scheme.

Bankruptcy Petition

(Question No. 226)

Mr Christensen asked the Attorney-General, in writing, on 2 March 2011.

In respect of Bankruptcy Number 5091/1998 of Queensland, why did the Official Receiver of the Insolvency Trustee Service of Australia sign the applicant's debtor's petition when on page

(a) 9 of that petition, it showed a District Court judgement and costs order of 1 September 1998 against the applicant, and

(b) 19 of that petition,

(i) it showed two District Court actions against the applicant,

(ii) the applicant was asked to provide all summonses and writs to the trustee and therefore should have shown the Official Receiver that there was one summons to appear in Townsville Court on 9 October 1998, and a writ for possession of the applicant's assets,

(iii) it showed the applicant's assets had been transferred to the applicant's own trustee company for $1 406 000 on 25 September 1998, and

(iv) it showed that the applicant had gained a cash surplus of $360 000 as a result of a transfer of assets which was allegedly invested in a superannuation fund on 25 September 1998.

Mr McClelland: The answer to the honourable member's question is as follows:

I am advised by the Insolvency and Trustee Service Australia (ITSA) that a debtor's petition signed by the bankrupt (Bankruptcy Number 5091/1998) and dated 7 October 1998 was presented under subsection 55(1) of the Bankruptcy Act 1966 ('the Act') to ITSA on 9 October 1998 and accepted by the Official Receiver's delegate at 9.48am on that date. The petition was endorsed accordingly as required by subsection 55(4A) of the Act.

The petition was not rejected under subsection 55(3) of the Act, which sets out when the Official Receiver may reject a petition, as it complied with the approved form, was accompanied by a Statement of Affairs which the Official Receiver's delegate did not consider to be inadequate. I am advised there were no grounds on which it could be legally rejected by the Official Receiver.

Bankruptcy Petition

(Question No. 227)

Mr Christensen asked the Attorney-General, in writing, on 2 March 2011:

In respect of Bankruptcy Number 5091/1998 of Queensland,

(a) did the Insolvency Trustee Service of Australia (ITSA) consider it an offence that the applicant's cash surplus of $360 000 (that had been gained as a result of a transfer of assets and allegedly invested in a superannuation fund on 25 September 1998) was, as subsequently shown in a creditors report, to have been transferred from a trust fund to Vanuatu on 30 September 1998,

(b) when ITSA received advice from the Commonwealth Director of Public Prosecutions (CDPP) that offences had been committed by the applicant, did it refer the matter to the Australian Federal Police (AFP) as it had indicated to creditors it would,

(c) why did the matter not continue to prosecution,

(d) what written advice on this matter was given by the CDPP and the AFP,

(e) why did ITSA's trustee not comply with the findings and directions of the Federal Court on 20 August 1999 in respect of dealing with assets, and instead,

(i) not recover any assets, and

(ii) allow the applicant to carry on his business activity by receiving payments and transferring, registering and selling assets, and

(f) will ITSA's final creditors report be made available to creditors; if not, why not.

Mr McClelland: The answer to the honourable member's question is as follows:

- In respect of the matters raised in parts (a) and (b) – Yes.
- In respect of the matters raised in parts (c) to (d) of the question, Mr Dunwoody was charged and found guilty by the District Court of Mackay of two counts of disposing of property with the intent to defraud creditors and was sentenced to two years' imprisonment on each count . This followed lengthy investigations by ITSA and the Australian Federal Police.
- As to the matter raised in part (e) of the question, I am advised that the judgment of the Federal Court delivered by Drummond J on 20 August 1999 (Q 7131 of 1999) involved proceedings between Bechrose Pty Ltd ('Applicant') and the initial trustees of the bankrupt estate ('Respondents'). The initial trustees were subsequently removed by the creditors and the Official Trustee was appointed by operation of law under section 160 of the Act.
- The Federal Court proceedings brought by the Applicant sought a review of the Respondents' ruling to admit their claim to vote at a meeting of creditors called to consider a composition proposal by the bankrupt under subsection 73(2) of the

Bankruptcy Act 1996. The only order made by the Court was to dismiss the application. The Official Trustee was not a party to the proceedings and no directions were made with which it was required to comply.

- As to the matter raised in part (f) of the question, a final report to creditors by the Official Trustee was issued to creditors on 14 August 2006. A copy of that report was reissued to certain creditors by the Official Trustee on 10 November 2009, following a request by the former Member for Dawson, the Hon Mr James Bidgood MP, on their behalf on 9 October 2009.

North Queensland Fishing Industry

(Question No. 228)

Mr Christensen asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, in writing, on 2 March 2011:

(1) What measures is the government taking to help the North Queensland fishing industry recover from the effects of Cyclone Yasi, where the catch per unit (of fishing) effort levels in affected waters have been significantly lowered.

(2) Why is the fishing industry not included in the national disaster relief arrangements.

Mr Burke: I am advised that the answer to the honourable member's question is as follows:

The Australian Government is supporting the Queensland Government in providing a range of assistance to all eligible businesses and primary producers that have been affected by Tropical Cyclone Yasi under the Natural Disaster Relief and Recovery Arrangements.

Assistance includes concessional loans of up to $250,000 to support businesses that have suffered direct damage from the cyclone. Enhanced concessional loans of $650,000 with grants of up to $50,000 are available for businesses that have suffered extreme damage. Businesses may also be eligible for clean-up and recovery grants of up to $25,000.

The Australian Government is also providing wage assistance for up to 13 weeks for businesses in the areas most heavily affected by Tropical Cyclone Yasi and who are unable to pay full wages for their employees during the recovery period. This assistance complements the Disaster Income Recovery Scheme, which provides income support to small business owners and employees whose income has been reduced as a result of the cyclone.

Fishing businesses are not specifically excluded from the Natural Disaster Relief and Recovery Arrangements. They are able to access the same types of assistance with the same eligibility criteria as other businesses in disaster affected areas.