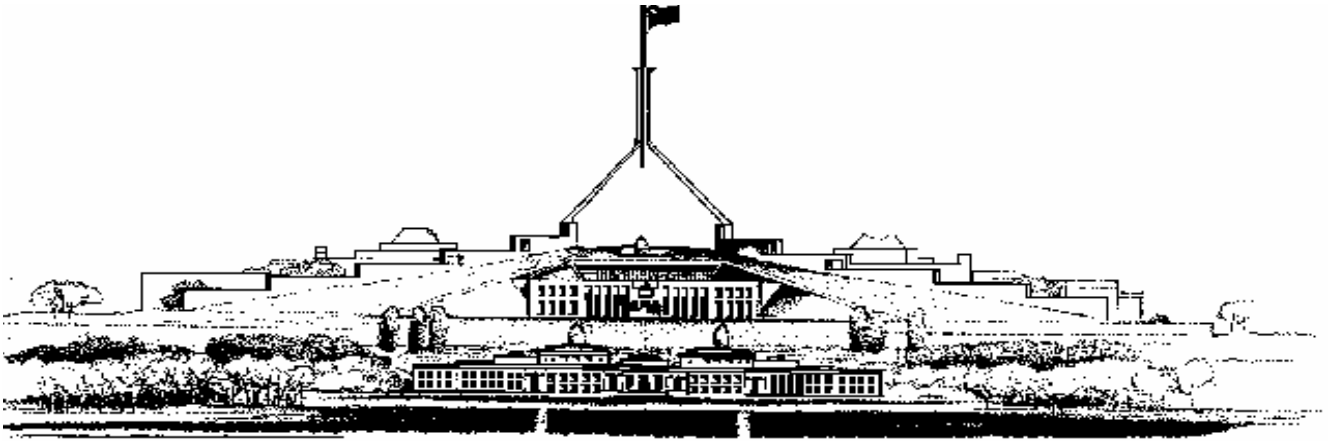




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



# House of Representatives

## Official Hansard

**No. 4, 2011**

**Thursday, 24 March 2011**

FORTY-THIRD PARLIAMENT  
FIRST SESSION—SECOND PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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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**

**Governor-General**

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

**House of Representatives Officeholders**

*Speaker*—Mr Harry Alfred Jenkins MP

*Deputy Speaker*—Hon. Peter Neil Slipper MP

*Second Deputy Speaker*—Hon. Bruce Craig Scott MP

*Members of the Speaker's Panel*—Ms Anna Elizabeth Burke MP, Hon. Dick Godfrey Harry Adams MP, Ms Sharon Leah Bird MP, Mrs Yvette Maree D'Ath MP, Mr Steven Georganas MP, 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
Brodthmann, Gai Marie	Canberra, ACT	ALP
Buchholz, Scott Andrew	Wright, QLD	LP
Burke, Anna Elizabeth	Chisholm, VIC	ALP
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
Laming, Andrew Charles	Bowman, QLD	LP
Leigh, Andrew Keith	Fraser, ACT	ALP
Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Livermore, Kirsten Fiona	Capricornia, QLD	ALP
Lyons, Geoffrey Raymond	Bass, TAS	ALP
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
Neville, Paul Christopher	Hinkler, QLD	Nats

### Members of the House of Representatives

Members	Division	Party
Oakeshott, Robert James Murray	Lyne, NSW	Ind
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
Robb, Hon. Andrew John, AO	Goldstein, VIC	LP
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
Vasta, Ross Xavier	Bonner, QLD	LP
Washer, Malcom James	Moore, WA	LP



### **Members of the House of Representatives**

<b>Members</b>	<b>Division</b>	<b>Party</b>
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

## GILLARD MINISTRY

Prime Minister	Hon. Julia Gillard MP
Deputy Prime Minister, Treasurer	Hon. Wayne Swan MP
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]**

### GILLARD MINISTRY—*continued*

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

## SHADOW MINISTRY

Leader of the Opposition	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 Parliamentary Secretary for Primary Healthcare	Dr Andrew Southcott MP

**SHADOW MINISTRY—*continued***

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

## CONTENTS

### THURSDAY, 24 MARCH

#### Chamber

Tax Laws Amendment (2011 Measures No. 1) Bill 2011—	
Referred to Main Committee .....	3125
Delegation Reports—	
Parliamentary Delegation to the 19th Annual Meeting of the Asia Pacific Parliamentary Forum in Ulaanbaatar .....	3125
Business—	
Suspension of Standing and Sessional Orders .....	3127
Leave of Absence .....	3127
Business—	
Suspension of Standing and Sessional Orders .....	3128
Foreign Ownership of Agricultural Land and Agribusiness—	
Report from the Main Committee .....	3128
Workforce Participation of People with a Disability—	
Report from the Main Committee .....	3129
Carbon Pricing—	
Report from Main Committee .....	3130
Private Members' Business—	
Multiculturalism.....	3131
<i>Malu Sara</i> —	
Report from Main Committee .....	3132
Community Hospitals in South Australia—	
Report from Main Committee .....	3133
Personal Explanations .....	3133
Committees—	
Privileges and Members' Interests Committee—Report.....	3133
Competition and Consumer Amendment Bill (No. 1) 2011—	
First Reading .....	3133
Second Reading.....	3133
National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011—	
First Reading .....	3137
Second Reading.....	3137
Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011—	
First Reading .....	3140
Second Reading.....	3140
Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011—	
First Reading .....	3143
Second Reading.....	3143
Carbon Credits (Carbon Farming Initiative) Bill 2011—	
First Reading .....	3145
Second Reading.....	3145
Carbon Credits (Consequential Amendments) Bill 2011—	
First Reading .....	3148
Second Reading.....	3148
Australian National Registry of Emissions Units Bill 2011—	
First Reading .....	3150
Second Reading.....	3150

## CONTENTS—*continued*

Governance of Australian Government Superannuation Schemes Bill 2011—	
First Reading .....	3151
Second Reading.....	3151
Comsuper Bill 2011—	
First Reading .....	3153
Second Reading.....	3153
Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011—	
First Reading .....	3154
Second Reading.....	3154
Business—	
Rearrangement .....	3154
Tax Laws Amendment (2011 Measures No. 2) Bill 2011—	
First Reading .....	3155
Second Reading.....	3155
Remuneration and Other Legislation Amendment Bill 2011—	
First Reading .....	3156
Second Reading.....	3156
Third Reading .....	3163
Business.....	3163
Committees—	
Publications Committee—Report .....	3163
Civil Dispute Resolution Bill 2010—	
Consideration of Senate Message .....	3163
Committees—	
National Broadband Network Committee—Membership.....	3164
National Vocational Education and Training Regulator Bill 2010—	
Second Reading.....	3164
National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010—	
Second Reading.....	3166
National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011—	
Second Reading.....	3167
National Vocational Education and Training Regulator Bill 2010 .....	3167
National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010.....	3167
National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011—	
Second Reading.....	3167
Third Reading .....	3176
Business—	
Withdrawal.....	3176
National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010—	
Second Reading.....	3176
Third Reading .....	3177



## CONTENTS—*continued*

National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011—	
Second Reading.....	3177
Third Reading .....	3177
Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011—	
Second Reading.....	3177
Ministerial Statements—	
Middle East .....	3186
Statements by Members—	
Registered Clubs and Hotels .....	3195
Chubb, Professor Ian, AC .....	3196
Petition: Pumicestone Passage Community Action Group .....	3196
Fremantle Electorate: Community Cabinet.....	3197
Herbert Electorate: Local Clubs.....	3197
YMCA New South Wales Youth Parliament 2011 .....	3198
Bennelong Electorate: Armenian Community .....	3198
ACT Young Achiever Award.....	3199
Tumby Bay District Financial Services Ltd.....	3199
Aboriginal Trainee Support Worker Program .....	3199
Banking .....	3200
Business.....	3200
Condolences—	
Japan Natural Disasters—Report from Main Committee .....	3201
New Zealand Earthquake—Report from Main Committee .....	3201
Questions Without Notice—	
Carbon Pricing .....	3201
Carbon Pricing .....	3202
Carbon Pricing .....	3203
Distinguished Visitors .....	3204
Questions Without Notice—	
Carbon Pricing .....	3205
Carbon Pricing .....	3206
Gloucester Basin .....	3208
Government Reforms .....	3209
Carbon Pricing .....	3210
Prime Minister—	
Suspension of Standing and Sessional Orders .....	3211
Question Time .....	3218
21st Anniversary of First Election of Seven Members.....	3218
Auditor-General's Reports—	
Report No. 34 of 2010-11 .....	3219
Committees—	
Selection Committee—Report No. 18 .....	3219
Documents .....	3219
Committees—	
Education and Employment Committee—Membership .....	3220
Business—	
Rearrangement .....	3220
Matters of Public Importance—	

## CONTENTS—*continued*

Taxation.....	3220
Business.....	3232
Matters of Public Importance—	
Taxation.....	3233
Committees—	
National Broadband Network Committee—Membership.....	3238
Electronic Transactions Amendment Bill 2011—	
Report from Main Committee.....	3238
Third Reading.....	3238
Tax Laws Amendment (2011 Measures No. 1) Bill 2011—	
Report from Main Committee.....	3238
Third Reading.....	3238
Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011—	
Report from Main Committee.....	3238
Third Reading.....	3239
Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011—	
Second Reading.....	3239
Gillard Government—	
Suspension of Standing and Sessional Orders.....	3242
Committees—	
Public Works Committee.....	3249
Cyber-Safety Committee—Membership.....	3249
Appropriation Bill (No. 3) 2010-2011 and Appropriation Bill (No. 4) 2010-2011—	
Returned from the Senate.....	3250
National Broadband Network Companies Bill 2010—	
Consideration of Senate Message.....	3250
Telecommunications Legislation Amendment (National Broadband Network Measures— Access Arrangements) Bill 2011—	
Consideration of Senate Message.....	3327
Suspension of Standing and Sessional Orders.....	3350
Committees—	
Foreign Affairs, Defence and Trade Committee—Membership.....	3356
Adjournment.....	3357
Notices.....	3357
<b>Main Committee</b>	
Constituency Statements—	
Sinclair, Mr Ron.....	3358
Lindsay Electorate: CNH Australia.....	3359
Gippsland Electorate: Petitions.....	3359
Rural Financial Counselling Service.....	3359
Gorton Young Leaders Awards.....	3361
Import Tariffs.....	3362
Bollenhagen, Ms Betty.....	3363
Gilmore Electorate: Australia Day.....	3363
Fowler Electorate: Liverpool Hospital.....	3364
Murray-Darling Basin.....	3365
Climate Change.....	3366

## CONTENTS—*continued*

Tax Laws Amendment (2011 Measures No. 1) Bill 2011—	
Second Reading.....	3367
Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011—	
Second Reading.....	3378
Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011—	
Second Reading.....	3396
Adjournment—	
Teach for Australia .....	3399
Shortland Electorate: Fernleigh Track .....	3401
Australia Post .....	3402
Carbon Pricing .....	3403
Boothby Electorate: Crime.....	3405
Carbon Pricing: No Carbon Tax Rally .....	3405
<b>Questions in Writing—</b>	
Ministers and Ministerial Staff: Mobile Phones and iPads— (Question No. 145, 153, 154 and 155).....	3408
Volunteer Fire Brigades: Donations—(Question No. 182) .....	3409
Broadband—(Question No. 185) .....	3409
Broadband—(Question No. 186) .....	3409
Australian Defence Force: Reserve Response Force Units—(Question No. 188) .....	3410
Epping Parramatta Rail Link—(Question No. 192).....	3410



*Thursday, 24 March 2011*

**The SPEAKER (Mr Harry Jenkins)** took the chair at 9 am, made an acknowledgement of country and read prayers.

**TAX LAWS AMENDMENT (2011 MEASURES No. 1) BILL 2011**

**Referred to Main Committee**

**Mr FITZGIBBON (Hunter)** (9.01 am)—by leave—I move:

That the Tax Laws Amendment (2011 Measures No. 1) Bill 2011 be referred to the Main Committee for further consideration.

Question agreed to.

**DELEGATION REPORTS**

**Parliamentary Delegation to the 19th Annual Meeting of the Asia Pacific Parliamentary Forum in Ulaanbaatar**

**The SPEAKER** (9.02 am)—For the information of members, I present the report of the Australian Parliamentary Delegation to the 19th annual meeting of the Asia Pacific Parliamentary Forum, Ulaanbaatar, 22 to 27 January 2011. As leader of the delegation, I am pleased to present the report of its participation in this meeting. The delegation members comprised the member for Reid, John Murphy, and Senator Anne McEwen. This was a smaller group than usual, as two delegates remained at home to assist constituents during the flooding in Queensland and Victoria. A delegation from our parliament has participated in every annual meeting of the APPF, as well as the meetings that prepared for the establishment of the forum. I attended my first APPF meeting in 1998 and since then I have had the pleasure of attending the meetings in Vientiane in 2009 and Singapore in 2010.

This is an organisation that is relevant to Australia, as the countries that participate are clearly significant to our strategic and economic interests. There are many different

perspectives presented in the APPF and we recognise that it is healthy to have open debate and resolve any differences that might arise by agreeing on resolutions before the meeting concludes each year. Over the years I have observed that at least some measure of understanding is gained for the views and interests of regional neighbours. This year's meeting was no exception.

I turn now to the substance of the meeting. There were three broad subject headings on the agenda: economic and trade matters, political and security issues, and interparliamentary cooperation. The delegation proposed a resolution on the reform of the APPF. Each of us spoke in the plenary on a range of items, and the delegation participated in all sessions of the drafting committee, where draft resolutions are settled before they are returned to the plenary for adoption at the final session.

In addition, the delegation was pleased to have meetings with the Prime Minister of Mongolia, Mr Batbold Sukhbaatar; the Chairman of the State Great Hural, who was the President of APPF19; and the delegations from Russia, South Korea and China. A range of bilateral issues were discussed; however, I would like to note and emphasise that all those we met with were aware of and passed on their sincere condolences and sympathy in relation to the floods in Australia.

Our hosts were generous in their hospitality and we thank them for that. We were especially pleased to meet the Vice-Chairman of the Hural, Mr Enkhbold Nyamaa, who studied at the University of Sydney courtesy of an AusAID scholarship, and who went out of his way to welcome us and ensure that we met a number of Mozzies—members of the Mongolia Australia Society.

When I presented the report of the delegation to the 18th annual meeting, I mentioned

some issues that had arisen regarding the APPF's rules and their interpretation—which is not surprising in an organisation that is almost 20 years old. Following the meeting, the Honorary President, Mr Nakasone, sought input on possible reforms from all member countries. There is a real need to ensure that the APPF reflects our changing region and remains relevant to all members in both its framework and operations. I made a proposal to the reform process and spoke to that agenda item at the meeting.

It was pleasing to hear that a number of other countries had also commented on the future of the forum, and these comments were consolidated in a report by the Japanese delegation. Further consultation is taking place, with a view to implementing reforms at the 20th annual meeting that is scheduled to be held in Tokyo in January 2012.

In passing, I will say that I hope the situation in Japan has improved sufficiently by then to enable our colleagues in the Japanese Diet to fulfil their wish to host this historic anniversary meeting.

In preparation for the meeting, the Department of Foreign Affairs and Trade in Canberra assisted us, as usual, with comprehensive briefing materials. The International and Community Relations Office of the parliament provided logistical support. The delegation appreciates this assistance.

Australia does not have an Embassy in Ulaanbaatar, the embassy in Seoul being responsible for relations with Mongolia. I express the delegation's thanks to the First Secretary, Mr Charles Adamson. Mr Adamson was in Ulaanbaatar to meet us when we arrived, and he farewelled us at our early morning departure on 27 January. In between, Mr Adamson provided excellent advice on Australia's interests in Mongolia as well as on other matters that arose during the APPF and bilateral meetings.

Ulaanbaatar is the coldest national capital in the world and the meeting was held in the middle of winter. I will not comment on the challenges of the climate other than to note that our hosts made great efforts to ensure that we were kept as warm as possible, and that it was the coldest Australia Day the members of the delegation are ever likely to experience.

I thank the member for Reid and Senator McEwen for their cooperation and enthusiastic representation of the parliament. I thank the delegation secretary, Catherine Cornish, for her thorough and professional support of the delegation. I thank my senior adviser, Mr Christopher Paterson, for his advice. I believe the delegation represented the parliament effectively.

**Mr MURPHY** (Reid) (9.07 am)—by leave—I am very pleased to join with you, Mr Speaker, to speak about the delegation to the APPF in Ulaanbaatar. Like you, I would like to express our thanks for the warm welcome and the generous hospitality we enjoyed in Mongolia. For me the experience was a very valuable one, not least because of the opportunity to articulate Australia's trade interests and to observe again the long-term impact of AusAID's work.

Mr Speaker, as you know, in the plenary I spoke on promoting economic partnership and free trade. This was a useful opportunity for me to discuss Australia's strategic approach to trade and our sustained work on trade liberalisation. I also spoke about Australia's approach to trade reform and its contribution to regional structures and work on agreements such as Pacer Plus and the ASEAN-Australia-New Zealand Free Trade Agreement. I also noted the work of APEC in building the prosperity of the Asia-Pacific and the significance of APEC economies to Australia's economy.

Australia's work on trade liberalisation over many years has brought benefits to Australia and also to many of the countries represented at the APPF. It was pleasing to see acknowledgement of that work. It was also reassuring to see general acceptance of the need to continue a regional commitment to free trade, even as many countries are still recovering from the global financial crisis and may be tempted to adopt protectionist measures.

I refer to another aspect of Australia's work in the region. As you remarked, Mr Speaker, the Vice-Chairman of the Parliament, Mr Enkhbold, was able to study in Australia because of an AusAID scholarship. Clearly he valued that part of his education and the relationships he established here. Mr Enkhbold has continued his links with Australia through the Mongolia Australia Society which is made up of not just expatriate Australians but also Mongolians who have been able to live and study in Australia, often because of AusAID assistance. It is clear that the capacity that is built and the relationships that are formed through education are of long-term benefit for the recipients and for Australia's reputation. We appreciated the welcome Mr Enkhbold extended to us, particularly as he was fully occupied with APPF obligations.

We also appreciated the expert assistance of a member of the Mongolian parliament's secretariat, Mr Amartuvshin Amgalanbayar. Amartuvshin, as you know, studied at Monash University—he is a Mozzie—and we were very fortunate to have him as our liaison officer. Not only was he unperturbed by our accents and customs but also he managed to anticipate just about every possible need and to meet it before we managed to ask about it. As you mentioned, we were also fortunate to have the assistance of Mr Charles Adamson, the First Secretary in Seoul. His knowledge of Mongolia and of

many of the issues under consideration was valuable to us throughout the meeting.

It certainly was an Australia Day that we will never forget, the coldest we will ever experience. But I am sure we are very grateful to have been able to spend it with our colleagues in such an interesting place and at the same time to represent the parliament. Finally, Mr Speaker, I would like to thank you for your leadership of the delegation and I would also like to thank your senior adviser, Mr Christopher Paterson, and Ms Catherine Cornish, the delegation secretary, who provided excellent support and assistance to the delegation. They did a first-class job.

## BUSINESS

### Suspension of Standing and Sessional Orders

**Mr ALBANESE** (Grayndler—Leader of the House) (9.11 am)—I move:

That standing order 31 (automatic adjournment of the House) and standing order 33 (limit on business after normal time of adjournment) be suspended for this sitting.

Briefly, this is the standard motion that is moved at the end of a period. Passage of legislation is unclear at this stage, in terms of advice from the Senate. I will inform the House and inform the member for Menzies during the day about how that is proceeding. At this stage we are once again in the hands of our colleagues in the other chamber with regard to the time this evening's business will be completed and as to whether we have to come back here at some later stage. I commend the motion to the House.

Question agreed to.

### LEAVE OF ABSENCE

**Mr ALBANESE** (Grayndler—Leader of the House) (9.13 am)—I move:

That leave of absence be given to every Member of the House of Representatives from the de-

termination of this sitting of the House to the date of its next sitting.

Question agreed to.

### BUSINESS

#### Suspension of Standing and Sessional Orders

**Mr ALBANESE** (Grayndler—Leader of the House) (9.13 am)—by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the following items of private Members' business, being reported from the Main Committee, or called on, and considered immediately in the following order:

Foreign ownership of agricultural land and agribusiness—Order of the day No. 18;

Workforce participation of people with a disability—Report from Main Committee;

Climate change and a carbon price—Report from Main Committee;

Multiculturalism in Australia—Order of the day No. 16;

Loss of the *Malu Sara*—Report from Main Committee; and

Community hospitals in South Australia—Report from Main Committee.

Question agreed to.

#### FOREIGN OWNERSHIP OF AGRICULTURAL LAND AND AGRIBUSINESS

##### Report from the Main Committee

Debate resumed from 3 March, on motion by **Mr John Cobb**:

- (1) requires the responsible Minister to:
  - (a) commission the Australian Bureau of Statistics (ABS), with the assistance of ABARE, to prepare an information database on the foreign ownership of agricultural land and agribusiness, which should:
    - (i) show the level of foreign ownership for Australia as a whole, by state and for key regions, and for particular agribusinesses;

- (ii) include an annual formal statistical release; and

- (iii) recommend what steps need to be taken to establish and maintain a public register of foreign ownership of agricultural land and agribusiness; and

- (b) task the Productivity Commission, on the receipt of the initial ABS data, to:
  - (i) review foreign ownership of agricultural land and agribusiness, with an evaluation of its contribution to the national interest in terms of economic development, food and water security, and agricultural sustainability; and
  - (ii) recommend how the foreign investment policy on agricultural land and agribusiness should be modified, if necessary, to ensure the optimum outcomes for economic development and the national interest, including whether the Government needs to:
    - lower the threshold for notification to the Foreign Investment Review Board for rural land and agribusiness acquisitions;
    - introduce a national interest test for food security; and
    - ensure that foreign entities do not establish monopoly or near monopoly positions in key sectors; and

- (2) commit to establishing a Joint Parliamentary Committee to consider the information provided by the ABS, ABARE and the Productivity Commission, taking into account public concern in this area.

**The SPEAKER**—The question is that the motion be agreed to.

**Mr JOHN COBB** (Calare) (9.15 am)—by leave—I move that the motion to be amended to read:

by leave—I move that the motion to be amended to read:

by leave—I move that the motion to be amended to read:

by leave—I move that the motion to be amended to read:

by leave—I move that the motion to be amended to read:



**Mr JOHN COBB**—I move:

That this House:

- (1) require the responsible Minister to:
  - (a) commission the Australian Bureau of Statistics, with the assistance of ABARE, to compile data on the foreign ownership of agricultural land and agribusiness, which should:
    - (i) show the level of foreign ownership for Australia as a whole, by state and for key regions, and for particular agribusinesses;
    - (ii) include a biennial formal statistical release; and
    - (iii) inform what steps need to be taken to establish and maintain a public register of foreign ownership of agricultural land and agribusiness, if required; and
  - (b) task the Productivity Commission, subject to its work program, and on the receipt of the initial ABS data, to:
    - (i) review foreign ownership of agricultural land and agribusiness, with an evaluation of its contribution to the national interest in terms of economic development, food and water security, and agricultural sustainability; and
    - (ii) recommend how the foreign investment policy on agricultural land and agribusiness should be modified, if necessary, to ensure the optimum outcomes for economic development and the national interest, including whether the Government needs to:
      - lower the threshold for notification to the Foreign Investment Review Board for rural land and agribusiness acquisitions;
      - (introduce a national interest test for food security; and
      - ensure that foreign entities do not establish monopoly or near

monopoly positions in key sectors; and

- (2) commit to establishing a Joint Parliamentary Committee to consider the information provided by the ABS, ABARE and the Productivity Commission, taking into account public concern in this area.

These amendments are more about procedure and practical ability of the department and the various bodies that are tasked with the jobs in ABS, ABARE, et cetera—for example, requiring a biennial instead of an annual formal statistical release. It is more about the ability of the department or departments to do their job rather than changing in any substantial way the intent of the motion.

**The SPEAKER**—Is the motion seconded?

**Mr Andrews**—I second the motion.

**The SPEAKER**—The original question was that the motion be agreed to. To this the member for Calare has moved amendments. The immediate question is that the amendments be agreed to.

Question agreed to.

**The SPEAKER**—The question now is that the motion, as amended, be agreed to.

Question agreed to.

## **WORKFORCE PARTICIPATION OF PEOPLE WITH A DISABILITY**

### **Report from the Main Committee**

Order of the day returned from Main Committee for further consideration; certified copy presented.

Ordered that the order of the day be considered immediately.

**The SPEAKER**—The question is that the motion be agreed to.

**Mrs MOYLAN** (Pearce) (9.17 am)—by leave—I move that the motion be amended to read:

That this House:

- (1) appreciates that meaningful employment is essential to the financial security, physical and mental health and sense of identity of all individuals;
- (2) remains concerned with the low workforce participation rate of individuals with a disability;
- (3) recognises the challenges faced by people with a disability in successfully obtaining work, particularly in surmounting barriers;
- (4) notes that:
- (a) According to the 2009 Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers, 18.5 per cent of all Australians suffer from a disability;
- (b) Among persons aged 15-64 living in households, the participation rate for people with disability increased from 53.2 per cent in the 1998 SDAC, to 54.3 per cent in the 2009 SDAC, while the participation rate for people without disability increased from 80.1 per cent in the 1998 SDAC to 82.8 per cent in the 2009 SDAC; and
- (c) the Australian Public Service Commissioner's Statistical Bulletin shows employment of people with a disability in the Australian Public Service has linearly dropped from a high of 5.5 per cent in 1996, to 3.1 per cent in 2010;
- (5) acknowledges the findings of chapters 2.4 (The employment experience of people with disabilities) and 2.5.2 ('Lack of Access to Transport') of the National Disability Strategy Consultation Report: *Shut Out*, that:
- (a) there are still widespread misconceptions and stereotypes influencing the attitudes and behaviour of employers, recruiters and governments;
- (b) there is considerable misunderstanding in the community and overestimation about the cost of workplace adjustments for people with a disability;
- (c) there is confusion about the impact of occupational health and safety requirements on people with a disability; and
- (d) without access to transport, participation in critical activities such as education, employment and health care is difficult, if not impossible;
- (6) notes that recent reforms have increased the ability for Disability Support Pension recipients to gain and retain employment including:
- (a) uncapping access to disability employment services;
- (b) abolishing the automatic review of eligibility of the Disability Support Pension when they register with an employment agency; and
- (c) measures such as wage subsidies for employers of people with disability introduced as part of the National Mental Health and Disability Employment Strategy; and
- (7) calls on the Government to provide leadership and improve participation rates of people with a disability.
- The SPEAKER**—Is the motion seconded?
- Mrs Gash**—I second the motion.
- The SPEAKER**—The original question was that the motion be agreed to. To this the member for Pearce has moved amendments. The immediate question is that the amendments be agreed to.
- Question agreed to.
- The SPEAKER**—The question now is that the motion, as amended, be agreed to.
- Question agreed to.

## CARBON PRICING

### Report from Main Committee

Order of the day returned from Main Committee for further consideration; certified copy presented.

Ordered that the order of the day be considered immediately.

Question put:

That the motion (**Mr Stephen Jones's**) be agreed to.

The House divided. [9.24 am]

(The Speaker—Mr Harry Jenkins)

Ayes.....	71
Noes.....	<u>70</u>
Majority.....	<u>1</u>

AYES

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bowen, C.	Bradbury, D.J.
Brodtmann, G.	Burke, A.E.
Burke, A.S.	Butler, M.C.
Byrne, A.M.	Champion, N.
Cheeseman, D.L.	Clare, J.D.
Collins, J.M.	Combet, G.
Crean, S.F.	D'Ath, Y.M.
Danby, M.	Dreyfus, M.A.
Elliot, J.	Ellis, K.
Emerson, C.A.	Ferguson, L.D.T.
Ferguson, M.J.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
Gibbons, S.W.	Gray, G.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hayes, C.P. *
Husic, E.	Jones, S.
Kelly, M.J.	King, C.F.
Leigh, A.	Livermore, K.F.
Lyons, G.	Macklin, J.L.
Marles, R.D.	McClelland, R.B.
Melham, D.	Murphy, J.
Neumann, S.K.	O'Connor, B.P.
O'Neill, D.	Owens, J.
Parke, M.	Perrett, G.D.
Plibersek, T.	Ripoll, B.F.
Rishworth, A.L.	Rowland, M.
Roxon, N.L.	Rudd, K.M.
Saffin, J.A.	Shorten, W.R.
Sidebottom, S.	Smith, S.F.
Smyth, L.	Snowdon, W.E.
Swan, W.M.	Symon, M.
Thomson, C.	Thomson, K.J.
Vamvakinou, M.	Wilkie, A.
Zappia, A.	

NOES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.

Bishop, J.I.	Briggs, J.E.
Broadbent, R.	Buchholz, S.
Chester, D.	Christensen, G.
Ciobo, S.M.	Cobb, J.K.
Coulton, M. *	Crook, T.
Dutton, P.C.	Entsch, W.
Fletcher, P.	Forrest, J.A.
Frydenberg, J.	Gambaro, T.
Gash, J.	Griggs, N.
Haase, B.W.	Hartsuyker, L.
Hawke, A.	Hockey, J.B.
Hunt, G.A.	Irons, S.J.
Jensen, D.	Jones, E.
Katter, R.C.	Keenan, M.
Kelly, C.	Laming, A.
Ley, S.P.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
Matheson, R.	McCormack, M.
Mirabella, S.	Morrison, S.J.
Neville, P.C.	O'Dowd, K.
O'Dwyer, K.	Prentice, J.
Ramsey, R.	Randall, D.J.
Robb, A.	Robert, S.R.
Roy, Wyatt	Ruddock, P.M.
Scott, B.C.	Secker, P.D. *
Simpkins, L.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Tehan, D.	Truss, W.E.
Tudge, A.	Turnbull, M.
Van Manen, B.	Vasta, R.
Washer, M.J.	Wyatt, K.

PAIRS

Mitchell, R.	Schultz, A.
Gillard, J.E.	Baldwin, R.C.

\* denotes teller

Question agreed to.

**PRIVATE MEMBERS' BUSINESS**

**Multiculturalism**

Debate resumed from 28 February, on motion by **Mr Laurie Ferguson**:

That this House:

- (1) notes the Federal Government's formal response to the recommendations provided by the Australian Multicultural Advisory Council; and

- (2) calls on the House of Representatives to:
- (a) endorse 'The People of Australia' policy which recognises the importance of the economic and social benefits of Australia's diversity;
  - (b) recognise the success of multiculturalism in Australia and policies that reinforce the benefits our diverse communities bring;
  - (c) reaffirm support for multiculturalism in Australia and condemn political strategies or tactics that incite division and seek to vilify communities; and
  - (d) continue the tradition of bipartisan support for multiculturalism and multicultural policy in Australia sustained by successive Governments over the years.

Question agreed to.

#### *MALU SARA*

#### **Report from Main Committee**

Order of the day returned from Main Committee for further consideration; certified copy presented.

Ordered that the order of the day be considered immediately.

**The SPEAKER**—The question is that the motion be agreed to.

**Mr ENTSCH** (Leichhardt) (9.30 am)—by leave—I move that the motion be amended to read:

That this House:

- (1) notes the judgment of the Federal Court of Australia in *Comcare v The Commonwealth* (FCA 1331), and the report of the Queensland Coroner *Inquest into the loss of the Malu Sara* and in particular that:
  - (a) the Court found that the respondent admitted liability;
  - (b) the Coroner found significant aspects of the investigation into the incident were severely flawed;
  - (c) a number of agencies of both the Queensland Government and the Commonwealth Government were strongly criti-

cised for their involvement in events leading up to and during the incident; and

- (d) the Court fined the respondent the amount of \$242,000, being the maximum penalty;
- (2) in light of both the judgment and the Coroner's report, calls on the Government to:
  - (a) examine ways of providing educational assistance to the children of the victims and to support appropriate commemorations on Badu, Iama and Thursday islands;
  - (b) construct appropriate memorials on Badu, Iama and Thursday Islands to properly commemorate this tragic event and provide respectful places for the families of the victims to pay their respects and remember their loved ones; and
  - (c) fully examine the Court's judgment, including the contractors and others named in the report of the Queensland Coroner, into the same incident;
- (3) strongly encourages the Government to ensure that the Department of Immigration and Citizenship's contract and tendering procedures are fully reviewed to ensure that lapses such as this do not occur again;
- (4) condemns the Department of Immigration and Citizenship for its gross negligence; and
- (5) expresses its deep sympathy to the victims of this tragedy.

**The SPEAKER**—Is the motion seconded?

**Mr Secker**—I second the motion.

**The SPEAKER**—The original question was that the motion be agreed to. To this the member for Leichhardt has moved amendments. If there is no objection, I will put the question in the form 'That the amendments be agreed to'. There being no objection, the immediate question is that the amendments be agreed to.

Question agreed to.

**The SPEAKER**—The question now is that the motion, as amended, be agreed to.

Question agreed to.

### **COMMUNITY HOSPITALS IN SOUTH AUSTRALIA**

#### **Report from Main Committee**

Order of the day returned from Main Committee for further consideration; certified copy presented.

Ordered that the order of the day be considered immediately.

**The SPEAKER**—The question is that the motion be agreed to.

Question agreed to.

#### **PERSONAL EXPLANATIONS**

**Mr STEPHEN SMITH** (Perth—Minister for Defence) (9.32 am)—Mr Speaker, I wish to make a personal explanation.

**The SPEAKER**—Does the member claim to have been misrepresented?

**Mr STEPHEN SMITH**—Yes.

**The SPEAKER**—Please proceed.

**Mr STEPHEN SMITH**—Last night on the ABC, on ABC1 7 pm news, the ABC ran a story which asserted that a video of an Australian Defence Force operation in Afghanistan had not been made public because ‘the defence minister’s office kept it under wraps for months’. That assertion was supported in the story by comments from former Chief of Army Peter Leahy. That assertion is completely false. There is no basis nor evidence for such a claim made by the ABC. Indeed, the first time I saw the video was this morning.

The facts are these. Release of videos of operations in Afghanistan are decisions for defence officers and defence officials either in Afghanistan or in Canberra. Those decisions are made on the basis of operational security. Those decisions are not for me. These videos do not come to me or my office

for decision making. The ABC reported this story, despite being advised by my office before the report went to air that this was the case. The system has been in place for a number of years. It is the same system that applied when Mr Leahy was Chief of Army. I am not aware of any suggestions by Mr Leahy as Chief of Army that the system should be changed. I thank the House.

### **COMMITTEES**

#### **Privileges and Members’ Interests Committee**

##### **Report**

**Ms BURKE** (Chisholm) (9.33 am)—As required by resolutions of the House, I table copies of notifications of alterations of interests received during the period 26 October 2010 and 23 March 2011.

#### **COMPETITION AND CONSUMER AMENDMENT BILL (No. 1) 2011**

##### **First Reading**

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

Bill read a first time.

##### **Second Reading**

**Mr SWAN** (Lilley—Treasurer) (9.34 am)—I move:

That this bill be now read a second time.

The Gillard government has been working since day one to build up competition in the banking system and to get a better deal for consumers.

In December, I announced a comprehensive package of new reforms to empower families, support smaller lenders and secure the flow of credit to our economy.

These build on the decisive actions we took during the global financial crisis to preserve the competitive foundations of our banking system.

Our bank guarantees supported deposit funding for smaller lenders and enabled non-

major banks to raise \$65 billion in wholesale funding.

Our \$20 billion investment in AAA rated RMBS continues to support this critical funding market which many smaller lenders rely heavily on.

All of this means loans are there when families need to buy a home and credit is available when a small business wants to grow.

Competition means getting these loans at a fair price—and that is our objective.

Today I introduce amendments to the Competition and Consumer Act 2010 to crack down on anticompetitive price signalling and to get a better deal for consumers in the banking system.

These laws will be initially targeted at the banking sector, because the ACCC has told us there is strong evidence of banks signalling their pricing intentions to each other in a bid to undermine competition.

We have been very clear all along that we would only extend these laws to other sectors of the economy after further detailed consideration.

The ACCC advised me last year that it was concerned about the behaviour of ‘some of the banks in signalling in advance what their response will be to a change in interest rates by the Reserve Bank’.

In the Senate Economics References Committee’s banking competition inquiry, due to report this month, the ACCC gave testimony that:

The problem with that sort of comment—the evil of it, if you like—is that it says to the competitors, ‘If you increase your interest rates I will follow,’ which means you are signalling to the competitor that if they increased their interest rates they would not need to worry about being stuck out there on their own and losing market share.

This type of anti-competitive price signalling can be just as harmful to Australian consumers as an explicit price-fixing cartel.

So there is a gap in our competition law which has allowed the banks to escape the full force and discipline of competition.

The ACCC provided very strong advice that banks were giving each other a ‘nod and a wink’ that they would raise their rates together.

However, because they were not actually writing it all down and signing in blood, or even agreeing verbally how they would act—they could get away with it.

This kind of conduct by the big end of town should never be allowed to continue when designed to dud Australian families.

That is why we are closing this gap in our competition law which is already dealt with in other major jurisdictions like the United States, the UK and the EU.

That is why we are building on our 2009 reforms to strengthen Australia’s cartel laws, by banning signalling designed to keep interest rates higher.

Our tough new laws will give the ACCC the power to take action against banks who signal their prices to competitors to undermine competition.

#### **Policy development process**

The government has been carefully developing competition policy in this area for some time, and monitoring global comparisons.

The OECD’s roundtables on facilitating practices and information exchanges, in 2007 and 2010, have clearly highlighted the harm to consumers that can arise from anticompetitive price signalling.

Many stakeholders in Australia strongly agree that anticompetitive price signalling is

not prevented by our existing competition law.

They have told us that this conduct is best targeted by providing new, specific prohibitions which prevent price signalling occurring.

This is precisely the approach that we have taken to provide certainty to the business community whilst ensuring robust protection for consumers.

#### **Amendments to Competition and Consumer Act 2010**

This bill is fundamentally about stamping out conspiratorial behaviour by the big banks which is not caught by our competition laws.

These tough new laws have two limbs.

First, the bill gives ACCC the power to take action against any bank which signals its pricing intentions to a competitor for the purpose of substantially lessening competition.

We are cracking down on banks who purposely signal to their competitors that they should all raise their mortgage rates together.

It is inherently damaging to consumers for any bank to essentially say to its competitors ‘don’t worry—if you raise your mortgage rates then I won’t undercut you or take your customers’.

It allows banks to move their interest rates higher without the full discipline of competition—and at the expense of the consumer, and it is unacceptable.

This anticompetitive behaviour is a bad result for Australian families and small businesses.

This bill allows a court to infer the real purpose a bank has in making such a statement—so there is no need for a ‘smoking gun’.

Of course, we are not talking here about ordinary commercial communications.

Every Australian bank will be able to communicate with its customers, shareholders, market analysts, employees and other stakeholders in the ordinary course of business—just like they always have been able to do.

What we are doing here is cracking down on the insidious practice of signalling between banks which is designed to undermine competition and which inevitably hurts consumers.

The second limb of the law will prevent banks from discussing their prices with each other behind closed doors.

This prohibition is automatic because there can only ever be a limited range of situations where it is legitimate for competitors to discuss prices.

This prohibition is targeted at those disclosures which are the most clearly anticompetitive and which are most damaging to consumers.

For example, the ACCC can take action if one bank phones another bank privately to tell them about a planned mortgage interest rate rise.

Of course, the bill recognises there will be situations where banks need to discuss pricing with their competitors in a private context.

#### **Exceptions and defences**

We recognise that businesses need certainty and appropriate guidance so that they can conduct legitimate activities on commercial time frames—and keep providing services to customers.

That is why we have worked closely with the ACCC since mid-2010 to carefully design these amendments, and have consulted extensively on draft legislation with industry, legal experts and other stakeholders.

Of course, all banks will be able to fully comply with any continuous disclosure obli-

gations they have, such as discussing their funding costs.

And they will be able to fully comply with their broader legal or regulatory obligations.

The bill contains explicit exemptions for all of this.

After consulting closely with the business community, we have also made amendments to ensure private disclosures of prices can continue for legitimate business activities.

This has been done largely by clarifying exemptions that were contained in the exposure draft legislation or by providing clear new exemptions.

For example, we have a clear exemption for banks who are considering forming a joint venture and need to discuss prices first to decide whether they should in fact enter a commercial arrangement.

Depending on the circumstances, an arrangement like a syndicated loan—when banks get together to lend to a business customer—would likely fit the definition of a joint venture.

That means that banks will be able to go ahead and get on with the business of lending provided they are not being anticompetitive.

We have got clear carve-outs in the bill so banks can distribute their products through financial planners or mortgage brokers.

There are then further exemptions so banks can keep talking to each other about trading financial market products such as bonds or currency.

The bill contains arrangements for banks to seek immunity when their conduct provides a net public benefit to the community.

This allows legitimate conduct to occur where it is not covered by one of the other explicit exemptions—some of which I have just mentioned.

Following consultation with the business community, the bill now includes a 'notification' regime to meet shorter commercial time frames.

Where a bank can demonstrate a net public benefit, they can obtain immunity by describing the conduct to the ACCC in a notice.

The ACCC then has a limited period of 14 days to respond if it has any concerns about the proposed behaviour.

This is significantly faster and more cost-effective than the 'authorisation' process that we had originally discussed with the business community.

Lenders could use this process to exempt a corporate 'workout' scenario—where they get together to resolve the finances of a troubled business.

Of course, robust confidentiality arrangements will be available for parties concerned about the commercial sensitivity of proposed conduct.

### **Conclusion**

The bill I introduce today strikes an appropriate balance between allowing legitimate or procompetitive conduct, and cracking down on anticompetitive price signalling which harms consumers.

This important reform will help to ensure that banks can no longer avoid the full force of competition in the marketplace.

The Gillard government is absolutely committed to getting a better deal for Australian families and small businesses in the banking system.

The laws I introduce today are an important part of that.

I encourage all members of the House to support the passage of this bill.

Debate (on motion by **Mr Andrews**) adjourned.



**NATIONAL CONSUMER CREDIT  
PROTECTION AMENDMENT (HOME  
LOANS AND CREDIT CARDS)  
BILL 2011**

**First Reading**

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

Bill read a first time.

**Second Reading**

**Mr SWAN** (Lilley—Treasurer) (9.45 am)—I move:

That this bill be now read a second time.

Today I introduce a bill which delivers on our election commitment to crack down on unfair treatment of Australians with credit cards, and to help them get a better deal in the banking system.

In December, I announced new reforms to promote a competitive and sustainable banking system to give every Australian a fairer go.

We are introducing three broad streams of reform to empower consumers, to support smaller lenders, and to secure the flow of credit to our economy.

Today we are building on our new national responsible lending reforms by giving credit card holders more control over the amount they borrow.

We went to the last election promising to stamp out lender practices which see consumers pay more interest than they should.

And today that is precisely what we will do.

There are some 15 million credit card accounts in Australia.

We simply could not get by from day to day without our credit cards.

An average Australian family will often have two or three different credit cards.

That is why these reforms are so important.

Even if we only save hardworking families a few dollars a week, it will always be a worthwhile thing to do to put in reform in this area.

Of course we recognise businesses need to make a profit, but credit cards are so integral to the family budget that we must ensure every dollar of a borrower's hard-earned repayments work hard for them.

So the objective here is simple—to encourage the responsible use of credit cards by informed consumers, and to make sure that all Australians get value for money.

This bill also delivers on our commitment last year to introduce a compulsory, one-page key facts sheet for new home loan customers.

Again, this is not going to change the world, but it is very important step in empowering Australians to make the best financial decisions for themselves.

Consumers will be able to compare a loan they are offered by a big bank side by side with what will often be a better deal from their local credit union or building society.

**Credit cards**

This National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill contains strong measures to give hardworking Australians a better deal when it comes to their credit cards.

We have already overhauled our consumer laws in the past two years.

The commencement of the Australian Consumer Law marked the first time in 100 years that Australians have had a uniform consumer law.

The new National Credit Code introduced for the first time a national consumer credit

law with tough new protections for consumers.

Today we deliver on our promise to fast-track reforms through the national credit laws to increase fairness for credit cards holders.

This bill will give consumers more say over how they use their credit cards and help them better understand what they are signing up for.

**Banning unsolicited offers to borrowers to increase their credit limit**

The bill prohibits lenders from sending unsolicited invitations to borrowers to increase their credit limit, as they sometimes cannot easily afford to do so.

Australian families who accept these types of offers can, over time, end up with too much credit card debt which can take years to pay off.

Of course this means they are saddled with significant interest payments which make it that much tougher to balance the family budget.

Some families have seen their credit card limit blow out to over \$10,000 after a series of unsolicited offers, and may only be able to afford repayments of around \$200 a month.

On a typical credit card at an interest rate of around 20 per cent interest per year it would take them about nine years to repay this level of credit card debt, and, of course, they would be slugged with over \$11,000 in interest bills.

Of course, lenders will be able to continue providing factual advice to their customers about options for reviewing their credit limit.

Consumers will always have the opportunity to consider raising their credit limit if they decide that is the most appropriate way for them.

But this bill ensures credit card lenders will not any longer be allowed to bombard consumers with pre-approved, tick'n'flick offers to increase their credit limit every time they open the mail.

These types of offers will simply be banned.

Consumers will be able to agree upfront to receive pre-approved offers to increase their credit limit—if that is what they want.

But consumers who want to carefully manage their finances will no longer have to resist the temptation these types of offers present.

They will be able to make an informed decision to modify their credit limit—either up or down—if that suits them and their family budget.

But they will not be doing it because they were encouraged to do so by a lender who just wants to make a very quick buck out of them.

**Use of credit card in excess of credit limit**

The bill prevents lenders charging fees to customers who go over their credit limit, unless they have expressly asked for this service.

Of course, the government recognises that lenders will need the discretion to approve some payments which go over the credit limit.

A customer may have only gone over the limit by a few dollars, so it is important that we leave a bit of flexibility here while protecting the customer.

For example, it is in the interests of the borrower's family for their lender to honour a payment of their electricity bill so their power is not cut off.

So the industry and consumer groups have agreed it is appropriate to give credit providers the discretion to approve payments like

this up to a default buffer equal to 10 per cent of a consumer's credit card limit.

This is a common-sense outcome which protects consumers, while giving them plenty of flexibility to manage their monthly budget.

However, credit providers will be banned from imposing fees or charges or a higher interest rate on any borrowings using this default buffer.

It is estimated that Australians will save around \$225 million annually from this reform alone.

Consumers can opt out of this default buffer if that is best for them. They may consider it would help them manage their finances better.

They will also be able to ask their lender, if they choose, for a larger buffer if they decide they are prepared to pay fees for this service.

But it is up to every consumer to make their own informed decision.

Overall, this critical reform will mean an end to most credit limit overdraw fees and significant savings for Australian families and all consumers.

#### **Warning on statements about only paying minimum repayments**

We will further make regulations requiring all lenders to clearly warn consumers on their monthly credit statement of the consequences of only making minimum repayments.

Many consumers fall into the trap of only paying the bare minimum required each month, which ends up costing them dearly over time.

Even slightly higher payments can make a big difference to how much interest they are charged.

This reform is therefore absolutely critical to helping Australians manage their household budget.

The bill also forces lenders to allocate repayments to higher interest debts first, so families do not pay more interest than they should.

Currently, consumers do not have any control at all over how their repayments are allocated, with lenders often using their money to pay off parts of the loan which are actually only incurring low or no interest.

This means that the remainder of the consumer's debt can be accruing interest at a higher rate, and without being reduced by the repayment.

The reform will address this by ensuring repayments are allocated to the higher interest balances first.

I could not even begin to count the number times that people have come up to me and complained about this particular practice.

This reform might not look like it is a big reform, but it will end up saving money for many Australian consumers from their hard-earned pay packets.

A family could save something like \$360 a year or more, depending on their spending habits and credit limit—and of course every dollar counts.

Put simply, we are ensuring that every dollar repaid by a consumer works harder to pay down their debts.

#### **One-page home loan key facts sheet**

In December I announced we would introduce a simple, standardised, one-page fact sheet for consumers to compare loans.

Families will be able to compare the cost of different home loans by putting one-page facts sheets from different lenders side by side.

They will be able to tell instantly the savings they could make between different mortgages every year and over the life of the loan.

A potential home borrower could easily compare the relative cost of a mortgage from a credit union against, for example, that of a big bank.

Buying a home is the biggest investment many Australians will ever make, and this bill helps them shop around for the best deal.

Choosing the wrong loan can be very expensive. Half a per cent more interest on a \$250,000 loan can cost a borrower \$30,000 or more over 30 years.

We are ensuring consumers know how many dollars they will repay for every dollar they borrow so they can compare this across lenders.

Consumers will be able to see and understand the true cost of a home loan, at a single glance.

This reform is all about forcing banks and other home loan providers to be honest and transparent with Australian families.

It is about promoting competition in the banking system and doing a little bit to help all Australians meet the costs of living.

### **Conclusion**

The Gillard government is changing the way banks do business, and putting the power back in the hands of consumers.

We worked hard through the global financial crisis to secure our financial system, and preserve the competitive foundations of our banking sector.

In December, I announced a further reform package to help build up competition again in the banking system for all Australians.

There is no silver bullet here, but the bill I am introducing today is part of our commit-

ment to always stand on the side of consumers.

I encourage all members of this House to do the same. I commend the bill to the House.

Debate (on motion by **Mr Andrews**) adjourned.

### **FAMILY LAW LEGISLATION AMENDMENT (FAMILY VIOLENCE AND OTHER MEASURES) BILL 2011**

#### **First Reading**

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

Bill read a first time.

#### **Second Reading**

**Mr McCLELLAND** (Barton—Attorney-General) (9.57 am)—I move:

That this bill be now read a second time.

The Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011 addresses a matter of paramount concern to the Australian community.

It is about the safety of our children.

This bill seeks to protect children and families within the family law system from family violence and child abuse.

#### **Introduction**

Children are the most vulnerable members of our community.

Most children thrive in happy and cohesive families who put the best interests of their children first. Unfortunately, some children are not so lucky and experience significant conflict, fear, isolation and harm.

Their experiences often occur within the confines of the family home and involve trusted family members. Conflict often escalates during family breakdown increasing the risk to these children.

Often there are strong intergenerational effects.

I cannot accept that it is in any way proper or moral or beneficial to allow a child to suffer, to witness or hear, or to learn about violence.

Plainly, I am sure all members will agree, the opposite is true.

As a government, we cannot tolerate family violence or child abuse in any form.

#### **Evidence base for the legislative reforms**

The damaging effects of family violence and child abuse have been recorded in a range of reports commissioned by the government in recent years.

In an evaluation of the 2006 family law reforms released by the government last year, the Australian Institute of Families Studies (AIFS) found that two-thirds of separated mothers and over half of separated fathers reported experiencing abuse, either emotional or physical, by the other parent.

The Australian Institute of Family Studies also found that one in five separated parents surveyed reported safety concerns associated with ongoing contact with their child's other parent.

A report by the Family Law Council highlights data that victims of family violence receive more psychiatric treatment and have an increased incidence of attempted suicide and alcohol abuse than the general population. Violence is also a significant cause of homelessness.

These are disturbing findings.

Perhaps more importantly, various research reports by leading social scientists and academics clearly show that exposure to family violence and child abuse leads to poor developmental outcomes for children.

Former Family Court judge, the Hon. Professor Richard Chisholm AM, in his *Family courts violence review*, identified the importance of disclosing, understanding and acting where there is family violence.

Professor Chisholm has stated that many families before the Family Court face the victim's dilemma: 'Do I report family violence to the court and risk losing my children, or should I stay silent?'

It is unacceptable that our laws place people in this predicament.

There is no dilemma for this government.

This bill will help to break those ghastly silences by encouraging disclosure of family violence; it will improve the understanding of what family violence is by clearly setting out the types of behaviour that are unacceptable; and it will ensure that appropriate action is taken to prioritise the safety of children.

#### **Key features of the bill**

The Family Law Legislation Amendment (Family Violence and Other Measures) Bill will positively address family violence and child abuse in the family law system.

The bill will amend the Family Law Act 1975 (Cth) to promote safer parenting arrangements for children.

Firstly, the bill will prioritise the safety of children in family law proceedings.

This government continues to support shared care and a child's right to a meaningful relationship with both parents. However, where family violence or abuse is a concern, the courts will be required to prioritise the safety of the child over maintaining a meaningful relationship with each parent.

The act will include an additional object to give effect to the United Nations Convention on the Rights of the Child, to which decision-makers may have regard when dealing with children's matters under the Family Law Act.

Second, the bill will change the definitions of 'family violence' and 'abuse' to better capture harmful behaviour. Family violence takes many forms and can affect any

family member, be it adult or child, male or female.

The definition of family violence is consistent with the recommendations of the Australian and New South Wales Law Reform Commissions, and I thank them for their valuable work. Behaviour such as assault, sexual assault, stalking, emotional and psychological abuse, and economic abuse are explicitly referenced in this definition.

The definition of abuse in relation to a child will include serious psychological harm as a result of exposure to family violence, and also serious neglect.

This is a vital first step in helping the family law system to identify these problems and to respond appropriately to them.

Third, the bill will strengthen the obligations of lawyers, family dispute resolution practitioners, family consultants and family counsellors to prioritise the safety of children.

Under the proposed reforms, advisers must encourage families, in reaching parenting arrangements, to focus on the best interests of the child and in doing so to prioritise the wellbeing and right to safety of their children.

Fourth, the bill will ensure that courts get the information they need to make safe parenting arrangements.

To this end:

- courts dealing with children's matters will have to ask the parties to proceedings about family violence and child abuse;
- parties will have to report their concerns about those matters to the courts;
- other people interested in the proceedings will be able to make similar reports to the courts;

- courts will be relieved of considering the extent to which a parent is 'friendly', according to the current definitions; and
- families will no longer need to fear being saddled with a costs order for reporting family violence to the courts.

With all relevant information being made available, the courts can ensure that parenting orders will protect children from harm.

Finally, the bill will make it easier for Commonwealth, state and territory child welfare agencies to participate in family law proceedings.

#### **Public support for the bill**

The measures proposed in this bill have received overwhelming support from the community and bodies and professionals working in the family law system, and I note many representatives of those organisations are in the House today.

Over 400 submissions were received in public consultation conducted between November 2010 and January 2011.

A massive 73 per cent of people making submissions supported measures proposed in the exposure draft bill. Another 10 per cent made no comment on the bill but offered information about their personal experience.

The government have taken account of all submissions that were received in the public consultation and we have refined the measures that are proposed today in light of that process.

Part of the reason the bill has received such support is because it keeps in place key reforms that encourage meaningful relationships between parents and their children where they are safe.

Various research reports have found that shared care generally works well where the parents have little conflict, can cooperate, and live relatively close together.

This government supports creating happier, healthier outcomes for children.

#### **Other nonlegislative measures**

In addition to this bill, the government is taking other actions to combat family violence and child abuse, which I will briefly mention.

Substantial inroads will continue to be made through:

- the National Framework for Protecting Australia's Children 2009-2020 which was developed under the auspices of the Council of Australian Governments;
- the National Plan to Reduce Violence against Women and their Children 2010-2022, again, recently endorsed by Commonwealth, state and territory governments;
- the development of a national scheme for recognition of domestic violence orders across Australian jurisdictions under the Standing Committee of Attorneys-General;
- a training package designed to equip mediators, family counsellors and lawyers to better identify family violence and to work with families to keep children safe;
- piloting a supportive model of family dispute resolution for safe mediation where violence is present; and also
- establishing a common framework to assess and screen for violence within the family law system.

#### **Technical amendments**

The bill also includes a number of technical and procedural amendments to the Family Law Act and also to the Bankruptcy Act 1966. These will improve the efficiency and effectiveness of family law proceedings generally, and correct certain anomalies.

#### **Conclusion**

In conclusion, introducing this bill is one of the more poignant moments in my time as first law officer of the Commonwealth of Australia.

The Australian public and hardworking members of the family law system have spoken overwhelmingly in support of the bill.

Family violence and child abuse are too common in separating families.

It is a time for honourable members of this parliament to confront these disturbing issues and to make a difference that is long overdue. I commend this bill to the House.

Debate (on motion by **Mr Turnbull**) adjourned.

#### **SOCIAL SECURITY AMENDMENT (SUPPORTING AUSTRALIAN VICTIMS OF TERRORISM OVERSEAS) BILL 2011**

##### **First Reading**

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

Bill read a first time.

##### **Second Reading**

**Mr McCLELLAND** (Barton—Attorney-General) (10.08 am)—I move:

That this bill be now read a second time.

Terrorism is a crime that has a unique and dramatic impact on the lives of its victims.

It is a crime directed not at individuals, but at the state—but individuals are the victims.

Presently in every Australian state and territory victims of crime, including terrorism, are eligible for lump sum payments under criminal injuries schemes.

However, there is no comprehensive scheme that covers Australian victims of terrorism when those incidents occur overseas.

In the past decade Australians have been killed and injured in terrorist attacks in New York and Washington, Bali, London, Jakarta and Mumbai.

Terrorism is an unpredictable and stateless phenomenon.

It can strike almost anybody, in any place and at any time.

It is a sad reality that Australians are sometimes specifically targeted in overseas terrorist acts.

Other times, they are merely caught up in attacks launched indiscriminately at 'West-erners'.

In either case, these individuals fall victim to attacks with a political or ideological motive, rather than a personal one.

In that context, it is only fair that the burden of the attack be borne in part by the state, and not by the individual victim.

It is important to acknowledge the collective responsibility of the Australian community to help individuals recover from overseas terrorist events.

The Australian government has assisted Australian victims of terrorism in the past, providing them with medical and evacuation support, consular assistance and assisting with funeral costs and other expenses, on an ex gratia basis. The value of that assistance to date exceeds \$12 million.

There is, however, more that can be done to ease the suffering and to provide support to Australian victims in the longer term.

It is in this context that the government today commends to the House the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011.

It should be noted that the bill builds on important work by the Leader of the Opposition, and the member for Paterson by incorporating principles of the opposition leader's

private member's bill entitled 'Assisting the Victims of Overseas Terrorism'.

The purpose of the opposition leader's private member's bill was to provide additional financial support of up to \$75,000 to Australians who are affected by terrorism while they are overseas.

The government's bill adopts this approach by instituting a new mechanism for providing financial assistance to victims of overseas terrorism, called the Australian Victim of Terrorism Overseas Payment.

The payment will provide up to \$75,000 for individuals who are injured in an overseas terrorist event or to a close family member of an individual killed as a result of a terrorism event overseas.

Eligibility under the scheme provided for by the bill requires the Prime Minister to declare an overseas terrorism event in the first instance.

Once an overseas terrorism event has been declared, set eligibility criteria will apply, primarily that an applicant is an Australian resident and did not contribute to the terrorism event.

The bill also sets out principles, which will be accompanied by relevant guidelines, that provide guidance on the factors that may be considered when determining a claim, including:

- the nature, duration and impact of the injury or disease;
- the likelihood of future loss, injury or disease;
- the circumstances in which the injury or disease was incurred;
- the nature of the relationship between the primary and secondary victim;
- whether there are other persons who have made a claim;



- whether there is agreement by claimants on the amount that should be paid to each;
- whether there was an adverse Australian government travel advisory;
- whether the person was directed not to go to the place where the attack occurred; and
- other payments from the Commonwealth, state, territory, a foreign country or another person or entity.

Consistent with assumptions underlying the opposition leader's private member's bill, the scheme will also provide that victims who receive the payment will not have to repay Medicare, workers compensation or any other benefits received from the Commonwealth. This is also consistent with current victims of crime compensation schemes around the country. The payment will also be exempt from taxation.

The discretion to provide payments of up to \$75,000 acknowledges not only that injuries resulting from terrorism events tend to be very serious but also that they can have a lasting effect, requiring ongoing support and treatment.

That Australians should be injured or killed in a terrorist act is a horrible thought to contemplate. But it has happened and—unfortunately—it will almost certainly happen again.

Terrorism is a crime that is indiscriminate and has many victims. It devastates not only those directly impacted but their families as well.

It is a crime designed to strike at the heart of all we hold dear in a free and democratic society.

But we are determined that terrorism will not affect how we go about our lives.

The government supports the rights of Australians to continue to explore the world, to continue to discover new places and to represent us abroad, secure in the knowledge that the Australian community, and its parliament, will continue to support them, their families and the Australian way of life.

I would like to again acknowledge the Leader of the Opposition and the member for Paterson for their work in relation to this important issue and for their constructive and positive engagement with the government to achieve the realisation of this outcome.

I commend the bill.

Debate (on motion by **Mr Turnbull**) adjourned.

### **CARBON CREDITS (CARBON FARMING INITIATIVE) BILL 2011**

#### **First Reading**

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

Bill read a first time.

#### **Second Reading**

**Mr COMBET** (Charlton—Minister for Climate Change and Energy Efficiency) (10.15 am)—I move:

That this bill be now read a second time.

The government is committed to action on climate change and the need to reduce our carbon pollution.

This is because the government accepts the science and understands both the damage that unmitigated climate change would cause to Australia and the opportunities for our economy if we do take action.

On 24 February this year we announced the framework for a carbon price to take effect from 1 July 2012. That framework would not place any liability on agricultural, forestry or legacy waste emissions.

However, the government has also committed to create opportunities in these sectors

for the creation of revenue through the reduction or storage of carbon pollution.

The Carbon Credits (Carbon Farming Initiative) Bill 2011 fulfils an election commitment to give farmers, forest growers and landholders access to carbon markets.

This will begin to unlock the abatement opportunities in the land sector which currently make up 23 per cent of Australia's emissions.

Australia has amongst the highest agricultural emissions of the developed countries. But we also have significant opportunities to increase carbon storage in our landscape.

We are a very big country.

This scheme presents an opportunity for Australia to address these high emissions and for the agriculture sector to be part of the solution to climate change.

We are already making progress in this area.

For example, through Australia's Farming Future, the government has invested \$42.6 million into research and development into abatement options for the land sector.

The CSIRO and other research institutions are making important advances in carbon estimation techniques.

And around the country, innovative farmers have been developing ways to improve the health of agricultural soils, to improve herd efficiency and to farm more sustainably.

This scheme will drive and reward the deployment of this Australian innovation.

The Carbon Farming Initiative will create incentives to protect our natural environment and adopt more sustainable farming practices as well as mitigate climate change.

Increasing carbon storage in agricultural soils improves soil health and productivity.

Revegetation will help restore degraded landscape and protect biodiversity.

Tree planting can help to address salinity and reduce erosion.

This is important because the agricultural sector is likely to be one of the most strongly affected by climate change.

The importance of these co-benefits is reflected in the objects of this bill.

We want to achieve carbon abatement in a manner that is consistent with protection of Australia's natural environment and improves resilience to the impacts of climate change.

The Carbon Farming Initiative will create new, real and lasting economic opportunities for regional communities in this country. Farmers and landholders will be rewarded for their actions to reduce or store carbon pollution. This is a very important step forward for regional and rural Australia.

This is not a government grant program.

The legislated scheme will allow sellers to deal directly with buyers and leverage the opportunities of the marketplace. Such a marketplace allows companies to invest in local land sector abatement through long-term contracts and partnerships with farmers and landholders.

Markets are not new to farmers, nor are many of the things which can save or store carbon—trees and soil. What farmers need is a mechanism to add value to their actions and decide whether or not to invest.

Real and lasting economic opportunities are also what Indigenous Australians are telling us they want. The Carbon Farming Initiative includes a number of provisions to ensure Indigenous Australians can effectively participate and take up these opportunities.

This package of bills creates a legal framework which will provide certainty for private investment in carbon abatement.

The Carbon Farming Initiative provides a framework which is grounded in the science

of climate change and provides clear economic value to actions which store or reduce our carbon pollution.

### Overview

The Carbon Credits (Carbon Farming Initiative) Bill 2011 is one of a package of three related bills. The two which I will subsequently present to the House are the Australian National Registry of Emissions Units Bill 2011 and the Carbon Credits (Consequential Amendments) Bill 2011.

The Carbon Farming Initiative is a voluntary scheme. There is no requirement on anyone to participate. But those that do will be eligible to receive carbon credits for every tonne of carbon pollution saved or stored.

These carbon credits can be exported or sold to companies that want to offset their emissions or to sell carbon neutral products.

The legislation seeks to balance environmental integrity with administrative simplicity. This is to enable broad participation in the scheme.

The government have made a number of changes to the proposal released for consultation earlier this year to reduce administrative costs. In particular, a lot of attention in the consultation process was focused on what was called the additionality test.

The additionality test has been now streamlined by removing the need to prove financial additionality. Instead, the government will identify and list activities that are not already in widespread use—that go beyond common practice. The government will consult with stakeholders, and may undertake surveys, to identify activities that are beyond common practice. We will adopt a common-sense approach that takes account of local conditions and industry circumstances.

Offsets reports will not be required once reforestation and vegetation has stopped growing and is no longer receiving credits.

Project proponents can choose a reporting period between 12 months and five years.

Audit requirements may be reduced for less complex projects.

This scheme will complement other government commitments to protect Australia's unique natural environment and enable the development of competitive and sustainable farm industries.

This bill includes provision to exclude projects that have perverse impacts on water availability, biodiversity conservation, employment or local communities from the scheme.

Eligible projects will need to comply with all state, Commonwealth and local government water, planning and environment requirements.

Project proponents will also be required to take account of regional natural resource management plans. These provide a mechanism for local communities to have their say about the type and location of abatement projects.

The government will monitor the implications of the scheme for regional communities and on the environment.

If there is evidence that projects are likely to have a material and adverse impact, we will consider what further protections may be necessary.

On the positive side of the ledger, the government will make it easy to market the co-benefits of abatement projects.

We know that buyers in the voluntary market want projects that have positive environmental and social benefits.

### **Integrity of abatement**

Carbon credits are used to offset emissions. The price that buyers will be willing to pay for credits will depend on their perceived environmental credibility.

Therefore, an independent expert committee, the Domestic Offsets Integrity Committee, has been established to ensure that estimation methodologies are rigorous and lead to real and verifiable abatement.

Other elements of the design of the scheme to ensure the integrity of credits include: issuing credits after the sequestration or emissions reductions have actually occurred; tracking of credits through a central national registry—this is included in the registry bill; transparency provisions including the publication of a wide range of information about approved projects; appropriate enforcement provisions to address non-compliance; and a robust audit scheme based on the National Greenhouse and Energy Reporting Scheme.

Carbon storage has to be permanent if it is going to be treated as equivalent to carbon emissions from the industrial sectors.

The provisions to deal with permanence are rigorous yet they are flexible and well suited to Australian conditions.

Participants would be able to cancel their project and hand back credits issued at any time, for example because they wish to sell the land or use it for something else.

Land managers would not have to hand back credits if carbon stores are lost because of bushfire or drought. This is a very important point to understand. Instead, land manager holders will be required to take steps to re-establish lost carbon stores.

Temporary losses of carbon following a bushfire or drought would be covered by a risk of reversal buffer where a proportion of the credits are withheld.

### **Conclusion**

We must not let the debate that is raging over the carbon price stop us from making a start on land sector abatement through the Carbon Farming Initiative.

We need a long-term framework for rewarding land sector carbon abatement.

This will provide the investment certainty the sector needs to be part of the solution to climate change.

I commend the bill to the House.

Debate (on motion by **Mr Turnbull**) adjourned.

### **CARBON CREDITS (CONSEQUENTIAL AMENDMENTS) BILL 2011**

#### **First Reading**

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

Bill read a first time.

#### **Second Reading**

**Mr COMBET** (Charlton—Minister for Climate Change and Energy Efficiency) (10.27 am)—I move:

That this bill be now read a second time.

The Carbon Credits (Consequential Amendments) Bill 2011 contains consequential amendments and transitional provisions relating to the Carbon Farming Initiative and the establishment of the Australian National Registry of Emissions Units. It also makes various amendments to the National Greenhouse and Energy Reporting Act 2007.

The bill seeks to amend five acts. Most of the proposed amendments will apply existing legislation relating to financial services, anti-money laundering and counter-terrorism financing to units held in the registry. The amendments are intended to provide additional safeguards to protect purchasers of Australian carbon credits and international units, and to provide deterrence against

criminal activities involving the Carbon Farming Initiative.

The proposed amendments to the Corporations Act 2001 and Australian Securities and Investments Commission Act 2001 will provide a strong regulatory regime to reduce the risk of market manipulation and misconduct relating to Australian carbon credits and eligible international emissions units. Appropriate adjustments to the regime to fit the characteristics of the different types of units and to avoid unnecessary compliance costs will be made through regulations.

As required by the Corporations Agreement between the Commonwealth, states and territories, the Ministerial Council for Corporations has been consulted about the amendments to the corporations legislation.

The bill also proposes amendments to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to ensure that financial institutions and other persons who buy and sell Australian carbon credit units and eligible international emissions units are regulated under that act. These bodies will be subject to reporting and other requirements, including requirements to verify their customer's identity prior to trading in Australian carbon credit units or international emissions units.

To ensure that the Carbon Credits Administrator has sufficient information to tackle undesirable behaviours by scheme participants, administrators with relevant information, such as the Australian Competition and Consumer Commission, the Australian Securities and Investments Commission and the Greenhouse and Energy Data Officer, will need to be able to share this information with the administrator. The bill therefore proposes amendments to the Competition and Consumer Act 2010, the Australian Securities and Investments Commission Act 2001 and the National Greenhouse and Energy Report-

ing Act 2007. This will allow, for example, ASIC to disclose information that it possesses about wrongdoing in connection with trading of Australian carbon credit units which is also of significance to the administrator as the operator of the registry.

Part 27 of the Carbon Credits (Carbon Farming Initiative) Bill allows reciprocal flow of relevant information from the Carbon Credits Administrator to these bodies where it is required.

The bill also proposes amendments to the NGER Act to allow the audit framework for the Carbon Farming Initiative to utilise the existing audit framework under the NGER Act. It also proposes to extend the arrangements for reporting transfer certificates beyond 30 June 2011, and other amendments to the act.

Using the existing audit framework under the NGER Act will promote administrative efficiency and reduce duplication; for example, there will be a single register for qualified assurance auditors. It reduces complexity for auditors (many of whom will operate under both acts) as they are already familiar with audit requirements set out under the NGER Act and can apply the same legislative requirements in areas of overlap between NGER and the Carbon Farming Initiative legislation.

Reporting transfer certificates allow the voluntary transfer of reporting obligations relating to a facility from a registered controlling corporation to another corporation. This could occur where the other corporation has financial control of the facility and formally applies for the transfer of responsibilities. These provisions are voluntary and impose no additional burden on industry stakeholders. They are intended to reduce administration and economic costs for industry and increase flexibility in establishing reporting arrangements.

The reporting transfer certificate arrangements were a temporary measure and it was intended they would be replaced by the liability transfer certificate provisions of the proposed Carbon Pollution Reduction Scheme legislation. As this legislation failed to pass the Senate, it is necessary to extend these arrangements.

The bill also provides for transitional measures arising from the Carbon Credits (Carbon Farming Initiative) Bill and the Australian National Registry of Emissions Units Bill. It is proposed that accounts held in the non-statutory registry prior to commencement of the bill will continue in existence under the legislated registry. Pre-existing audit determinations will also continue to have effect.

The consequential amendments contained in this bill are important for the efficient and effective operation of the Carbon Farming Initiative and the National Greenhouse and Energy Reporting System. The amendments seek, where possible, to streamline institutional and regulatory arrangements and minimise administrative costs in both schemes, and to provide additional safeguards for the Carbon Farming Initiative.

I should perhaps have noted during the course of this second reading speech that references to NGER in my address refer to the National Greenhouse and Energy Reporting Act.

I commend this bill to the House.

Debate (on motion by **Mr Turnbull**) adjourned.

#### **AUSTRALIAN NATIONAL REGISTRY OF EMISSIONS UNITS BILL 2011**

##### **First Reading**

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

Bill read a first time.

##### **Second Reading**

**Mr COMBET** (Charlton—Minister for Climate Change and Energy Efficiency) (10.34 am)—I move:

That this bill be now read a second time.

This bill provides for the establishment and maintenance of a robust Australian National Registry of Emissions Units to underpin implementation of the Carbon Farming Initiative.

An efficient electronic registry, governed by clear rules and supported by appropriate enforcement mechanisms, will allow farmers, landholders and other participants with offsets projects under the initiative to receive, hold and transfer their carbon credits securely, with minimum costs and delay.

This important piece of infrastructure will be based on an existing registry that the Australian government established in 2008 to meet key obligations that Australia has under the Kyoto protocol. The bill will put the Kyoto registry, which has operated on an administrative basis to date, on a legislative footing.

Combining the registry functions of the Carbon Farming Initiative and the Kyoto protocol means that anyone who owns tradeable units issued under both systems will be able to hold those units in a single account. This will significantly reduce account establishment and operating costs, and streamline all transactions for account holders.

All accounts that exist in the current registry will be transferred to the statutory registry at the commencement of the Carbon Farming Initiative, without disruption to current account holders.

The bill provides for the recognition in Australian legislation of the emissions units created under the Kyoto protocol. It sets out how these units can be issued and transferred and is consistent with Kyoto protocol rules.

The Carbon Credits (Carbon Farming Initiative) Bill 2011 deals with the process for exchanging Australian carbon credit units issued under the Carbon Farming Initiative with certain Kyoto units, which can then be sold in international carbon markets.

Other types of international units may also be recognised through regulations. This would allow other international carbon trading systems to be recognised and possibly linked to the Carbon Farming Initiative.

The bill will clarify that Kyoto and non-Kyoto units held in the registry are to be treated as personal property for the limited purposes of laws relating to bankruptcy, external administration, wills, intestacy and deceased estates, and any other prescribed purpose. This reduces any legal uncertainty surrounding the units in these circumstances.

A range of information in the registry will be made publicly available, including the name of account holders, and the regulations may require publication of the total number of specified Kyoto units held in accounts. This information is required to meet requirements under the Kyoto protocol and is currently available on the Department of Climate Change and Energy Efficiency website. Publication of information will also provide a high level of transparency to ensure public confidence in the Carbon Farming Initiative.

Users of the registry will expect the administrator of the registry to protect their accounts from misuse and to safeguard their carbon credits from theft.

High standards of security and a range of antifraud measures are already being applied to the existing registry. For example, the registry complies with IT security standards set by the Defence Signals Directorate and the United Nations Framework Convention on Climate Change. Anyone seeking to open a

registry account must also undergo an identity check.

The bill will introduce additional safeguards to minimise the risk of fraud and misuse of the registry. These safeguards include: criminal penalties for fraudulent or dishonest conduct; powers to suspend registry operations temporarily to address threats to the system; the administrator will have discretion not to transfer units where there are reasonable grounds to suspect that the transaction is fraudulent; powers to correct unauthorised entries in the registry; and powers to close the accounts of any persons who breach their registry obligations.

This bill provides for an efficient and safe system to hold and track carbon credits and other units used to implement the Carbon Farming Initiative and to meet Australia's international obligations under the Kyoto protocol.

I commend the bill to the House.

Debate (on motion by **Mr Turnbull**) adjourned.

### **GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION SCHEMES BILL 2011**

#### **First Reading**

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

Bill read a first time.

#### **Second Reading**

**Mr SNOWDON** (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10.39 am)—I move:

That this bill be now read a second time.

The Governance of Australian Government Superannuation Schemes Bill 2011 (the bill) is part of a package of bills to improve and modernise the governance arrangements for

the main Commonwealth civilian and military superannuation schemes.

The bill gives effect to the government's announcement, in October 2008, to merge the trustees for the Commonwealth's main civilian and military superannuation schemes—that is, the Australian Reward Investment Alliance, the Military Superannuation and Benefits Board and the Defence Force Retirement and Death Benefits Authority (DFRDB Authority)—to form a single trustee body.

The main civilian and military superannuation schemes that will come under the single trustee are the:

- Commonwealth Superannuation Scheme;
- Public Sector Superannuation Scheme;
- Public Sector Superannuation Accumulation Plan;
- Military Superannuation and Benefits Scheme;
- Defence Force Retirement and Death Benefits Scheme; and
- Defence Force Retirement and Benefits Scheme.

The single trustee will also assume responsibility for the scheme established by the Superannuation Act 1922, the Papua New Guinea Scheme and the Defence Force (Superannuation)(Productivity Benefit) Scheme. These schemes currently come under the Commissioner for Superannuation and, in the case of the latter scheme, the DFRDB Authority and the Commissioner for Superannuation.

The bill establishes the Commonwealth Superannuation Corporation (CSC) as the single trustee. CSC is a Commonwealth authority for the purposes of the Commonwealth Authorities and Companies Act 1997.

Importantly, the bill does not impact on the design of the schemes or on members' entitlements, which are protected by separate scheme legislation that cannot be changed by the trustee. In particular, there is no change to the existing features and benefits that reflect the unique nature of military service in the Australian Defence Force, such as death and disability arrangements.

The government's decision to merge the civilian and military trustees was made with the aim of improving member benefits and service levels.

The ability of a single trustee to consolidate scheme funds will provide the opportunity to access increased benefits of scale. This includes access to higher service levels and better investment opportunities, which will allow members of all the schemes to benefit through lower investment costs and higher investment returns.

Members of the Military Superannuation and Benefits Scheme (MSBS)—which comprises the bulk of serving Defence Force personnel—stand to gain substantial benefits from the merger. This is because the scheme has just over \$3 billion in assets under management whereas the civilian schemes have approximately \$18 billion in assets under management. There is clear industry experience that members of smaller superannuation schemes have the most to gain when their scheme funds are consolidated into a larger pool of funds.

All scheme members will also ultimately benefit from a highly skilled and innovative trustee being responsible for their superannuation schemes. This includes the ability for the single trustee, due to its increased presence in the superannuation industry, to attract and retain quality and experienced board members and staff.

Since last year, the government has undertaken consultation with military stakeholders



on how the bill will affect members of the military schemes. While recognising that members of the MSBS in particular will benefit from the trustee consolidation, the government has also accepted many of the suggestions made by the ex-service community to protect the status of military superannuation. This includes a requirement for CSC to have regard to the unique nature of military service as set out in the relevant military superannuation legislation when it is performing a function under that legislation. I thank the ex-service community for their dedication to representing the interests of their members.

Both military and civilian interests will be represented on the 11-member governing board of CSC. The Chief of the Defence Force will be responsible for nominating two member directors and there will be consultation between the finance and defence ministers on suitable candidates for the five employer director positions. Three other member directors are nominated by the President of the ACTU.

The government has also responded to suggestions that there be a review of the first five years of the operation of the act. This will ensure the ongoing effectiveness of the single trustee arrangements.

Overall, the bill will better secure the superannuation arrangements for military personnel and Commonwealth civilian employees for the long term. It will also allow substantial benefits to flow to members, while retaining the individual scheme benefits and entitlements.

The bill reflects the government's ongoing commitment to provide efficient and sustainable superannuation arrangements for Commonwealth employees and military personnel, together with its strong commitment to protect those features of military superannuation that recognise that military service is

unique and different from civilian employment.

Debate (on motion by **Mr Turnbull**) adjourned.

### **COMSUPER BILL 2011**

#### **First Reading**

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

Bill read a first time.

#### **Second Reading**

**Mr SNOWDON** (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10.46 am)—I move:

That this bill be now read a second time.

The ComSuper Bill 2011 is part of a package of bills to improve and modernise the governance arrangements for the main Commonwealth civilian and military superannuation schemes.

This bill will establish ComSuper and provide that it is a statutory agency for the purposes of the Public Service Act 1999 consisting of a chief executive officer (CEO), as head of the agency, and staff. The bill will also provide that ComSuper will be a prescribed agency for the purposes of the Financial Management and Accountability Act 1997.

The bill will modernise the governance structure of ComSuper as a statutory agency, and clarify ComSuper's functions. The government's decision to improve superannuation administration was made with the aim of improving service levels for current and former members.

The function of the CEO will be to provide administrative services to the Commonwealth Superannuation Corporation (CSC), which will be established as the trustee of the main Australian government civilian and military superannuation schemes

from 1 July 2011 by the Governance of Australian Government Superannuation Schemes Bill 2011. The CEO will be responsible for providing administrative services to CSC.

The CEO will be appointed by the Minister for Finance and Deregulation in consultation with the Minister for Defence.

Overall, the implementation of the bill will better secure the superannuation arrangements for Commonwealth civilian employees and military personnel for the long term. The bill reflects the government's ongoing commitment to provide efficient and sustainable superannuation arrangements for Commonwealth employees and military personnel.

Debate (on motion by **Mr Turnbull**) adjourned.

**SUPERANNUATION LEGISLATION  
(CONSEQUENTIAL AMENDMENTS  
AND TRANSITIONAL PROVISIONS)  
BILL 2011**

**First Reading**

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

Bill read a first time.

**Second Reading**

**Mr SNOWDON** (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10.49 am)—I move:

That this bill be now read a second time.

The Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011 supports significant reforms to the governance of Commonwealth superannuation that are included in the Governance of Australian Government Superannuation Schemes Bill 2011 and the ComSuper Bill 2011.

The bill makes consequential amendments to a range of other Commonwealth acts of

parliament to take account of the changes to governance arrangements for Commonwealth superannuation schemes. It also puts in place transitional arrangements necessary for the reforms.

The bill amends the Superannuation Act 2005 to facilitate public sector employees being able to consolidate their superannuation savings under the management of one trustee.

Following consultation with ex-service organisations, the government has strengthened recognition of the unique nature of military service in the bill. In particular, the bill amends the Defence Force Retirement and Death Benefits Act 1973 to mandate the establishment of a dedicated Defence Force Case Assessment Panel by the single trustee, Commonwealth Superannuation Corporation. The establishment of the panel ensures the continuation of the role and function currently performed by the Defence Force Retirement and Death Benefits Authority—the DFRDB Authority—within the framework of the single trustee.

The bill requires the panel to have military representation. This includes representation nominated by the chiefs of each of the three services. The bill also prescribes the chair as being one of the directors of CSC who were nominated by the Chief of the Defence Force.

Debate (on motion by **Mr Turnbull**) adjourned.

**BUSINESS**

**Rearrangement**

**Mr SHORTEN** (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (10.51 am)—I move:

That notices Nos 12, 13 and 14, government business, be postponed until a later hour this day.

Question agreed to.

**TAX LAWS AMENDMENT (2011  
MEASURES No. 2) BILL 2011****First Reading**

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

Bill read a first time.

**Second Reading**

**Mr SHORTEN** (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (10.52 am)—I move:

That this bill be now read a second time.

This bill amends various taxation laws to implement a range of improvements to Australia's tax laws.

Schedule 1 amends the list of deductible gift recipients or DGRs in the Income Tax Assessment Act 1997. Taxpayers can claim income tax deductions for certain gifts to organisations with DGR status. DGR status will assist the listed organisations to attract public support for their activities.

This schedule adds two new organisations to the act, namely, the Charlie Perkins Trust for Children & 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, and its purpose is to advance the education of Aboriginal and Torres Strait Islander people through the provision of scholarships to Indigenous people for study at overseas institutions, such as Oxford and Cambridge universities.

The Roberta Sykes Indigenous Education Foundation works to advance the education and life opportunities for Aboriginal and Torres Strait Islanders, and provides additional assistance to female Indigenous scholars undertaking programs overseas, such as assisting with the cost of relocating families and partners.

Schedule 2 amends the Superannuation Industry (Supervision) Act 1993 to allow regulations to prescribe rules in relation to investments in collectables and personal use assets by self-managed superannuation funds.

During the 2010 election the government committed to allowing self-managed superannuation fund trustees to continue to invest in collectables and personal use assets provided that they comply with tighter legislative standards. This commitment balanced the recommendations made by the panel of the recently concluded Super System Review, chaired by Jeremy Cooper, and concerns raised by the self-managed superannuation funds industry.

The amendments will allow the regulations to make rules relating to how self-managed superannuation fund trustees make, hold and realise investments in collectables and personal use assets. The purpose of the rules will be to ensure that these investments are made for retirement income purposes, not current day benefit. The content of the regulations is being developed in consultation with the industry.

The amendments will also remove a reference to a provision that was repealed on 24 September 2007.

Schedule 3 allows superannuation fund trustees and retirement savings account providers to use tax file numbers to locate fund member accounts without first using other methods and to facilitate the consolidation of multiple accounts.

These amendments will be subject to appropriate privacy safeguards.

This measure is a part of the government's Stronger Super reforms, which I announced on 16 December 2010. Allowing for greater use of tax file numbers is the first of a number of initiatives from that package that will

improve the administrative efficiency of the superannuation industry.

Regulations will be enacted to support the use of tax file numbers in facilitating the account consolidation process. This will include requirements for member consent and other procedures and processes that superannuation fund trustees and retirement savings account providers must follow before consolidating accounts.

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 retirement savings account provider.

Schedule 4 replaces the current mechanism for ensuring Australian taxes, fees and charges are not subject to the GST, with a legislative exemption.

The government's decision to replace the current mechanism was announced in the 2010-11 budget on 11 May 2010.

This schedule replaces this inefficient system by amending 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.

Under these amendments, government entities will no longer need to have Australian taxes or Australian fees or charges listed on the determination in order for them to not be subject to GST.

Finally, schedule 5 includes minor amendments to the tax laws.

These amendments ensure that the law operates as intended by correcting technical or drafting defects, removing anomalies, and addressing unintended outcomes. These amendments are part of the government's commitment to the care and maintenance of our tax laws.

This package also includes some legislative issues raised by the public through the Tax Issues Entry System, or TIES for short.

Full details of the measures in this bill are contained in the explanatory memorandum.

Debate (on motion by **Mr Turnbull**) adjourned.

### **REMUNERATION AND OTHER LEGISLATION AMENDMENT BILL 2011**

#### **First Reading**

Bill, explanatory memorandum and the report of the Committee for the Review of Parliamentary Entitlements presented by **Mr Gray**.

Bill read a first time.

#### **Second Reading**

**Mr GRAY** (Brand—Special Minister of State and Special Minister of State for the Public Service and Integrity) (10.58 am)—I move:

That this bill be now read a second time.

Mr Speaker, the problems with the current parliamentary entitlements framework have been clearly documented.

The Australian National Audit Office in its 2009-10 report *Administration of parliamentarians' entitlements by the Department of Finance and Deregulation* noted that the entitlements framework is 'difficult to understand and manage for both parliamentarians and Finance'.

The report of the committee for the Review of Parliamentary Entitlements, known as the Belcher review, established in response to the ANAO's report, similarly noted that the 'existing arrangements are an extraordinarily complex plethora of entitlements containing myriad ambiguities'.

The Department of Finance and Deregulation recently engaged Ms Helen Williams AO, a former secretary of a number of

Commonwealth departments, and former Public Service Commissioner, to review the administration of entitlements by the Ministerial and Parliamentary Services Division of the Department of Finance and Deregulation.

Ms Williams reported to the department in February 2011. Her review found that greater client focus and more effective administration by the department would be facilitated by a clearer and more integrated entitlements framework.

The administration, clarification and streamlining of parliamentary entitlements is an ongoing task that occupies a substantial part of my working life in this place, and I will continue to seek to improve, and make more transparent, both the framework and service delivery in this area.

It is important work, because it is critical to the enabling of members and senators—how we do our work representing our constituents in our system of representative democracy.

Parliamentarians that are supported by an effective, efficient and transparent system of remuneration and entitlements will do their jobs better. I am pleased today to announce an important initiative in the reform of the framework.

The bill I am introducing today will restore the power of the Remuneration Tribunal to determine the base salary of parliamentarians.

It will also allow the tribunal to determine the remuneration and other terms and conditions of departmental secretaries and the remuneration and recreation leave entitlements of other offices established under the Public Service Act 1999.

In restoring the tribunal's power to determine the base salary of parliamentarians, the bill will implement the cornerstone recom-

mendation in the report of the Committee for the Review of Parliamentary Entitlements.

The independent review committee was chaired by Ms Barbara Belcher AM, and comprised the current President of the Remuneration Tribunal, Mr John Conde AO, the current Dean of the Australia and New Zealand School of Government and former Commissioner of the Australian Competition and Consumer Commission, Professor Allan Fels AO, and Deputy Secretary of the Department of Finance and Deregulation, Ms Jan Mason. I thank them for their work.

The committee made a range of recommendations around parliamentary entitlements. The government has agreed to the cornerstone recommendation of the review. This bill implements this recommendation and by doing so will provide more transparency and—importantly—independence in the determination of parliamentarians' base salary.

I now table a copy of the committee's report for the information of members, and the public. As I have indicated, the government has agreed to the first recommendation of the report and is implementing it in this bill. I trust that the release of the report will be an important contribution to the broader task of reform of parliamentary entitlements.

Parliamentarians have been remunerated for their service to the Commonwealth parliament since Federation. Pay was initially set by the Constitution and then by the parliament itself, under the auspices of the Constitution.

With the enactment of the Remuneration Tribunal Act in 1973, the Remuneration Tribunal became responsible for setting parliamentarians' base salary. However, the tribunal's authority to determine parliamentarians' base salary was removed by the Remuneration and Allowances Act 1990.

The bill restores the Remuneration Tribunal's role of conclusively determining parliamentary base salary. This change will enable parliamentary base salary to be determined in its own right, rather than the current arrangement, where it is set by reference to a figure determined for another purpose, and a matter for decision by the government of the day.

The current situation has resulted in outcomes on parliamentarian's salaries being determined by political considerations, to the detriment of considered and informed decision making on appropriate remuneration.

The government notes that Remuneration Tribunal determinations on parliamentarians' remuneration were disallowed or varied by legislation in 1975, 1979, 1981, 1982, 1986 and 1990, prior to the passage of the Remuneration and Allowances Act 1990. Since this enactment, parliamentary base salaries have been determined by the executive arm of government.

The pre-1990 situation—where determinations were subject to regular disallowance—was also unsatisfactory. It was also inconsistent with the independent nature of the tribunal.

Accordingly, the government has decided that—in addition to the restoration of the Remuneration Tribunal's power to determine parliamentarian's base salaries—the tribunal's determinations of parliamentary remuneration will, in future, not be disallowable.

This will reinforce the independence of the tribunal and ensure the integrity of the scheme for determining the remuneration of parliamentarians by removing—to the greatest extent possible—opportunities for intervention in the implementation of the tribunal's determinations by the beneficiaries of those determinations.

The Remuneration Tribunal will continue to determine the additional salaries of par-

liamentary office holders, such as the President of the Senate and the Speaker of the House of Representatives, and provide advice to the government on the additional salaries of ministers and members of the executive.

To ensure openness and transparency of the Remuneration Tribunal's decision making, the tribunal will be required to make its decisions public and publish reasons for them.

The bill also contains amendments to the Remuneration Tribunal Act 1973, and consequential amendments to the Public Service Act 1999, to make the Remuneration Tribunal responsible for determining a classification structure for departmental secretaries and related matters, which may include pay points and guidelines on the operation of the structure.

Those amendments implement the government's 2007 election commitment to make the Remuneration Tribunal responsible for determining the remuneration of departmental secretaries and other public office holders under the Public Service Act 1999.

The Remuneration Tribunal will also be responsible for determining the classification to which each office of departmental secretary will be assigned and for determining the full range of departmental secretaries' terms and conditions.

The Remuneration Tribunal would determine the amount of remuneration that is to be paid to the Secretary of the Department of the Prime Minister and Cabinet and the Secretary of the Treasury.

The Secretary of the Department of the Prime Minister and Cabinet would, in consultation with the president of the tribunal and the Public Service Commissioner, assign all other departmental secretaries to an amount of remuneration consistent with the

classification structure determined by the Remuneration Tribunal.

As is the case currently with determinations made by the Prime Minister, the Remuneration Tribunal's determinations of the remuneration and other conditions of departmental secretaries would not be subject to disallowance.

Consistent with these changes and the 2007 election commitment referred to above, the bill will also give the Remuneration Tribunal responsibility for determining the remuneration and recreation leave entitlements of the Public Service Commissioner, the Merit Protection Commissioner and the heads of executive agencies created under the Public Service Act.

The measures contained in this bill restore independence and transparency to the remuneration of parliamentarians, departmental secretaries, and the other office holders I have mentioned.

I commend the bill to the House.

Leave granted for second reading debate to continue immediately.

**Mrs BRONWYN BISHOP** (Mackellar) (11.07 am)—I thank the minister for outlining the history of the tribunal in such a detailed fashion and the history of the attempts over the years to make the process of determining the salaries of members and senators of the parliament more transparent. He has outlined where such attempts have failed in previous years and has brought forward this bill which will give true independence to the tribunal.

I think many people would remember the headlines which often appear in the papers after a determination that members of parliament vote upon their own payment. I think the idea that we have a tribunal that is free of political process to make these determinations is a fair way to go, and an improvement

on the current system. It is quite interesting for people to realise that members and senators are not employees in the sense that people normally understand that term. For instance, there are no holidays for members and senators. There is no long service leave, no workers compensation and no penalty rates. There is none of the entitlements that employees in the ordinary sense think of as being part of their remuneration. So the way the tribunal will go about its business will be to take all those things into consideration when it makes its determinations, and do that in a way that does not have any political connotations.

I think it is also important to note that this bill is restoring the situation where the determination of the tribunal will no longer be subject to tabling and disallowance. It is also interesting to note that a new system will be invoked under the Public Service Act for the determination of the classification of departmental secretaries and that special provisions will be made for the tribunal to deal with the Secretary of the Department of Prime Minister and Cabinet and the Secretary of the Treasury.

I think there is always an important nexus between the remuneration of members and senators and the remuneration of the Public Service. I have recollections of situations where you could end up as a minister, and the secretary of your department was being paid an enormous amount more than you—yet your head was on the line every day. Be that as it may, I think it is appropriate that the tribunal has responsibility in that way. Again, that will not be subject to a disallowance motion.

The opposition is in support of the bill. I think it is a framework that has been outlined very thoroughly and in good detail by the minister. There is no need for me to go through the facts as he has put them on the

record. I simply say that I think he has done that well. We will, indeed, be supporting the legislation.

We are going to see the Belcher report. There has been much speculation and anticipation about what might be in there, how it might impact and the like. It will now become a public document and it will be considered, over a period of time, to determine what recommendations may be the right ones to enhance, in the words of the minister, the job that members and senators do for their constituents.

In this place we very often use words as people used to use swords or other fighting implements; we represent opposing points of views on so many things. It is necessary for us to stand up for those beliefs but it is also a most important part of our task that we look after the constituencies that we are elected to represent under our representative form of government. There is a degree and variety of work that members and senators have to deal with. Members, in particular, can run the full gamut of every issue that is relevant to anyone in their constituency. The issues can run from social welfare and taxation matters through to immigration matters. There can be complex issues dealing with legislation and there can be negotiations to take part in. The tribunal views all those aspects and says, 'Here is an efficient system which will enable you to be the servants of the people,' in the way that we believe that all of us should. I say that about each member and senator in this parliament. I know that all members in this House carry a heavy constituency load and have the interests of their constituents at heart. I see that this bill is adding to our ability to give that service as it should be given. In concluding my remarks I simply say that we will be supporting the bill.

**Mr WINDSOR** (New England) (11.13 am)—I am pleased to speak to this bill today.

The discussion that we have heard from both the minister and the shadow minister indicates that there has been a fairly long-lasting problem in relation to the determination of salaries and other aspects of political life. Independents, historically, have argued for greater transparency in terms of the way remuneration and other entitlements are granted to parliamentary office holders and others that come under the auspices of the Remuneration Tribunal. This bill is an important step forward in terms of creating that transparency and independence in terms of the way salaries and other entitlements are dealt with into the future.

I am pleased that the Belcher report will be available for members and the general public to look at, because there are a number of issues that have been outstanding for many years that both parliamentarians and the public have views on. We will have the debate that we have probably needed to have for many years as to the value of office holders, the work that they do in the community and in the parliament, and how that should be properly assessed and the value placed on it. So I support the general thrust of today's bill that the Remuneration Tribunal be, in a sense, independent of the parliament in its capacity to determine base parliamentary salaries.

I also support the need for a wider discussion to take place, and I hope a number of these things are in the Belcher report—and I am fairly certain they will be—as to the benefits that parliamentarians receive when they leave the parliament. We need a wider ranging debate on such things as the Gold Card, which consumes an enormous amount of money for parliamentarians who do not serve the community any more, who have left the building. And if we are having a serious look at the value of parliamentarians in terms of their salaries and entitlements, we do need to have a serious look at the value



and entitlements that others receive after they leave the parliament.

I would encourage all members of parliament, and the general public and the press, to have a close look at what is being suggested in the Belcher review. I have been looking forward to having a very close look at it myself. I do hope that there is a wider ranging debate than the one that has been put forward today. But I do support the general concept, and have for many years, that the determination of the worth of parliamentarians—their base salaries and the salaries of the various officers of the shadow ministers, ministers et cetera—should be independent, totally, of the capacity of the parliament to have any influence. So the reference to the tribunal to have that determination take place independently and transparently to the parliament is a good step forward and I would hope that the community would see it in that light as well.

**Mr BANDT** (Melbourne) (11.17 am)—I first saw the Remuneration and Other Legislation Amendment Bill 2011 when it was introduced a little over a half an hour ago, and for the first time in the 43rd Parliament we have had a bill that has been introduced and debated on the same day, as far as I am aware. I am concerned that the process of introducing and debating a bill on the same day removes our capacity as members to consider the provisions of the bill in any meaningful way. I do accept and thank the minister for having kept us up to date with his intentions in this regard over previous weeks, but that is a different thing to actually being able to consider the bill and its implications.

When it comes to the matter of politicians' remuneration, that is, in my view, an instance where there should be the maximum transparency and opportunity for debate and opportunity to consider the implications of what this parliament is going to decide—

especially when the thrust of the bill is to remove from this place, from the parliament, the ability to have any meaningful oversight on politicians' remuneration. So I have grave concerns about the process and I do hope it does not set any sort of precedent for future debates. I am concerned that, when a higher standard perhaps should be applying in an area where there has been and continues to be public cynicism about the motives of politicians, there should be more debate about it rather than less.

I understand there are a number of particular areas that the Belcher report has proposed that do cause concern. One, for example, is with respect to the electorate allowance. I and other members of the Greens use our electorate allowances in the electorate. It is used for a variety of very important community functions, and we are concerned at the prospect of a tribunal now deciding that that might be rolled into base pay, without a proper case being made for that and without this place and the Senate having had a full opportunity to decide whether or not that is in fact a valid and appropriate thing to do.

On the matter of principle about whether or not a tribunal should be able to do something separately from parliament and parliament not having the ability to disallow it, the Greens do not support removing the role of the parliament in relation to tribunal determinations. Transparency and accountability demand that the parliament maintain oversight of such matters. Given that the Belcher review has only just been made available and that we are being asked to vote on this matter now, we do not have the opportunity to properly consider the rationale for removing the role of parliament in this way. I understand that we are in a distinct minority, but at this moment we are not in a position, especially given such short notice, to support the bill at this stage. We will engage more fully on it when it comes to the Senate, but it is of

grave concern that such an important matter is being put through so quickly.

**Mr GRAY** (Brand—Special Minister of State and Special Minister of State for the Public Service and Integrity) (11.21 am)—in reply—I thank all of those who have contributed to the debate on the Remuneration and Other Legislation Amendment Bill 2011. In particular, I thank the member for Melbourne for his observations. I would like to say that the philosophy that underpins this bill is that the beneficiaries of remuneration decisions should not be the determiners of those decisions, and therefore the government stands by its commitment in this bill to provide an independent process. I thank the member for his contribution and I make the assumption that further discussion and debate will occur on this matter in the other place.

This bill will restore the power of the Remuneration Tribunal to determine the base salary of parliamentarians. It will also allow the tribunal to determine the remuneration and other terms and conditions of departmental secretaries and the remuneration and recreation leave entitlements of other officers established under the Public Service Act 1999. In restoring the tribunal's power to determine the base salary of parliamentarians the bill will implement the cornerstone recommendation in the report of the Committee for the Review of Parliamentary Entitlements. This will provide more transparency and, importantly, independence in the determination of parliamentary base salaries.

I have tabled a copy of the committee's report for the information of members and the public. The report is an important contribution to the broader task of reform of the system of parliamentary remuneration and allowances. The bill also provides that, in addition to the restoration of the Remuneration Tribunal's power to determine parlia-

mentarians' base salaries, that tribunal's determination of parliamentary remuneration will in future not be disallowable. This will reinforce the independence of the tribunal and ensure the integrity of the scheme for determining the remuneration of parliamentarians by removing, to the greatest extent possible, opportunities for intervention in the implementation of the tribunal's determinations by the beneficiaries of these determinations. To ensure openness and transparency of the Remuneration Tribunal's decision making, the tribunal will be required to make its decisions public and publish reasons for them.

The bill also contains amendments to the Remuneration Tribunal Act 1973 and consequential amendments to the Public Service Act 1999 to make the Remuneration Tribunal responsible for determining the classification structure for departmental secretaries and related matters, which may include pay points and guidelines on the operation of the structure. These amendments implement the government's 2007 election commitment in this regard. As is the case currently with determinations made by the Prime Minister, the Remuneration Tribunal's determinations of the remuneration and other conditions of departmental secretaries would not be subject to disallowance.

The measures contained in this bill restore independence and transparency to the remuneration of parliamentarians, departmental secretaries and other office holders that I have mentioned. As I said earlier, the system that sees parliamentarians supported by an efficient, effective and transparent system of remuneration and entitlements will allow them to better do their jobs. The measures in this bill are an important step towards that goal. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

### Third Reading

**Mr GRAY** (Brand—Special Minister of State and Special Minister of State for the Public Service and Integrity) (11.25 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

### BUSINESS

**Mr ALBANESE** (Grayndler—Leader of the House) (11.25 am)—It might suit the convenience of the House for me to update members, as I said earlier today that I would, on potential sittings this evening. It might also suit the convenience of the staff of the parliament.

The government is waiting to receive back from the Senate legislation relating to the National Broadband Network. It is likely that we will have to sit beyond five o'clock this afternoon. I have informed members as soon as possible. I have just had a meeting with the Leader of the Government in the Senate, Senator Evans, and the Manager of Government Business, Senator Ludwig. It is the case that that legislation does need to be returned here because it will likely have amendments that need to then be supported through the House of Representatives. There are commercial issues, obviously, relating to the National Broadband Network of why that needs to happen in a timely manner.

It is certainly my position as Leader of the House—and I know the Acting Manager of Opposition Business shares the view—that the sooner we can depart from here in terms of sticking to the schedule the best for all concerned. I am aware, obviously, that people make arrangements, including arrangements tomorrow. It would be in everyone's interest if people were able to depart Can-

berra tonight, if possible, and certainly that is what the government would like to see happen. Perhaps those with some influence with some senators might like to encourage them to deal with that legislation in a timely manner in the interests of the parliament and in the interests, indeed, of the workforce in the parliament.

As soon as I get an update from the Senate, I will report back. I will certainly report back just prior to question time, because I am aware that people have schedules, bookings et cetera. For the convenience of the House, I will do my best endeavours. I thank the opposition for their cooperation on these issues.

**Mr ANDREWS** (Menzies) (11.28 am)—On indulgence: the opposition appreciates the advice that the Leader of the House has provided. We look forward to further advice. I can only say to him that, as we both know, the other place sometimes operates in a different way.

### COMMITTEES

#### Publications Committee

##### Report

**Mr HAYES** (Fowler) (11.28 am)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report have been placed on the table.

Report—by leave—agreed to.

#### CIVIL DISPUTE RESOLUTION 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 4, page 2 (after line 14), before subclause (1), insert:

- (1A) For the purposes of this Act, a person takes *genuine steps to resolve a dispute* if the steps taken by the person in relation to the dispute constitute a sincere and genuine attempt to resolve the dispute, having regard to the person's circumstances and the nature and circumstances of the dispute.
- (2) Clause 14, page 8 (lines 1 to 3), omit the clause.
- (3) Page 11 (before line 3), before clause 18, insert:

**17A Act does not exclude or limit law relating to disclosure of information, etc.**

To avoid doubt, this Act does not exclude or limit the operation of a law of the Commonwealth, a law of a State or Territory, or the common law (including the rules of equity), relating to the use or disclosure of information, the production of documents or the admissibility of evidence.

**Mr CLARE** (Blaxland—Minister for Defence Materiel) (11.30 am)—I move:

That the amendments be agreed to.

Question agreed to.

**COMMITTEES**

**National Broadband Network Committee**

**Membership**

**The DEPUTY SPEAKER (Mr KJ Thomson)**—Mr Speaker has received a message from the Senate informing the House that Senators Carol Brown and Cameron have been appointed members of the Joint Standing Committee on the National Broadband Network.

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR BILL 2010**

Consideration resumed from 23 March.

**Second Reading**

**Mr GARRETT** (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11.31 am)—I appreciate

the opportunity to present a replacement explanatory memorandum for the bill with an addendum to the replacement explanatory memorandum, and I move:

That this bill be now read a second time.

In a globalised knowledge economy the skills of Australia's workforce are critical to our ongoing economic success. We need to ensure that Australia's vocationally qualified workers have access to the best training available to allow them to compete on a global scale. A key step to achieving this is becoming more nationally consistent and rigorous in the way we register, accredit and monitor courses and providers and the way we enforce performance standards in the vocational, education and training sector.

The bill establishes a National Regulator for the Vocational Education and Training (VET) sector. The establishment of a National VET Regulator is one of the most significant reforms to the sector in years. It has been achieved through strong cooperation between the Commonwealth, states and territories. It will improve the quality of Australia's training systems and increase confidence in the skills of its graduates.

There have been several attempts in the past to harmonise the state based regulation systems. National standards against which training providers are regulated were introduced in the 1990s and model clauses for state legislation were introduced in 2002.

Despite these important reforms, the auditing and monitoring of provider performance still varies from state to state.

To address this, COAG agreed at its meeting in December 2009 on a new approach to national regulation. This approach includes the establishment of a National VET Regulator responsible for registering training organisations and accrediting VET qualifications and courses, and a separate Standards Council to provide advice to the Ministerial

Council for Tertiary Education and Employment on national standards for regulation.

The introduction of this new approach to national regulation will build on the current quality and consistency in the VET sector and support the labour market and national productivity agendas by:

- strengthening confidence in the quality and consistency of assessment and training outcomes of VET qualifications which in turn supports confidence in the abilities of VET graduates;
- maximising consistency in application of national standards and regulatory activity in all jurisdictions;
- maximising consistency in the application of sanctions and the treatment of low-quality providers;
- providing clear lines of accountability and responsibility for quality of VET; and
- ensuring a coordinated response to emerging quality issues in the sector.

#### **Specifics of the bill**

The National VET Regulator will operate under a referral of powers from most states and will use its constitutional powers to operate in the two non-referring states of Victoria and Western Australia. Victoria and Western Australia, as the two non-referring states, have agreed to enact mirror legislation to ensure a consistent approach to VET regulation. The COAG decision agreed the National VET Regulator would regulate all international and multijurisdictional providers and the Commonwealth will use its constitutional powers to achieve this. Registered Training Organisations (RTOs) that operate solely in nonreferring states (and are not registered to deliver education to international students) will continue to have their activities regulated by those states.

The introduction of a National VET Regulator is strongly supported in the VET sector. Stakeholders across the board have supported this initiative including training providers, employers, industry skills councils and unions.

The Senate Committee for Education, Employment and Workplace Relations conducted an inquiry into this bill and the related bills and recommended that they be passed in their current form. The Senate Standing Committee for the Scrutiny of Bills also provided some comments and suggestions about this bill and the other related proposed legislation.

Despite the broad support for a National VET Regulator, some stakeholders have expressed concerns about the consultation process and some specific aspects of the bill. As this bill is part of text based referral of powers and the New South Wales parliament passed this bill as part of its referral late last year, amendments cannot be made to the bill without overturning that referral, and it is worth noting that the mirror bill was passed by the New South Wales parliament with the support of the coalition. However once this bill is passed by the Commonwealth parliament in its current form, the Commonwealth can then amend it without impacting on the referral powers from New South Wales.

The government therefore agrees with the recommendation of the Senate committee to introduce further legislation to amend clauses 61 and 62 after passage of the bill and its related legislation to avoid any constitutional issues. In addition, the government has amended the explanatory memorandum and provided an additional addendum to clarify points raised by that committee and the Senate Scrutiny of Bills Committee.

The government remains committed to establishing the National VET Regulator on 1 July 2011 and therefore is committed to the

passage of the bills associated with this this week. To further ensure that any remaining stakeholder concerns are addressed, the Minister for Tertiary Education and Employment has asked his department to hold a consultation process with stakeholders through April and May this year. This consultation process will allow amendments to the act to be identified and considered before the government introduces an amending bill in August 2011.

These amendments would include a number of those identified in the Senate committee report, including:

- to more narrowly define the circumstances in which the regulator may make amendments to accredited courses under clause 51;
- to clarify beyond doubt that under clause 62 the person using a cancelled qualification will only commit an offence if they have knowledge of the cancellation;
- to clarify that the use of force in executing a warrant under clause 70 is to be recorded by video and does not extend to force against a person; and
- to identify the qualifications, level and/or training for appointed authorised officers, as raised by the standing committee.

This consultation process would also be an opportunity to seek agreement with stakeholders on the NVR's approach to risk management in the VET sector and the standards that would apply, noting these standards are endorsed by the ministerial council, with the aim of aligning arrangements between the NVR and TEQSA, the authority.

In response to these commitments, the TAFE Directors Association, which represents TAFEs around the country, issued a statement supporting the passage of the bill in its current form. The association representing private training providers has also

issued a statement calling for the bill's passage.

In addition to the support of the training sector, this bill also has had broad support from industry stakeholders, including the Minerals Council, the Master Builders Association and many others.

This is an important initiative for the future of the vocational education and training sector and reflects the government's commitment to ensuring that high-quality training is delivered to both domestic and international students. I commend the bill to the House.

Debate (on motion by **Ms Ley**) adjourned.

Leave granted for second reading to resume at a later hour this day.

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR (TRANSITIONAL  
PROVISIONS) BILL 2010**

Consideration resumed from 23 March.

**Second Reading**

**Mr GARRETT** (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11.41 am)—I present the explanatory memorandum and an addendum to the explanatory memorandum to this bill and I move:

That this bill be now read a second time.

The National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010 allows for the transfer of existing registrations, applications and other matters from state regulators to the National VET Regulator with minimal additional burden and disruption to existing RTOs. Further provisions to allow the smooth transition of staff, files, information and outstanding legal matters from state regulators are also contained in the bill. This will ensure that there are no gaps in regulation and that decisions made by state regulators will continue to

apply until the national regulator is able to review them.

This bill ensures that there is a sensible and balanced approach to the transfer of responsibilities, which serves the interest of current regulatory staff and registered training organisations without prejudicing the regulation of the sector.

I commend the bill to the House.

Debate (on motion by **Ms Ley**) adjourned.

Leave granted for second reading to resume at a later hour this day.

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR (CONSEQUENTIAL  
AMENDMENTS) BILL 2011**

Consideration resumed from 23 March.

**Second Reading**

**Mr GARRETT** (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11.43 am)—I present the explanatory memorandum and I move:

That this bill be now read a second time.

The National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011 contains amendments that are required to ensure that the new regulatory framework interacts properly with other regulatory frameworks and funding programs and will amend the Education Services for Overseas Students Act 2000, the Higher Education Support Act 2003 and the Indigenous Education (Targeted Assistance) Act 2000.

**Specifics of consequential amendments**

The amendments to the Education Services for Overseas Students Act 2000 will make the National VET Regulator the designated authority for VET providers registered to deliver VET courses to overseas students. This will allow the National VET Regulator, among other things, to investigate breaches of the national code.

The amendments to the ESOS Act will also allow the government to incorporate nationally agreed English Learning Intensive Course for Overseas Students (ELICOS) and foundation program standards through legislative instrument to ensure national consistency and to protect international students.

Amendments to the Higher Education Support Act 2003 will ensure the administration of the VET FEE-HELP Assistance Scheme can work effectively with other Commonwealth regulatory frameworks, in particular with the National VET Regulator. For example, the amendments will allow the sharing of information from the relevant VET regulator, including the National VET Regulator and registering bodies in non-referring state jurisdictions for the purpose of deciding whether to approve a body as a VET provider, or to revoke or suspend a body's approval.

I commend the bill to the House.

Debate (on motion by **Ms Ley**) adjourned.

Leave granted for second reading to resume at a hour this day.

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR BILL 2010**

Cognate bills:

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR (TRANSITIONAL  
PROVISIONS) BILL 2010**

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR (CONSEQUENTIAL  
AMENDMENTS) BILL 2011**

**Second Reading**

Debate resumed.

**Ms LEY** (Farrer) (11.46 am)—It gives me pleasure to rise today to speak on the National Vocational Education and Training

Regulator Bill 2010 and related bills. At the outset, may I say that the coalition does not support the passage of these bills. The Minister for School Education, Early Childhood and Youth spoke of broad support from industry training organisations and stakeholders. The coalition also support the establishment of a national VET regulator in principle—no argument with that. However, particularly in light of the coalition senators' dissenting report following the Senate Education, Employment and Workplace Relations Legislation Committee inquiry into the bills, we have grave concerns about this process and whether it will truly produce a national VET regulator that achieves the results that were described by the minister in such glowing terms. As I said, we in the coalition are broadly supportive of this concept. Ensuring that, across the board, vocational education and training, VET, is of a high standard will be critical to progressing Australia's productivity into the future. We acknowledge the need for a consistent approach to provide regulation to boost the quality of a sector that has come under much fire of late.

Given that there are approximately 4,500 registered training organisations across Australia, with many of these operating across borders, it is easy to understand the motivation behind a national regulatory system. While states have the primary responsibility for the funding of VET and subsequent responsibility for the regulation of these providers, there has been a significant shift from a strictly state based environment. Given Commonwealth funding initiatives such as the highly popular skills vouchers offered by the former coalition government, there has been a further shift towards more Commonwealth influence in the VET sector. Certainly, Australia faces critical skills shortages, especially in VET qualified staff. A national approach to the sector therefore

makes sense. However, for a national VET regulator to ultimately achieve its objective of national consistency, the states must refer their powers to the Commonwealth and, in turn, cease their own regulation.

We have certainly seen an emphasis by the present government on a COAG approach and the consequent referral of powers from the states to the Commonwealth, and it is not difficult to see why this makes sense from a Commonwealth regulatory perspective or, indeed, any other Commonwealth perspective. But one must also understand that, in referring powers, states take very great care. No independent jurisdiction wants to give up its constitutional right to anything without having caveats in place and being absolutely convinced that it will work in the interests of that state. I believe that that referral situation is where this bill comes undone.

All the states have indicated that they are supportive of a national VET regulator. However, the model proposed presents stumbling blocks for both Victoria and Western Australia. While there is in-principle support from other states, there is also no definite time line for the referral of their powers to the Commonwealth. Queensland, South Australia and Tasmania have made little more than a vague overture to refer their powers some time within the first year of the national VET regulator coming online. In the meantime, they will continue to operate their own state regulatory bodies alongside the national model—sort of a 'try before you buy' approach. Given that we have two states that have such serious concerns about the design of this regulator that they are unwilling to refer their powers to the Commonwealth and the other states are yet to officially commit to referring their powers, one has to question just how national the system is or would be in the future.



Education is our fourth largest export; yet, for Australia to show the international community that we have a world-class VET sector and have acted to raise the bar, we also need to show that we are taking a serious and well-thought-through approach to its regulation. This National VET Regulator Bill does not achieve that.

The coalition do acknowledge that some providers of education services for overseas students, ESOS, have been in the media for all the wrong reasons. We are committed to ensuring that Australia regains its reputation as a provider of high-quality education offering a safe environment to those who would come here to study. Whilst we agree that a national VET regulator would be beneficial in addressing issues surrounding providers being established solely to provide a residency pathway or those who fail to train students to a satisfactory standard, we believe that the government's inability to get a sign-off from all the states will diminish the status of the national VET regulator to such an extent that it will be little more than window-dressing—and it will be expensive window-dressing at that.

The financial implications, as provided by the fabulous Parliamentary Library in its *Bills Digest*, indicate that funding was provided in the last budget—\$105 million over four years—to establish national regulatory arrangements for the VET system including \$92 million over four years for the establishment of the NVR and \$10 million over four years for the establishment of the national standards council. Consistent with the explanatory memorandum, the information provided on the DEEWR website refers to a commitment of \$55 million over four years, which will be in addition to fees received by the regulator for regulatory activities.

Though there might well be savings for the states from their referral of powers and

functions to the national VET regulator, the apparently revised federal budget figures and the reported concerns by the VET Regulator's interim chair raised questions about the adequacy of the VET Regulator's funding to meet its stronger investigative and analysis functions. We have a VET Regulator that is already in train, that already has a significant allocation of Commonwealth money and that has a model that enables it to cost recover from the training providers and presumably the states. One should always be very wary of side-by-side, parallel regulatory cost-raising activities. Think of the training providers struggling to meet the daily costs and wanting to provide good-quality education, handicapped by two sets of regulators auditing with clipboards, talking about two different sets of standards and making sure that both are applied to. It is not painting the picture of simplicity and quality that it should be.

With the expectation of full cost recovery by 2014 and a fee structure for services yet to be developed and approved by the Ministerial Council for Tertiary Education and Employment, there has been speculation that fees in some states are likely to rise. There was early speculation that the reason Victoria may have refused to refer its powers was that it wanted to be confident there was to be adequate funding. We cannot endorse a process which is incomplete and which is as costly as this one.

In addition to these concerns, the Senate Standing Committee on Education, Employment and Workplace Relations Legislation Committee's inquiry highlighted further areas where revision could improve the effectiveness and status of the VET Regulator. I refer to and quote from the coalition senators' dissenting report, which homes in on the real concern, as I mentioned before, that the position of Victoria and Western Australia is that they would not refer their powers.

... the evidence presented to the committee is that the NVR Bills have the potential to undermine national regulation. While Victoria and Western Australia have indicated they are prepared to introduce mirror legislation in their state parliaments to give effect to this aspiration,—

And that is certainly the impression the minister gave in airbrushing over those issues entirely—

Western Australia has advised that it is unable to do so on the basis the NVR Bill as currently drafted:

The Western Australian evidence said:

Our position on this bill is that the December 2009 agreement made by our Premier at COAG on the regulation of VET has as yet not been sufficiently reflected in the bill as it currently stands. The Commonwealth legislation being considered by this committee falls short of that agreement and the state is, therefore, not able to keep its side of the agreement until it is honoured in the legislation.

So if we pass this bill we have no indication that Western Australia will pass mirror legislation because at the moment they have indicated that they do not like the look of this bill. I know the minister has just talked about amendments, but, what a messy process. Can I suggest that the consultation to occur with the sector in April and May—the minister has left the chamber—should have taken place already. This has been severely under consulted. There will be a dash out to the sector to consult in April and May, amendments are to be introduced into the parliament in August meanwhile the regulator starts work in July. There is enormous cost associated with it, a new regime is being established and we do not even know where we are with at least two of the states.

The Senate select committee was informed that Western Australia was given assurances that the national system would not result in the transfer of regulatory responsibility for state owned RTOs. The

Commonwealth bill does not reflect the assurances given to the our Premier from the then Prime Minister at the COAG meeting in December that these reforms would not result in the regulatory takeover of state owned public providers, including Western Australian TAFE colleges. Of course the Western Australian government is going to take care with the regulation of its own TAFE colleges. It runs a very good TAFE system.

From the discussion that occurred at COAG, there was a clear understanding from the officials that were attending and the Premier that the undertaking was made that the Western Australian TAFE providers would not be party to the national VET regulations arrangements and it was on this basis that the Premier agreed to the recommendations made at that meeting. Western Australia has recommended the Commonwealth attempt to address these concerns through amendments to the draft legislation to ensure that the state retains responsibility for state owned RTOs. That is the position of Western Australia, it would appear. Again, the principle is supported but the methodology and the state of play at the moment is simply unacceptable.

Victoria also noted its concerns regarding potential implications for the regulation of apprenticeships. By exempting apprenticeship laws from override for some states but not Victoria, the clear implication of the bill is that Victorian apprenticeship laws—at least to the extent that they may affect national VET registered providers—are to be overridden. Again, no equivalent arrangements will be established by the National VET Regulator Bill to replace the state laws it displaces. This appears to create a substantial regulatory gap. When it comes to apprentices, the trades in which they are involved, the licensing of those trades and the confidence people need to have in the licensing regime—this really does open up a lot of holes in this legislation.

Victoria's submission to the Senate committee echoes the view expressed by Western Australia that the draft legislation does not affect a best practice approach to national regulation. Victoria seeks to limit the scope of the national VET regulator through this bill to only those providers based in referring states. Non-referring states, Victoria and Western Australia, should retain responsibility for the regulation of all VET providers based in their jurisdiction, including providers that operate interstate and/or offer services to international students.

Victoria has consistently supported a nationally consistent approach to the regulation of the VET sector. In place of a practical approach to national regulation agreed by all six jurisdictions, the Commonwealth's use of its powers to override states' constitutional responsibility for education is inappropriate and undermines the federation. If that is the approach Victoria has here, I do not see that the consistency the minister speaks of is going to happen any time soon. Victoria recommended the Commonwealth seek to address the concerns through amending the bill to clarify that the legislation does not affect the authority of non-referring states to manage TAFE institutes and regulate apprenticeships.

The minister talks about amendments. I am not sure whether he talks about those amendments because the amendments that he sought to discuss a few moments ago reflect the concerns the Greens had in the Senate when this bill arrived a couple of days ago, and I believe they are quite a different set of concerns. So coalition senators and the coalition in general feel very strongly that more work needs to be done by the Department of Education, Employment and Workplace Relations to draft legislation which actually meets the requirements of the two non-referring states so that a truly nationally con-

sistent VET regulator process can be presented to the parliament.

On the basis of the evidence heard, the coalition will not support this legislation. I want to emphasise that we do support a national VET regulator, but it does need to be properly designed. This is just another example of Labor rushing in boots and all, more focused on the big picture and omitting the minutiae in the process. That is why this bill is undercooked, underdone and needs more work. We urge the government to go back to the drawing board.

May I also say that a lot of time is spent on the government side in articulating various problems relating to skills shortages, regulation, interference and big-stick approaches, and it all hangs off the numerous COAG committees. To a certain extent with our system of Federation we are all stuck with that process when we want to get something nationally consistent, but we have to stop articulating the problems and actually do something about them. Instead of just telling the Australian people all about the skills shortages faced across the country, we have to take genuine, committed action to find policies that address those shortages, not allocate \$105 million over four years to what is essentially a regulatory regime that is going to cost providers, and that means it is going to cost students; that is not even going to be national; and that is going to face, and already is facing, a very confused and muddled start. I would prefer that we saw government dollars and public policy allocated to something that produces real results on the ground.

I just have to mention this example from last week of an announcement in this area on 'delivering skilled workers to the resources sector'. It is an 18-month apprenticeship training program for 1,000 workers—small, but I applaud it—with \$200 million to fund

targeted training projects for skills in critical demands. Again, that is small, but one would support the government's efforts in that area. But I was a little bit surprised at a particular pilot promoted by the Minister for Resources and Energy, and that is for a Cairns based fly-in fly-out coordinator to be appointed to match job seekers with mining, construction and infrastructure projects. I went to the webpage of the minister for resources—I do not have the media release here—which was trumpeting this particular pilot project for a coordinator. I do not know how much the coordinator will cost or what type of secretariat support will be involved or what offices it might occupy. And who knows how big it might get. But one of its major jobs is to put airlines in touch with mining companies.

It is a preposterous suggestion that mining companies are not already talking to airlines about their needs when it comes to fly-in fly-out workers. In fact, when I went to Brisbane recently there were big signs everywhere saying 'Direct flights from Brisbane to Broome', so significant numbers of fly-in fly-out workers are going from Brisbane to Broome. That is just an example of what is happening because the marketplace responds to what is required. Where there are shortages of course that is indicated. But for this government to be appointing a Cairns based fly-in fly-out coordinator whose job it is to put the airlines in touch with the mining companies and try to find workers is nothing but a joke.

To return briefly to this bill, we invite the government to go back to the drawing board, as I said, and do the job properly. In the meantime, the coalition will not support the bill.

**Mr ALEXANDER** (Bennelong) (12.03 pm)—I rise to speak on the National Vocational Education and Training Regulator Bill

2010, the National Vocational Education and Training Regulator (Transitional Provisions) Bill 2010 and the National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011. These bills aim to establish a national vocational education and training regulator to supersede the current state based model. The driving force behind this is to offer consistency across the states in the standards that are enforced and processes that are utilised in the regulation of the vocational education and training sector.

I support the intention of these bills but do not believe that this intent is being achieved through the proposed legislation. The frameworks established to support this regulator are inadequate, and this government should refer these bills back for further consultation so we can make sure the best outcome is achieved on this important issue.

Australia prides itself on being a multicultural society. To have incidents like Indian students being attacked and Chinese students taken advantage of by unscrupulous boarding house operators flies in the face of the standards we wish to share and the experience we wish visitors to have in our country. Regulation must be implemented in order to protect our national interest, but this must be done correctly, with the right supporting framework, based on a detailed standard of consultation. Strong regulation will help to protect the identity that we cherish, to support our nation's journey towards greater sophistication.

When speaking on the therapeutic goods legislation amendment bill yesterday I referred to the great role played by our high-tech sector, and in particular by the pharmaceutical industry, and the huge benefit they provide to our economy through investment and employment and to our national health standards through research and development. This industry is just one example of the Aus-

tralia we wish to create: a country that prioritises higher learning and welcomes those who wish to share that journey. The fully funded students who join us from overseas contribute significantly to our economy and also to the affordability of further education for our own domestic students.

In 2008-09 education contributed more than \$17 billion to our export earnings. International higher education students generated a total value-add in the order of \$9.3 billion. This is a very significant player in our economy and it is absolutely vital that we ensure the regulatory framework that monitors this sector is built on the right foundations. It has been estimated that each international higher education student studying in Australia contributes, on average, over \$50,000 to our economy each year, with the majority of this spent on goods and services.

Many of those who come to our shores to study a certificate or diploma at a registered training organisation then pursue undergraduate or postgraduate degrees at our universities. As a nation, we have a duty of care to these students. Their total experience in our country will have flow-on effects on many levels, and we must ensure our system is regulated in the best manner possible.

An example of the disastrous situation that can occur without an adoption of this kind of duty of care is clearly evident in the electorate of Bennelong. Several weeks ago I joined a protest rally organised by a local group called MARS—Marsfield Against Residential Suffocation. This group brings together residents surrounding Macquarie University who have become increasingly concerned with the number of illegal boarding houses established to accommodate international students, with limited assistance from the university.

Many full-fee-paying students arrive in Australia with little awareness of their rights,

and are taken advantage of by the operators of these illegal boarding houses. As a result we have witnessed as many as 15 students sharing a three-bedroom apartment, putting an incredible amount of strain on the supporting infrastructure and surrounding community.

Both MARS and my office have been public in our support of these students and their need for protection from these unscrupulous operators. In this regard, my colleague in the state seat of Ryde, Victor Dominello, introduced a private members' bill into NSW parliament to provide council with greater inspection powers and to enforce much larger penalties on the illegal boarding house operators. This bill was taken off the table by the Keneally government's decision to prorogue parliament early. However, with all going well for Victor and the coalition in Saturday's election, this will hopefully be introduced as a government bill in the near future.

In support of this I have said in this place once before that it is my belief that universities should be obligated to offer reasonable and affordable accommodation to all first-year overseas students, providing them with a chance to establish themselves, to make friends and to understand the options and protections that are available to them. This simple effort as part of a broader duty of care would lead to untold benefits resulting from a much improved Australian experience.

This local example highlights the fundamental need to ensure that we get these bills right. The intended changes in these bills are to shift responsibility for vocational education and training regulation from the states and territories to the Commonwealth. This is a positive start; however, in order to achieve the desired results, these changes must be based on consultation and the agreement and cooperation of all the states. What point is a

national system if some states do not participate, and retain their own state based regulatory arrangements?

It is almost comical that the government's lack of consultation has led to a situation somewhat reminiscent to that faced by the founders of our Federation over 110 years ago. The COAG processes are designed to resolve these prior to the implementation of national schemes, rather than having rogue states operating under their own rules on issues as important as health and education. The serious concerns raised by stakeholders at the lack of consultation on these bills led to the referral of this legislation to a Senate committee, which received numerous submissions that raised the same uneasiness with this particular legislation.

The coalition remains broadly supportive of the intent of a national regulator, but to date New South Wales is the only state that has passed legislation referring their powers to this national body. Victoria and Western Australia have refused outright to sign up, citing concerns over the maintenance of responsibility for the regulation of their state funded training institutions. These are legitimate concerns that must be resolved before these bills are debated by this parliament.

Victoria is right to argue for consistency in the implementation of these bills, with the regulatory responsibility sitting alongside the funding responsibility, just as this government has argued for the proposed establishment of the Tertiary Education Quality and Standards Agency. The Victorian government has also raised concerns regarding the national standards being 'vaguely expressed'. Perhaps this is a result of the rushed manner in which these bills have been introduced—a criticism shared by none other than the Australian Education Union. As a result of these concerns the uncertainty that is now rippling

through the regulation of this important industry has led to a situation whereby the regulators in South Australia, Tasmania and Queensland will continue to operate alongside the national regulator until all the states reach agreement and they have time to catch up. During this time each state will still require their registered training organisations to maintain state registration. This situation is less than ideal, and the coalition is concerned about the doubling up of regulatory obligations as a result.

We urge the Gillard government to return to the consultation process so that the most effective model can be built for the development of this important body—leading to a truly national vocational education and training regulator that addresses the concerns of states, of unions and of all other stakeholders.

**Mr GARRETT** (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (12.13 pm)—in reply—I will make some concluding remarks on the National Vocational Education and Training Regulator Bill 2010 and related bills. In doing so, I will table the addendum to the explanatory memorandum to the National Vocational Education and Training Regulator (Consequential Amendments) Bill 2011.

The Australian government has a strong commitment to improving the quality of vocational education and training. We recognise that skills are an absolutely crucial plank of productivity, and this government is committed to working together with stakeholders to ensure that students and employers have absolute confidence in the qualifications our system delivers. The fact is that vocational education and training will drive the sustainable economy of the future for small and large businesses right across the community.

The National Vocational Education and Training Regulator Bill 2010 and its supporting legislation will build on the current quality and consistency in the VET sector, and support the labour market and national productivity agendas by strengthening quality and confidence in the quality and consistency of assessment and training outcomes of VET qualifications.

The government has acknowledged the concerns that were raised by stakeholders and by members on the bills, and the government has committed to consult further with a view to introducing amending legislation in August. The government will also continue to work towards Western Australia and Victoria becoming part of the national system.

The fact is that as we stand here today there is strong support from all stakeholders for the establishment of a new national VET regulator. While the opposition has put forward many reasons to do nothing, the government believes that it is important to act now and to ensure that the momentum for change is not lost. Changes enacted by these bills represent a major reform in the approach to vocational education and training for the future, and I commend these bills to the House.

Question put:

That this bill be now read a second time.

The House divided. [12.19 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	73
Noes.....	<u>69</u>
Majority.....	<u>4</u>

AYES

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bowen, C.	Bradbury, D.J.
Brodthmann, G.	Burke, A.E.
Burke, A.S.	Butler, M.C.

Byrne, A.M.	Champion, N.
Cheeseman, D.L.	Clare, J.D.
Collins, J.M.	Combet, G.
Crean, S.F.	D'Ath, Y.M.
Danby, M.	Dreyfus, M.A.
Elliot, J.	Ellis, K.
Emerson, C.A.	Ferguson, L.D.T.
Ferguson, M.J.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
Gibbons, S.W.	Gray, G.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hayes, C.P. *
Husic, E.	Jones, S.
Kelly, M.J.	King, C.F.
Leigh, A.	Livermore, K.F.
Lyons, G.	Macklin, J.L.
Marles, R.D.	McClelland, R.B.
Melham, D.	Murphy, J.
Neumann, S.K.	O'Connor, B.P.
O'Neill, D.	Oakeshott, R.J.M.
Owens, J.	Parke, M.
Perrett, G.D.	Plibersek, T.
Ripoll, B.F.	Rishworth, A.L.
Rowland, M.	Roxon, N.L.
Rudd, K.M.	Saffin, J.A.
Shorten, W.R.	Sidebottom, S.
Smith, S.F.	Smyth, L.
Snowdon, W.E.	Swan, W.M.
Symon, M.	Thomson, C.
Thomson, K.J.	Vamvakinou, M.
Wilkie, A.	Windsor, A.H.C.
Zappia, A.	

NOES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Briggs, J.E.
Broadbent, R.	Buchholz, S.
Chester, D.	Christensen, G.
Ciobo, S.M.	Cobb, J.K.
Coulton, M. *	Crook, T.
Dutton, P.C.	Entsch, W.
Fletcher, P.	Forrest, J.A.
Frydenberg, J.	Gambaro, T.
Gash, J.	Griggs, N.
Haase, B.W.	Hartsuyker, L.
Hawke, A.	Hockey, J.B.
Hunt, G.A.	Irons, S.J.
Jensen, D.	Jones, E.
Keenan, M.	Kelly, C.
Laming, A.	Ley, S.P.

Macfarlane, I.E.	Marino, N.B.
Markus, L.E.	Matheson, R.
McCormack, M.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Neville, P.C.	O'Dowd, K.
O'Dwyer, K.	Prentice, J.
Ramsey, R.	Randall, D.J.
Robb, A.	Robert, S.R.
Roy, Wyatt	Ruddock, P.M.
Scott, B.C.	Secker, P.D. *
Simpkins, L.	Slipper, P.N.
Smith, A.D.H.	Southcott, A.J.
Stone, S.N.	Tehan, D.
Truss, W.E.	Tudge, A.
Turnbull, M.	Van Manen, B.
Vasta, R.	Washer, M.J.
Wyatt, K.	

## PAIRS

Mitchell, R.	Schultz, A.
Gillard, J.E.	Baldwin, R.C.
* denotes teller	

Question agreed to.

Bill read a second time.

**Third Reading**

**Mr GARRETT** (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (12.24 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**BUSINESS****Withdrawal**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (12.25 pm)—by leave—I move:

That the following order of the day, private Members' business, be discharged:

Assisting the Victims of Overseas Terrorism Bill 2010: Second reading—Resumption of debate.

I thank the Leader of the House for granting leave. If I may, very briefly, indicate to the House my pleasure and pride that, this morning, the Attorney-General moved a govern-

ment bill in substantially similar terms to the private member's bill which I have had before this House for some time. I want to congratulate the Attorney for the very constructive attitude that he has taken on this matter.

I thank the government for seeing sense on this subject. Perhaps it took a little longer to see sense than I would have liked; nevertheless, it is good that both the government and opposition have been able to come together on this important subject to try to ensure that Australians who are killed or injured as a result of terrorist acts are treated appropriately, in ways analogous to the victims of crime under state and territory legislation.

There is perhaps one outstanding matter, and that is whether the government bill, once it has gone through the parliament and been assented to, will have retrospective operation, whether the government will, in fact, use the bill to declare terrorist acts—such as the two Bali bombings, the two Jakarta bombings, September 11 and the London bombings—as it could, so that the victims of those bombings will receive the compensation available to them under the government's proposed new act. I hope that will be the case. The government, as I understand it, is yet to determine that matter.

I go back to the beginning of these brief remarks: I thank the government, I appreciate the work that the Attorney and his department have done and I hope that this bill has a swift passage through the parliament.

Question agreed to.

**NATIONAL VOCATIONAL  
EDUCATION AND TRAINING  
REGULATOR (TRANSITIONAL  
PROVISIONS) BILL 2010**

**Second Reading**

Debate resumed.



**The SPEAKER**—The question is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

### Third Reading

**Mr BRADBURY** (Lindsay—Parliamentary Secretary to the Treasurer) (12.28 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

### NATIONAL VOCATIONAL EDUCATION AND TRAINING REGULATOR (CONSEQUENTIAL AMENDMENTS) BILL 2011

#### Second Reading

Debate resumed.

**The DEPUTY SPEAKER (Ms S Bird)**—The question is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

### Third Reading

**Mr BRADBURY** (Lindsay—Parliamentary Secretary to the Treasurer) (12.30 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

### CORPORATIONS AMENDMENT (IMPROVING ACCOUNTABILITY ON DIRECTOR AND EXECUTIVE REMUNERATION) BILL 2011

#### Second Reading

Debate resumed from 23 February, on motion by **Mr Bradbury**:

That this bill be now read a second time.

**Mr HOCKEY** (North Sydney) (12.30 pm)—The Corporations Amendment (Improving Accountability on Director and Ex-

ecutive Remuneration) Bill 2011 before the House today deals with a range of measures which further empower shareholders when it comes to the setting of executive remuneration policies for the company which they of course ultimately own. This bill implements a range of recommendations of the Productivity Commission review into the issue of executive remuneration in Australia which was released in January last year.

Throughout the debate the coalition has been vocal about executive remuneration and has consistently expressed support for measures which empower shareholders as owners of companies when setting remuneration for executives. Given this, I can state from the outset that the coalition will be supporting all but one of the measures in the bill. There is one issue on which we will be moving an amendment, and I will discuss that a little later.

The coalition understands the importance of these measures to Australian shareholders in providing transparency for the process of setting executive remuneration in Australian companies. The bill before us proposes changes to seven key areas of the Corporations Act 2001—an act I introduced into this place as the minister responsible in 2001. As a reminder to the House, we had to get a referral of power from the states to the Commonwealth for the Corporations Act. That was the first major referral of power from the states to the Commonwealth since the power for income tax during World War II. So there has only been one substantial referral of power—this a good education for you, Mr Bradbury—since World War II, and it was in relation to the Corporations Act 2001.

The seven key areas of these proposed changes to the act are of interest to the House. The first is the two-strikes test. The first provision strengthens the non-binding vote of shareholders on executive remunera-

tion with the two-strikes test. These measures are designed to give some teeth to the non-binding shareholder vote in the first instance where a no vote of 25 per cent or more on the remuneration report is ignored by the board of directors. The remuneration report in the year following a no vote will require the company to provide an explanation of the board's proposed action in response to the no vote and, in the instance where no action is taken, require the board to explain why no action has been taken.

The second strike occurs in the following year if a no vote is again recorded in relation to the remuneration report. When this occurs, the legislation requires there must be a vote to decide if the directors will be required to stand for re-election. This vote will require a simple majority to pass, and if passed the spill meeting must be held within 90 days. There is currently no existing provision within the Corporations Act which enforces action against a board that subsequently proceeds with a remuneration report where a no vote from shareholders has been recorded.

When the Productivity Commission recommended the two-strikes change in its review on executive remuneration late last year, it found that the current arrangements tend not to provide sufficient power to shareholders if they are unsatisfied with the company's remuneration policies, sufficient incentives or consequences for unresponsive boards and incentives on companies to respond to shareholder concerns. So this will be a significant step forward for empowering shareholders. The coalition hopes these measures will indeed encourage further transparency in relation to remuneration reporting from boards and further accountability on behalf of directors when it comes to setting those remuneration packages.

The coalition will be moving an amendment in relation to the wording of the no

vote. The intention of the amendment is to improve the representation of total shareholder views, because as the legislation stands it is possible for a no vote to be triggered against a remuneration report by less than 25 per cent of all available votes that can be exercised. We consulted widely on this, and the view is that it was wiser to deal with the issue through an amendment to the proposal before the House now. Therefore, we are going to look to adjust the wording in this provision so that the vote required is 25 per cent of all available votes.

The second key issue in this bill deals with changes relating to the use of remuneration consultants in determining directors and executive remuneration. As it currently stands, there are no provisions within the Corporations Act dealing with remuneration consultants. These changes largely relate to the disclosure of use of consultants as well as the approval process for engaging those consultants. The use of external remuneration consultants in the industry is widespread. The Productivity Commission's report cited a survey which found 67 per cent of boards sought advice on remuneration for the position of chief executive officer. In another survey, 83 per cent of boards stated that they sought independent advice when negotiating contracts with CEOs. The new provisions contained within this bill relating to the use of consultants will be far reaching.

The first change relates to the approval process for engaging remuneration consultants. Such engagements will now need to be approved by the board or the remuneration committee of the company. This change ensures the independence of consultants engaged in providing assistance on remuneration settings for executives and directors. Where remuneration consultants have been engaged and the company that they are advising is a disclosing entity, remuneration consultants will now be required to declare

that they are independent and that recommendations have been made 'free from undue influence by key management personnel'. Effectively, the concern was that it would be the chief executive whose remuneration was to be assessed who would be engaging the consultants, thereby creating a potential conflict of interest for those consultants.

Companies' remuneration reports will now be required to disclose information relating to the consultant. The company board will be required to state whether or not the advice provided by the consultant has been made 'free from undue influence by members of the key management personnel to whom the recommendation relates'. These measures unequivocally ensure the independence of consultants engaged by companies in the setting of remuneration for those key individuals. That brings Australia into line with other key jurisdictions globally when it comes to the use of remuneration consultants. The coalition welcomes these changes.

The third of the seven measures contained within this bill relates to the prohibition of key management personnel and directors along with their closely related parties from participating in the non-binding vote on the remuneration report. This was a recommendation put forward in the Productivity Commission's finding and will serve to eliminate the conflict of interest which exists when directors and executives, along with their closely related parties, vote on their own packages. The only exception to this will be where key management personnel hold proxies on remuneration resolutions and have been directed to vote on an absentee's behalf. This recommendation will be supported by the coalition. It is a prudent measure which improves corporate governance through the removal of what should be an obvious conflict of interest.

The fourth measure contained within this bill relates to another recommendation, which was to prohibit directors and executives hedging their exposure to incentive remuneration. Currently, the law requires companies to disclose the policy relating to the hedging undertaken by directors and executives in relation to their remuneration. This new measure will prohibit the practice altogether. We will be supporting this measure as, from our perspective, the executive remuneration of key management personnel should be closely linked to their performance and the performance of the company they lead.

The fifth measure prevents companies from using the no-vacancy rule to block the election of new members to the board despite there being board vacancies. The Productivity Commission's report stated that this change would: 'enhance current arrangements to enable greater contestability by reducing unwarranted barriers to entry for non-board endorsed nominees, improve shareholders' oversight and influence over board composition, and provide encouragement for boards to improve board accountability and transparency'. The coalition views these, at face value, as sensible but we do have some reservations. The reservations are obvious: if a board chooses to keep some positions vacant and have a smaller board than may be possible, then sometimes that is not a bad idea.

**Mr Bradbury**—They can do that!

**Mr HOCKEY**—The parliamentary secretary at the table says that they can do that, but it will remain a grey area. I hope that the detail of the bill is enough to satisfy those who are in dispute over this matter. The boards will have to obtain approval from shareholders in the event that they wish to enforce a no-vacancy rule, which will in turn improve the accountability of the board. I

think that is the provision that the parliamentary secretary was referring to. Having said that, there is still an area of concern—until the right person arrives, sometimes it is appropriate to have a vacancy on a board.

The sixth measure contained within this bill deals with the issue of cherry-picking. This is essentially the practice where proxyholders who are not the chair are able to pick and choose the resolutions on which they wish to exercise the proxies they hold. The Productivity Commission recommended that this be changed so that the proxyholders must exercise all their proxies for each resolution, in order to improve the transparency and effectiveness of shareholder voting on remuneration. Again we see that even though this is a very prescriptive measure there is some sense to it.

The final measure contained within this bill is one that will make the financial reporting process for companies less onerous. Hear, hear! This is a change to the remuneration reporting disclosures so that only key management personnel of the consolidated entity will need to be disclosed. Currently, there is overlap in the remuneration report disclosures and this measure will simplify the process for reporting purposes, and we support that.

These prescriptive measures would not be warranted if corporate Australia actually engaged in better self-governance. The general public are concerned about what they deem to be excessive remuneration. On the coalition side we welcome people who are incredibly successful and we welcome the fact that people are properly rewarded for success. There was a massive growth under the previous, coalition government in shareholder ownership numbers in Australia. Particularly through privatisation programs, we saw a massive number of ‘mums and dads’ investing for the first time directly in shares.

The Labor Party started that process with the first tranche of the Commonwealth Bank. But it continued with the privatisation of the GIO and then a number of other initial public offers of government entities.

The second great moment of increase in the volume of shareholders in Australia came with demutualisation. I was a beneficiary of demutualisation, both at the AMP not long after the privatisation of GIO, and at NIB, which demutualised not so long ago. Thankfully, both times I immediately sold my shares; I do not think either of them have ever seen those prices again.

Having said that, we have seen the empowerment of Australians through investment in shares. In fact, governments, and our government in particular, have provided incentives. It was the previous Labor government that created dividend imputation, and that was an incentive for people to own shares. It was the coalition government that effectively halved capital gains tax. It was the coalition that abolished stamp duty on the transfer of shares. It was the coalition that gave the great bulk of Australians the opportunity to invest in shares for the first time through the privatisation of Telstra. The fact is that those opportunities to invest in shares, whether the shares go up or the shares go down, empower individuals and ensure they have a diversified asset base, apart from what would, for many people, be their own home.

We have seen very significant growth in superannuation. I heard the other day we now have more than \$1.8 trillion in Australia in superannuation, which I think now makes us the country with probably the fifth- or the fourth-largest funds under management in the world. I understand we have just passed Canada, which is quite a phenomenal achievement. We welcome that; it is very important. With that massive change in the

nature of everyday investors, the fact that more and more everyday Australians are investing in shares, the scrutiny of Australian companies is even greater.

And one of the great comparative advantages we have as a massive recipient of foreign investment is our regulatory stability. We will have debates across this chamber, and perfectly reasonable debates, about regulation and taxation and so on. I would think there will probably be a couple today in question time. But I would say to you, Madam Deputy Speaker, it is so vitally important that everyday investors can have confidence in the integrity of their investment. And that is why we need to have a strong, reliable and consistently enforced Corporations Act, and that is why we need to provide appropriate protections. Not too much, because there is a risk in life—from my perspective it is vitally important that people who engage in investment undertake risk, because that ensures that the investment is more prudent, as my colleague at the table, the member for Mackellar, would know. It is vitally important that with risk comes reward and that we do not overly tax the reward. That is a very important formula.

Having said that, we need to ensure that there is an appropriate minimum level of protection for shareholders and investors. And they have to believe that the directors are acting in the best interests of the company. Now of course that is one of the key pillars of the Corporations Act; directors have a fiduciary obligation to act in the best interests of the company. That of course includes best interests of shareholders. But at the same time there is growing anxiety on both sides of this House that remuneration of senior executives in Australia is at times removed from the reality that many people would expect. It is shareholders' money. They are entitled to see their chief executives being paid whatever is appropriate. I cannot

say with any certainty whether \$100,000 or \$100 million is appropriate remuneration. That is a matter for the shareholders.

But what we collectively agree in this place is that shareholders should be properly informed and that shareholders should be properly empowered. And if they have the information and they have the opportunity under the law to exercise their entitlement, to speak out about the remuneration of senior executives, then so be it. And that is why there is bipartisan agreement. There is concern. A number of my colleagues have—and I perfectly understand it—a concern that this is an additional layer of regulation, that at some point the regulation tsunami has to be stopped—and there is plenty of that at the moment. But where there is corporate governance failure, it is the responsibility of the parliament to step in.

I said something recently that a number of my colleagues on both sides of the House would not agree with in relation to women on boards. But as I pointed out in an opinion editorial in the *Australian*, we are concerned about corporate governance issues more generally. I do not want to be prescriptive about things. There is incredible reluctance that this parliament should go down the path of being prescriptive about remuneration or prescriptive about constitution of boards or about any area of the regulation of private enterprise. But where there is corporate governance failure in entities that have up to one or two million shareholders, those people need to be spoken for. It is about good corporate governance.

I have said this before publicly. I remember getting a phone call from Mr Kerry Packer. He pointed out a particular provision of the then new Corporations Act that he said was overly onerous in the appointment of directors. He was quite right; it was a heavily prescriptive provision. He said, 'Son, it's

going to be very hard to get good directors when you have this additional regulation.' I pointed out that he was right, but every time there is a corporate failure in Australia, the general public, the media, political opponents always call out for more regulation, not less regulation. There is no-one reminding people that you have to accept some personal responsibility for failure. If you invest in a company and the company falls over there is going to be some pain, but that is a risk you take in order to get the reward you want. Of course everyone wants to maximise the return and minimise the risk. That is the end-game. But we cannot continue to default to regulation to minimise the risk, because ultimately that regulation, once it becomes so onerous, diminishes the reward.

It is widely regarded throughout the investment community that the safest investment is a government bond. It might be in Australia, but there are some countries in the world where it is not such a good investment. In fact, I remember Mike Milken saying to me that he was told by the CEOs of the various banks in the US in the 1970s and 1980s: 'You know, Mike, governments don't collapse. They don't fall over. That's why it's okay for banks like Citibank, Bank of America and others to lend money to governments, because, don't worry, those bonds will never fall over.' Mike Milken went back when they all did fall over. When South America started defaulting, he was buying the debt for 6c, 7c and 8c in the dollar and he was cleaning up, because governments do default. But the perception is that there is less risk associated with government investment. Therefore, there is inevitably going to be less reward. Although, again, if you want a modern equivalent, look at the bonds of Greece. The risk is higher, the reward is higher—certainly higher than Australia and a number of other jurisdictions.

Having said that, the bottom line here is: the government cannot continue to increase regulation, because it diminishes the overall reward associated with investment in the private sector. I think we need to be mindful of that whenever we come in here and, even in a bipartisan manner, support additional regulation on Australian business. The best way to support business is often for the government to get out of the way. But there needs to be some rules of the game. It is not much different to sport: if everyone knows the rules and the rules are fair and keep the game flowing, then it will be an entertaining game and everyone will enjoy it and more people will participate. But if the rules become so onerous or so confused or so open to misinterpretation, as I see in my beloved rugby from time to time with the scrum rule—you know what?—it is going to diminish the event. If we continue to prize Australian private sector enterprise, which we in the Liberal Party and the National Party are so dedicated to, then we have to find ways to reduce regulation, not to add to the additional burden.

On this occasion we are backing this initiative to give confidence to Australian shareholders that the remuneration-setting processes in Australian companies are true, fair and transparent. I remind the House that, when we going to committee, we will be moving an amendment in relation to the wording of the no vote, which occurs in the two-strikes test. Otherwise, and bearing in mind what I said before—that this is additional regulation that we are a very, very reluctant to support but we are supporting it for the reasons I have outlined—I commend the amendment bill to the House. I commend to the House the amendment we will make at a later time.

**Dr LEIGH** (Fraser) (12.55 pm)—Corporate reform encourages innovation and entrepreneurship, and Australian corpora-

tions such as Qantas and Billabong, Westfield and CSR have had a long history contributing to the nation's prosperity and continue to underpin our economic growth. Great managers are critical to business success. At their best, successful managers create jobs and ensure that employees have rewarding careers. The job of politicians is to ensure that we continue to attract great managers, including some from overseas, yet to make sure that pay does not become detached from performance.

When I speak with my electors, their concerns are not primarily about pay packets but what that great social commentator Mark Knopfler called 'money for nothing'. It is fine to be well paid if you are delivering, but golden handshakes, salaries that encourage excessive risk-taking and pay packets that go up merely because the entire stock market is rising are what worry Australians. As my electors say to me, 'If the firm is underperforming, why should the boss get a pay rise?'

From the late 1980s onwards a number of high-profile collapses dominated the headlines. Overseas we had Enron, WorldCom, Lincoln Savings, EIEI and BCCI. In Australia we had the HIH Insurance Group. In too many of these cases lavish remuneration was a feature of the way the company was managed. Just before Enron's collapse, Kenneth Lay, as chief executive, was one of the highest-paid executives in the US, earning \$5 million a year. Although the Labor Party is a party that has fought for higher wages, it is a failure of corporate governance if such compensation is detached from performance.

In Australia we have seen a steady growth in CEO salaries which has outpaced salaries in the broader community. According to the Productivity Commission and its report, *Executive remuneration in Australia*, over the period 1993 to 2009 the average earnings of CEOs in the top 100 Australian firms rose by

an average of 7½ per cent per year. Over the same period, average salaries across the economy rose by an average of 3.7 per cent a year. In 1993 the average earnings of a CEO in a top 100 Australian firm was about \$1 million. By 2009 this had risen to around \$3 million.

We can go further back still and look at how these top earnings have changed over the long run of history. While I was at the Australian National University I did work with Tony Atkinson where we looked at how the income share of top income groups in Australia had changed going back to the 1920s. One way of looking at this is to look at the income share of the richest one per cent of Australians. That is a group who in 2007 had earnings of \$197,000 a year or more. That top one per cent of Australians in 1921 had 12 per cent of household income. Then we saw a compression: we saw the top earners income share steadily drop until 1980, when that group had about five per cent of all national income. Then we saw a rise again until by 2007 the top one per cent had 10 per cent of household income, double they share in 1980.

We see an even starker pattern if we look at the top 0.1 per cent—the richest 1/1,000th of Australian adults. In 2007, this was a group earning \$693,000 a year or more, and their income share of the Australian pie followed a similar trajectory. In 1921, they had four per cent of all household income. That fell till 1980 when they had just one per cent of household income. And then that income share rose again so that, by 2007, the richest 1/1,000th of all Australians again had four per cent of household income.

Too much inequality can cleave us one from another, and leave us a more fragmented society. It is an issue about which many Australians are, I think, rightly concerned. As the Parliamentary Secretary to the

Treasurer pointed out in his second reading speech, it is important that our Australian remuneration system be internationally competitive, but it is also important that it is tied to performance—that executives are rewarded for the work they do and the value that they bring to their firms.

We should remember that executives need to be accountable to shareholders. Shareholders, of course, are the owners of the company. They are the ones who have placed their capital on the line. And it is appropriate that they have freedom to choose the executives they want and freedom, within broad limits, to set the appropriate remuneration.

A critical part of this reform is giving shareholders more say over how the pay of company executives is set. The government has been aiming to encourage shareholder engagement through transparent disclosure of how remuneration is delivered. Shareholders need to have the information to convey their views through the non-binding shareholder vote, and to hold directors accountable for their remuneration decisions.

Crises can test us. Sometimes in a crisis institutions are found wanting. And so it was with executive remuneration through the global financial crisis. Australia's exposure to the global financial crisis was much smaller than that of the United States, due partly to our industrial structure and partly also to the rapid response by the Reserve Bank and by this government through its fiscal stimulus package. But the global financial crisis did highlight to us some of the issues around remuneration structures that focused too much on short-term results, that rewarded excessive risk-taking and risked promoting corporate greed. As I said, most Australians do not mind well-paid CEOs. What they worry about is CEO pay that is detached from performance.

With the legislation put to the House today, we will be empowering individual shareholders so that they have the muscle to take the fight to the institutional and directors' associates. We are putting forward the 'two strikes' rule, where shareholders will be empowered to vote out a company's directors if the remuneration report receives a consecutive no vote from a quarter or more shareholders at two annual general meetings.

As the parliamentary secretary has pointed out, once this second strike is triggered, shareholders will then be given an opportunity to vote on a resolution to spill the board and subject the directors to re-election. The spill resolution of course requires 50 per cent of eligible votes cast, as would be the norm with most resolutions in a board meeting. If that spill resolution is passed, then a spill meeting will be held within 90 days at which the shareholders will be given the chance to vote on the re-election of the directors, one by one. There have been concerns raised over this measure. But I would point interested members of the community to the extensive consultations that the Productivity Commission and this government have done, and particularly to the consultations around the threshold level of a 25 per cent no vote. The Productivity Commission chose that level on the basis that it was appropriate because it was in line with the 75 per cent majority required for the passage of special resolutions.

This bill also focuses on an issue around the independence of remuneration consultants. People have reasonably argued that, in the past, remuneration consultants have sometimes looked a little like the fox guarding the henhouse. We need to guard against a risk that remuneration committees will simply ratchet up pay one after the other. We need to create opportunities for remuneration consultants to bring the best objective advice as to appropriate remuneration to the com-



pany. It should be the case that remuneration consultants are able to confidently go to a company and suggest that the remuneration is too high. This ought to happen in more than a trivial number of cases, and I doubt that it presently happens in many cases.

The bill also contains measures to require boards or remuneration committees to approve the engagement of a remuneration consultant. Those consultants will be required to declare that their recommendations are free from undue influence, and they will have to provide their advice to non-executive directors or the remuneration committee rather than directly to company executives, who are themselves, of course, affected by the report.

In addition, boards will be required to provide an independence declaration stating whether, in their view, the remuneration consultant's recommendations are free from undue influence. The board will then have to mention their reasons for reaching this view. The company will need to disclose in its remuneration report key details regarding the consultants, such as who the consultants were, the amount they were paid, and the other services that the consultant provides to the company.

Another important set of measures in this bill prohibits closely related parties from voting on remuneration. The bill will address conflicts of interest by prohibiting the company's directors and key executives, or key management personnel and their closely related parties, from voting their shares in the non-binding vote on the remuneration report. Currently the Corporations Act does not prohibit key management personnel who hold shares in the company from participating in the non-binding shareholder vote on remuneration. This is in order to prevent both real and perceived conflicts of interest which can

arise when key management personnel vote on their own remuneration packages.

The bill also prohibits the hedging of incentive remuneration, and that is, naturally, because the hedging of incentive remuneration is at odds with the rationale for incentive remuneration and can undermine the whole purpose for which companies put in place incentive remuneration. The bill also prevents the cherry-picking of proxies. Directed proxies must be voted—a reform which I certainly believe is long overdue.

Naturally, the bill has received considerable support from experts. Les Goldmann, the policy manager of the Australian Shareholders' Association, said:

I don't think that shareholders are going to use the power irresponsibly, I think shareholders will use the power very responsibly and only in cases where there is clearly something that the board and the shareholders think the board ought to be accountable for.

We do think the Government, in particular Minister Bradbury, have been very brave in pushing forward with this legislation and we applaud their efforts in that regard and I think that small shareholders and corporate governance area in Australia will be grateful for their efforts for many generations to come.

Stuart Wilson, former CEO of the Australian Shareholders Association, said:

At the outset there doesn't seem to be an appetite from institutional investors for turfing entire boards. I don't think it will come to pass. ... However, I think the simple threat or embarrassment, or potential for that to happen, will see to it that there will be significant improvements on remuneration in the next couple of years.

He also said:

This has been a topic that's been discussed ad nauseam for the last few years. The Productivity Commission had a lengthy consultation period—everyone got their say.

Alan Fels, former head of the ACCC, said of the two-strikes test:

This change will make a chairman more careful in making their original decisions about executive remuneration.

Ann Byrne, CEO of the Australian Council of Superannuation Investors, said:

We are pleased that the government has maintained a key recommendation of the Productivity Commission—a ‘two strikes’ test on remuneration reports. We believe that this test will only apply to a small minority of companies who have displayed intransigence and a lack of response to shareholders. Only those companies that continue to put up egregious pay propositions and blatantly ignore the views of a substantial group of shareholders should be concerned with these provisions.

The member for North Sydney wants less regulation generally, but he is unable to point to specific examples of where he would reduce regulation. Like the coalition’s position in the election that they would like to cut spending when their spending package had an \$11 billion black hole, the coalition are all talk and no walk.

This bill, on the other hand, is in a great Labor tradition of promoting economic growth with an eye to equity. This bill recognises that capitalism requires checks and balances if innovation is to flourish. We on this side of the House, the party of true small-’l’ liberalism in Australia, believe in markets. Labor is the party that floated the dollar, cut tariffs, brought about major competition reforms and is now using market based mechanisms to price carbon and deal with dangerous climate change. But we also believe in an appropriate role for government. That is why we brought about fiscal stimulus when the global financial crisis hit. And that is why, with this legislation, we are empowering shareholders by providing appropriate checks and balances as a reasonable and sensible means of dealing with executive remuneration.

Debate (on motion by **Ms Plibersek**) adjourned.

Leave granted for second reading debate to resume at a later hour this day.

#### MINISTERIAL STATEMENTS

##### Middle East

**Mr RUDD** (Griffith—Minister for Foreign Affairs) (1.10 pm)—by leave—We live in an era of globalisation, an era when what happens somewhere else in the world—not just in our own backyard—has important implications for our future. The eyes of the world in recent weeks have been glued to events in North Africa and the Middle East.

There has been tectonic change. A major fault line has shifted. But it all began with a single man. A little over four months ago a 27-year-old Tunisian man called Tarek Muhammad Bouazizi, a street vendor, set himself on fire in protest at the confiscation of his wares and his treatment at the hands of a municipal official. It was this act, and the response of his fellow Tunisians, that set in train a series of revolutions which have rocked the region.

These developments have implications for Australia’s national security interests, our national economic interests, our international humanitarian interests, and our consular responsibilities. We share the hope of peoples across the Middle East that these efforts will result in pluralistic democracies.

But this is not guaranteed, and there is a risk that instability will create more space for the operation of militant Islamist and terrorist organisations. The potential radicalisation of governments in some countries may have broader geostrategic impacts. We are also concerned about Iran’s ambitions in the region. And we are concerned about prospects for peace in the Middle East. We are concerned about the possibility of an increase in unauthorised people movements from the

region to other parts of the word as a consequence of instability in this region.

There are also important economic factors that could impact our national interests. Oil prices are increasing. Further instability will continue to drive up these prices. Of course, we are also concerned about the safety of Australian citizens in areas of unrest and instability. It is for these reasons, these national interests of ours and these national values of ours underpinning democracy and its development in other states, that Australia has key interests and key values at stake in what unfolds now in the Middle East.

### **Libya**

I would like to update the House on recent developments in the region. In Libya, the world has been shocked by the attacks of the Gaddafi regime on its own people. The United Nations Security Council took firm action through UNSC Resolution 1973 mandating 'all necessary measures' to protect civilians from threat of attack by the Libyan regime.

The council also authorised a no-fly zone. It also strengthened international sanctions. And the referral to the International Criminal Court by the United Nations Security Council of regime members under the earlier UNSC Resolution 1970 remains in force. The Australian government has welcomed both these resolutions.

Resolution 1973 was adopted as Gaddafi's forces were poised to attack Benghazi, a city of over 700,000 people, and when Gaddafi himself declared that he would 'show no mercy'—his words: he would 'show no mercy'. This is not a small town; this is a large city—700,000 people to whom he pledged to 'show no mercy'.

We avoided the butchery of Benghazi as a consequence of the UN Security Council resolution and the implementation of that resolution by member states. At least we

have avoided it for now though the situation remains highly fluid. However, in recent days we have also seen Gaddafi's forces attack the western cities of Misurata, Zintan and Yafran. Despite their protestations that there is a ceasefire in place on the part of the Libyan regime, there has been further tragic loss of life.

Air strikes by international forces are making progress in putting an end to these attacks. But the situation, I emphasise, is highly fluid. The operation underway is complex and it is operationally difficult. The Australian government remains gravely concerned by the humanitarian situation and prospects of it worsening.

In recent days, I have spoken with the Secretary General of the United Nations, Ban Ki-Moon; the head of the UN Office for the Coordination of Humanitarian Affairs, Baroness Amos; the UN High Commissioner for Refugees, Antonio Guterres; and the head of the International Committee of the Red Cross, Jakob Kellenberger.

Our concerns include the lack of access by these organisations to critical areas in Libya, food and medical supply lines, and safety for Libyans seeking to flee conflict areas. More than 320,000 people have fled Libya since mid-February.

The Australian government is doing what we can to assist this crisis. We have committed over \$15 million and now stand as the third-largest donor overall, behind the United States and the European Union. We remain prepared to commit further as the situation unfolds. Libya's future is uncertain.

The Australian government, together with our key partners around the world, have been united in our call for Gaddafi to step down. He has lost legitimacy, he has violated international law, he has turned on his own people. The goal of the UNSC-mandated intervention is protection of civilians. Enforce-

ment of the no-fly zone is making progress. The UN has imposed an arms embargo and a range of sanctions. Australia has imposed our own autonomous travel and financial sanctions against the regime. The international community is working to cut off oil revenue flows to the Gaddafi regime and is freezing the overseas assets of its members.

The opposition movement in Libya is strengthening. But further loss of life is, regrettably, likely. And again I emphasise: the days that lie ahead will be uncertain with many diplomatic and military challenges before us. This is the tragic consequence of Gaddafi's brutality.

### **Egypt**

Egypt is already undertaking the long and slow process of political reform. On Saturday Egyptians voted overwhelmingly in favour of amendments to the constitution which will broaden the field for presidential nominees. Significantly more Egyptians turned out to vote in this referendum than have in most elections in Egypt in past decades put together—a testimony to the commitment of the Egyptian people to remain engaged and active in the political reform process which now unfolds before them.

Egypt will undoubtedly need help as it undertakes this difficult process. Presidential and parliamentary elections are still to be held, and all are to be held by the end of September. Egypt also has a weakened economy which will need assistance to recover.

Australia and the rest of the international community stand ready to support Egypt where it needs support most. We are already exploring assistance to Egypt in the areas of food security and agriculture and through various other programs of the World Bank. These were discussed in detail in my recent visits to Cairo, both with then foreign minister Abul Ghait and with his replacement, new foreign minister Nabil El Araby.

Australia stands ready to assist and we are seeking to do so in a coordinated fashion, both with the European Union through Baroness Ashton and through the non-EU states, the other democracies around our region and the rest of the world. We stand ready to assist as Egypt is at a critical turning point for its future.

### **Tunisia**

Tunisia is also undertaking a breathtaking program of political and economic reform. During my visit to Tunisia earlier this month—the first ever, I am advised, by an Australian foreign minister—I reinforced to Tunisia's interim government that Australia stands ready to support Tunisia as it moves to enhance the political, economic and social rights of its people.

What happens in Tunisia will have important symbolic value across the rest of the Arab world, as well as being of more than symbolic value to the Tunisian people themselves. This is where this people's movement began, in Tunisia, how it therefore unfolds, with the institutional responses to the pressures for democratic reform from its people, watched closely by the other Arab states of the wider region.

I encouraged the important steps already taken by the interim government of Tunisia, including freeing political prisoners, allowing freedom of expression, and adhering to international human rights conventions.

Australia is already exploring areas to support Tunisia's reform process including electoral assistance and in the area of dryland farming. I confirmed this in my meetings with the Prime Minister Beji Caid Essebsi and Foreign Minister Mohamed Mouldi Kefi during my recent visit.

### **Yemen**

Australia is gravely concerned about the deteriorating political and security situation

in Yemen. Rolling popular protests over the past two months have been met with a brutal response by the government of President Saleh, resulting in more than 70 deaths and hundreds wounded since January.

Australia condemns the large-scale use of lethal force against protestors and has continued to urge President Saleh and his government to exercise maximum restraint and to seek every means possible to achieve a peaceful resolution of the crisis through dialogue.

The resignations of senior government figures, including military commanders, government ministers and ambassadors in protest at the 18 March killings, and President Saleh's subsequent sacking of his cabinet, underline the gravity of the political and security crisis facing Yemen.

Australia is concerned that recent efforts at reform announced by President Saleh's government may have come too late and that the window for dialogue is fast closing. President Saleh has reportedly agreed to a plan put to him by an opposition member, which would see him step down at the end of 2011, and has committed to the implementation of constitutional and electoral reform. The main opposition is deeply sceptical of President Saleh's commitment to reform and continues to demand his immediate resignation.

The deteriorating situation in Yemen has attracted wide international concern. The Arab League has condemned 'crimes against civilians' in Yemen and urged the Yemeni government to deal with the protestors' demands peacefully. Canada, the United States, the European Union, Britain, France and the United Nations Secretary-General have all condemned the violence against protestors, calling on the Yemeni government to respect the right to peaceful expression of political opinion and to embrace reform.

This widespread concern reflects the clear strategic stake the international community, including Australia, has in a stable, peaceful and unified Yemen, in which the people of that country also have their say in the future direction of their government and their country. Yemen, a poor and populous country with few natural resources and a long history of tribal based conflict, faces a number of longstanding and major economic, social and political challenges.

Yemen is also one of the front-line states in the fight against terrorism. A politically stable and economically strong Yemen is essential for combating terrorism in, and emanating from, the Arabian peninsula. Yemen's geography, poor infrastructure and tribal networks have enabled al-Qaeda linked terrorists to operate in and from Yemen for over a decade. Bombings in East Africa as early as 1998 had Yemeni links.

Prolonged political instability in Yemen has the potential to divert security forces from their efforts in countering terrorism and create fertile ground for the terrorist organisations there to flourish in the future. The absence of a well-functioning government will serve to further entrench the terrorists' freedom of action and their possible enmeshment with opposition political forces. The task, therefore, of political reform in Yemen is needed. It is complex and compounded by longstanding operations within that country of internationally active terrorist organisations. But reform must proceed.

### **Syria**

The Australian government is deeply concerned by ongoing clashes in Syria, in particular in the southern city of Dara'a. In recent days in Dara'a at least 10 people—and possibly many more—have reportedly been killed by security forces of the Syrian regime. Overnight, Syrian forces reportedly fired on demonstrators who had gathered in

and around the Omari mosque in Dara'a. Unconfirmed reports indicate that at least six people were killed in this incident. As UN Secretary General Ban Ki-moon and EU High Representative Ashton have said, the use of such lethal force against peaceful demonstrators in Syria is unacceptable. Syrian authorities must exercise all restraint in responding to peaceful protest activity. Claims by Syrian authorities that the demonstrations are being perpetrated by armed gangs are just not credible.

Syria has been ruled under emergency laws since 1963. Understandably, the people of Syria are calling for greater freedom and for greater political reform. Australia supports peaceful efforts towards democratic reform in Syria as elsewhere in the Arab world and as elsewhere across the world. Australia, therefore, urges the Syrian government to respond to the legitimate aspirations of the people of Syria and to pursue a course of dialogue and reform with them.

### **Bahrain**

Bahrain has returned to relative calm in recent days following the security crackdown against protestors last week under a three-month state of high safety declared by the king on 15 March. I spoke to the Bahraini foreign minister, Sheikh Khalid, on 20 March to register the Australian government's concern about the recent violence against protestors and the denial of their right to peaceful protest. This followed my meeting with Sheikh Khalid on 8 March during my visit to Abu Dhabi for the Australia-Gulf Cooperation Council Foreign Ministers Strategic Dialogue. Noting the deployment of GCC security forces into Bahrain, I called for the exercise of maximum restraint by the authorities—these forces coming from a combination of Saudi Arabia, in terms of military forces, and the United Arab Emirates in terms of police forces—and their con-

tinuing commitment to a process of genuine and inclusive national dialogue towards further political reform.

I also suggested that Bahrain invite a global NGO, such as Amnesty International, to come in and inspect its activities if the international community is to maintain confidence in the actions of the Bahraini government into the future. Sheikh Khalid stated that the Bahraini government continued to pursue dialogue with the opposition and that the GCC forces were in Bahrain to protect infrastructure only and that physical policing of the Bahraini people would be done by the Bahraini forces themselves.

The security situation in Bahrain is also complicated by the actions of Iran in support of the Shia population in Bahrain—with Iran still publicly claiming Bahrain as Iran's 12th province.

### **Middle East peace process**

The Australian government remains concerned about prospects for the Middle East peace process. The Australian government condemns the bus bombing in Jerusalem on 23 March which killed one person and injured many more, as well as the recent rocket and mortar attacks from Gaza into Israel. There is no justification for terrorism of any kind. The government has also expressed Australia's sincere condolences for the Palestinian civilians in Gaza killed on 22 March. Attacks on civilians are unacceptable under any circumstances, and the Australian government strongly urges all parties to exercise restraint and avoid a further escalation of violence.

Australia strongly supports a negotiated two-state solution that allows a secure and independent Israel to live side-by-side with a secure and independent future Palestinian state. Violence such as that seen in recent days undermines prospects for a negotiated two-state solution. Both sides must negotiate

urgently on final status issues, and refrain from actions which undermine trust, including settlement construction and terrorist attacks, which are not helpful to the peace process. These matters have been the subject of a series of discussions I have had over the last three months with Israeli and Palestinian Authority leaders both in Ramallah and in Tel Aviv and Jerusalem.

### Conclusion

Just as the beginning of these protests and revolutions could not be predicted, neither can their end. The future of the region is unclear. The people of Libya, Egypt, Yemen, Bahrain, Syria, Morocco, Algeria, Tunisia and other countries, have called for a better future—a future with greater economic opportunity, greater political freedoms and greater respect for human rights. The end result of their efforts is yet to be determined.

There are also risks that some leaders of political movements may praise the principles of democratic revolution only to obtain power and later move to suspend these democratic freedoms once obtained. Mindful of these risks, the process of political reform must nonetheless be embraced in response to the legitimate aspirations of the Arab peoples for democracy.

There are also risks that economic reforms will be slow to deliver prosperity, and the aspirations for better employment and higher wages will be slow to realise. While there is a common demand across the region for greater political, economic and social freedoms, the situation in each country will vary greatly. Each country's democratic evolution will try and be different.

The Australian government hold that democracy is a universal principle, consistent with the provisions of the International Covenant on Civil and Political Rights of 1976. Australian diplomacy will continue to be active in the region—consistent with our

national values, consistent with our national interests and articulated through the practice of creative middle power diplomacy.

These have been difficult and dangerous times also for Australian citizens living in the region—and I urge all of them to keep abreast of travel advisories both in the Middle East and elsewhere in the world, including of course in Japan. Our diplomats and consular staff have performed in the best traditions of the Australian foreign service. I take this opportunity in the parliament to commend each and every one of them, each of our ambassadors in the region and their associated staff for assisting with consular evacuations and ongoing liaison with Australian citizens, often in the most difficult, dangerous and complex of circumstances. These diplomats, these consular officials, are great representatives of Australia, and the House should commend them for their courage and their professionalism.

We face difficult, dangerous and unpredictable times ahead in the Middle East and beyond. The Australian government will remain seized of events as they unfold and will be active in our diplomacy in working with the rest of the international community to advance the interests of the peoples of the region and the great cause of democracy as well as assisting where we can in the legitimate economic needs and economic development needs of the peoples of the region.

I ask leave of the House to move a motion to enable the member for Curtin to speak for up to 19 minutes.

Leave granted.

**Mr RUDD**—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Curtin speaking in reply to the ministerial statement for a period not exceeding 19 minutes.

Question agreed to.

**Ms JULIE BISHOP** (Curtin) (1.30 pm)—Historically, the Middle East has been of significance to Australia's national interests. Since the late 19th century, when New South Wales sent a contingent to Sudan, that part of the world has been strategically important to Australia. That remains the case. Events in the Middle East and North Africa continue to unfold rapidly, and no-one can predict the outcome.

The past week has seen the United Nations Security Council endorse the imposition of a no-fly zone over Libya, which is currently beset by what some describe as a civil war, with forces loyal to Colonel Gaddafi in the west and opposition to Colonel Gaddafi centred in the east. The complexity of the situation within Libya has led to concerns about how the country will eventually recover from this crisis and what type of government will emerge if we assume that Colonel Gaddafi, the brutal dictator, relinquishes or is removed from power. That itself is uncertain. There are disturbing reports from within Libya that Colonel Gaddafi continues to direct forces against the civilian population of Libya, further revealing his true character and the utterly illegitimate nature of his rule.

The mission to establish a no-fly zone has been led by the United States, with the support of several other nations, including France and the United Kingdom. President Obama has made it clear that he expects NATO to take overall command of the military action as quickly as possible; however, there are concerning reports of differing views within NATO that have delayed that process. It is in the interests of maintaining the integrity of the United Nations Security Council resolution and the broader interests of the region and the world for the NATO allies to resolve any differences.

Having fought hard to establish a no-fly zone over Libya, the international community is facing the danger of becoming bogged down over the question of what comes next. I note the comments of Senator Richard Lugar, a key member of the United States Senate Foreign Relations Committee. He has criticised the Obama administration for embarking on an open-ended military campaign with no end game in sight.

Should Colonel Gaddafi refuse to cede power, which is increasingly likely, nations imposing the no-fly zone and those who advocated its imposition will face a difficult dilemma. Whilst he remains in control of military forces, Colonel Gaddafi is unlikely to accept short of complete control over the entire country and the rebels are also unlikely to accept any situation that allows Colonel Gaddafi to regroup. The deep fear is that Libya is heading for protracted civil war from which the international community will struggle to extricate itself.

According to STRATFOR Global Intelligence, Colonel Gaddafi's forces are likely to retain considerable strength even without the armour or artillery destroyed by the air strikes. The westward advance of rebel forces will be slowed by Gaddafi's army, which is likely to dig in around Libya's urban centres. There has been little sign to date that the rebels have been able to form into an organised military force.

President Obama has said that Gaddafi must go. The United Kingdom Defence Secretary, Liam Fox, has said that Gaddafi himself was a legitimate target. It is clear from these statements that regime change is a tacit goal of the United States and the United Kingdom at least, although not expressly articulated in the United Nations Security Council resolution.

Without a clear sense of direction, the international community may find itself drift-



ing towards the undesirable outcome where it has to consider supporting an autonomous region in East Libya. This would require not only an ongoing no-fly zone over Libya but considerable economic and military aid packages to a fledgling government. France has already taken a step down this path, recognising the Transitional National Council as the legitimate government of Libya. There are also concerns over the composition of the opposition.

Military intervention to protect civilians in Libya is also a matter of taking sides. According to STRATFOR, the international community is 'supporting a diverse and sometimes mutually hostile group of tribes and individuals bound together by hostility to Gaddafi and not much else'.

Having gone into Libya, the international community must now decide in what circumstances and under what conditions it will get out. What is the exit strategy? The Arab League, having called for the intervention and with its support for the resolution being integral to its endorsement, must take a leading role in determining the outcome. The key challenges are faced by not only the nations imposing the no-fly zone but also those who strongly urged such action, including the Australian government and most particularly Foreign Minister Rudd.

While military action in Libya has dominated news coverage, another crisis has been rapidly developing in Yemen. Protests have been under way in that country since late January, with tens of thousands of people taking to the streets of the capital Sana'a and other cities. There had been ongoing violence between security forces and protesters; however, the situation escalated rapidly after more than 50 people were killed last weekend. This led to defections and resignations from within the regime of President Ali Abdullah Saleh, greatly increasing the potential

for the nation to descend into civil war. There were reports of a tense stand-off between military units on the streets of the capital.

After weeks of refusing to countenance any transition from power, the President is now reported to have agreed to stand aside peacefully and has accepted a plan for that process that includes the formation of a national unity government, constitutional reform, electoral reform and presidential elections this year. It remains to be seen whether the majority of protesters will accept this agreement and whether they will leave the streets and allow the country to regain some semblance of normality.

Meanwhile, it is reported that Saudi Arabia's government has urged President Saleh to leave, and the kingdom is helping to manage the transition, including the hosting of a conference for Yemeni tribal leaders, political party representatives and government officials. Against the backdrop of these negotiations there are reports of ongoing violence elsewhere in the country, with two protesters killed and nine injured in clashes in the southern province of Taiz.

Equally concerning are the reports that the Yemeni Houthi rebels, who have been in armed conflict with the government for years, have taken advantage of the disruption to take control of the northern province. At least 20 people have been reported killed in the fighting. The Shia Houthi fighters are reported to have shot down a government MiG fighter jet during the conflict. Saudi Arabian security and military forces have also clashed repeatedly with Houthi forces over several years, and the Saudis have undertaken extensive military action against them along the Saudi-Yemeni border. This has included the bombing of Houthi strongholds in Yemen.

The situation within Yemen is volatile and unpredictable, and we continue to urge that calm heads prevail and a peaceful transition be achieved. It is not in the interests of the people of either Yemen or the rest of the world for the country to descend into chaos. That would only play into the hands of extremists. We must not forget that 23 former members of al-Qaeda escaped in 2006 from a Yemeni prison and founded al-Qaeda in Yemen, which later evolved into al-Qaeda in the Arabian peninsula. This group was behind the attempted bombing of a passenger jet over the United States on Christmas Day 2009. Al-Qaeda in the Arabian peninsula is regarded as one of the most dangerous and active al-Qaeda affiliates, and we must not doubt its ability to use the upheaval in Yemen to its own nefarious advantage.

The situation in the tiny kingdom of Bahrain remains tense in the wake of the decision of the government to demolish the Pearl Monument, around which protesters had gathered for weeks. While the crackdown that accompanied the demolition of the monument managed to clear the protesters, it appears that the situation is only temporary. There are reports that activists are planning for a day of protest tomorrow targeting at least nine locations, including the airport and the hospital. The kingdom is particularly volatile due to tensions between the 70 per cent Shiah population and the 30 per cent Sunni population who make up the ruling class and the royal family. A major concern is that the upheaval is being encouraged or worse by Iran and that Bahrain has become a proxy battle ground for influence between Saudi Arabia and Iran.

European Union foreign policy officials have warned of a downward economic spiral and an escalation in the proxy conflict between Iran and Saudi Arabia. Bahrain may be a small island kingdom, but its strategic importance is significant as the host of the

United States 5th Fleet. Forces from Saudi Arabia are currently in Bahrain, ostensibly to protect key infrastructure, while Kuwait has deployed naval vessels to the kingdom for what has been described by Kuwaiti officials as 'part of the peninsula shield forces defending Bahrain'. Given that there are now no external forces threatening Bahrain, this would indicate a desire to defend Bahrain from internal forces. The great fear is that, if the Shiah are successful in toppling the Sunni government in Bahrain, it would greatly enhance Iranian influence in the region and embolden Shiah minorities within the other countries of the region, most notably Saudi Arabia.

Disconcertingly for the West, the Shiah minorities of Saudi Arabia tend to live in the regions which hold the bulk of the nation's enormous oil reserves. Unrest in those regions would send shock waves through the world economy. There have already been reports of small protests in Saudi Arabia with calls for the release of Shiah clerics and other prisoners. The world is watching developments in Saudi Arabia with great trepidation, revealing the sensitivities surrounding events in Bahrain. Nonetheless, we urge the Bahraini king to forsake armed crackdowns on his own people and to undertake negotiations in good faith to advance the cause of democracy and human rights in his tiny kingdom.

Unrest continues to ferment in other nations of the region. There are disturbing reports of deadly violence having been used against protests in nations such as Syria. There have been reports overnight of Syrian security forces shooting and killing four people near a mosque during a funeral for people who were killed while staging recent antigovernment protests. We continue to urge governments to show restraint and allow people to protest peacefully. The situation in Jordan also remains fluid after widespread

protests led to the king sacking the government and replacing the Prime Minister on 2 February. Opposition groups are reportedly growing impatient at the slow pace of reform since that time. King Abdullah II has ordered the new government to act quickly in enacting political and economic reforms and is clearly worried about the potential fallout should the protesters lose faith in the process.

Egypt has taken significant steps as it emerges from under the fist of the Mubarak regime. Almost 80 per cent of Egyptians who voted in a recent referendum supported a range of constitutional changes, including limits on presidential terms. This is a huge step forward for a nation struggling to build new democratic institutions and to unify the nation after the dramatic events that ultimately led to President Mubarak resigning and then fleeing Cairo. Egypt is regarded as hugely influential in the region given its population and strategic importance, including the global economic significance of the Suez Canal. It is also one of the few nations of the region that has a formal peace treaty with Israel.

After Tunisia, where protests first erupted, Egypt was the first major nation to experience widespread protests and the first where those protests toppled the President. With Egypt taking what appear to be constructive and peaceful steps towards political reform, we must remain hopeful that other nations will be inspired by its example. It is too early to judge what will emerge as Egypt's ruling structure following elections, and concerns linger about the Muslim Brotherhood, which is steadily taking a more prominent role. However, there is hope that the universal human desire for greater freedom which motivated the original protests will triumph in Egypt and in other nations.

I join with the foreign minister in commending the Australian consular staff for their professionalism and their calm approach to dangerous and devastating situations that have arisen in North Africa and the Middle East. People talk optimistically of an 'Arab spring', but the situation country-by-country is fraught with danger for the whole international community. It cannot be assumed that many of the participants in these protests and conflicts have the same respect for democracy, freedom, the rule of law and human rights that we so value.

Debate interrupted.

#### STATEMENTS BY MEMBERS

##### Registered Clubs and Hotels

**Mr COULTON** (Parkes) (1.44 pm)—Registered clubs and hotels in Australia play a vital role as a link for the community. Clubs in my electorate nurture junior sport. They are a place for communities to meet and for returned servicemen to gather—they are a place where the community can socialise. The clubs and hotels in my electorate and right across Australia are under threat because of the gaming reforms being proposed by the member for Denison and supported by the Prime Minister in her desperate attempt to cling to power. I think it is a sad day for Australia when the millions of people who are members of registered clubs and users of hotels are held to ransom by the sanctimonious crusade of one member of parliament. What is even more tragic is that the Prime Minister and members on that side of the House and the Independents, who sit behind me, are going to support this person purely to hang on to power. They are going to sacrifice what is good for their communities; they are going to sacrifice junior sport; they are going to affect the welfare of ex-servicemen—purely to hang on to power and pander to the wishes of a very minor Independent member from Tasmania.

**Chubb, Professor Ian, AC**

**Dr LEIGH** (Fraser) (1.45 pm)—I rise to acknowledge the contribution of Professor Ian Chubb AC to the Australian higher education community over a three-decade career. Originally trained as a neuroscientist, Professor Chubb was a fierce advocate for the Australian higher education sector both in his role as Vice-Chancellor of the Australian National University and as President of the Australian Vice-Chancellors Committee. Known affectionately as ‘Chubby’ to ministers and even prime ministers, he was particularly vocal about the need for increased funding for universities. Professor Chubb was similarly unafraid of addressing big and controversial issues, calling for bold reform, not mere tinkering. He was direct, too. In 2009, when I was appointed an economics professor at ANU, it was a characteristically straightforward Ian Chubb who gave me the news in a phone call that went something like: ‘Mate, you’re a professor. Well done’—followed by hanging up.

Professor Chubb was rare among vice-chancellors in that he gained the respect and admiration of students, both undergraduate and postgraduate. His commitment to student income support and student organisations gained him many friends among students at the ANU and at other universities throughout Australia. My office manager, Louise Crossman, was a former ANU Students Association executive officer. She says, ‘He must have been pretty good because we never had any reason to occupy Chubb’s office, which was unusual and disappointing because I really wanted to occupy something.’

Professor Chubb was the well-deserved recipient of the ACT Australian of the Year Award in 2011. I wish him well in retirement and hope that he will continue to make a valued contribution to Australian public life.

**Petition: Pumicestone Passage  
Community Action Group**

**Mr SLIPPER** (Fisher) (1.47 pm)—Today I seek to table an in-order petition from the Take Action for Pumicestone Passage community action group. The group has collected, since 1 January, a staggering 13,555 signatures, requesting a strategic environmental assessment of the Pumicestone Passage and its catchments prior to the commencement of the Caloundra South residential development. The request is made in line with the Environment Protection and Biodiversity Conservation Act 1999. Overwhelmingly, the signatories live in the Caloundra area, so the development and the local Pumicestone Passage environment are obviously matters of major concern.

Bribie Island, just north of Brisbane, lies along the coast, creating the sheltered waterway of the Pumicestone Passage. This area is home to dolphins, dugongs, sea turtles and many other animals. The passage is also part of the Moreton Bay Marine Park. It would be a shame to allow such a key environmental area to be threatened by development.

The Sunshine Coast is a high-growth area, so we need new houses; however, development must be balanced with care for the environment. The Caloundra South development is a residential project of 2,360 hectares that is bordered by the Caloundra Airport, the Bruce Highway, Bellvista and Pelican Waters, and there is potential for 25,000 new houses to be built housing some 50,000 people.

The TAPP organisation is well organised. It wants to protect the local environment. The petition was presented to me last week by principal petitioner Alana Kirchhoff, TAPP spokesman Ken Mewburn and petition coordinator Helen Crook. This is a wonderful organisation. I will be meeting with the

minister today to push the case of the petitioners. (*Time expired*)

*The petition read as follows—*

This petition is from concerned citizens of Australia and others from the wider international community.

We wish to convey to the House and Minister Burke our concern for the deteriorating health of the Pumicestone Passage, a RAMSAR listed wetland of international significance. This area already has documented evidence of environmental degradation. We believe that the proposed Caloundra South Development, of 25 000 homes, will have further significant impacts on the ecosystem of the Pumicestone Passage and its catchment.

We therefore ask the House to call upon Minister Burke to work with the QLD State Government to conduct a Strategic Environmental Assessment of the Pumicestone Passage and its catchments under the *Environmental Protection and Biodiversity Conservation Act 1999*. This Assessment should closely scrutinise all land use both current and proposed for its impact on the ecological health of the Pumicestone Passage and its catchment. We believe the Minister should then use the information gained to set mandatory environmental standards that will apply to all future development and any alteration of present land use in this area.

from 13,555 citizens.

Petition received.

#### **Fremantle Electorate: Community Cabinet**

**Ms PARKE** (Fremantle) (1.49 pm)—I am very pleased that next week the Prime Minister and cabinet will be coming to Western Australia and that a community cabinet event will take place in my electorate of Fremantle. This will be a very welcome instalment of this Labor government's ongoing commitment to taking cabinet to all parts of Australia and to hearing from people all over the country in an open, laid-back and responsive manner. We should all take heart from the fact that the Prime Minister and cabinet min-

isters in this country are both able and prepared to hear from anyone and everyone in an open public forum.

Fremantle is a highly appropriate destination for a community cabinet because it is a place that is deeply engaged on some of the big issues that confront us all. It is a community that understands the threat of climate change and the opportunities that exist in renewable energy development. Indeed, the host venue, South Fremantle Senior High School, is striving to be Australia's first carbon-neutral school, and the City of Fremantle was the second carbon-neutral local council in Australia.

Like Western Australia as a whole, the Fremantle electorate wants to see better health and mental health services; better transport and community infrastructure; and a lasting social dividend from Australia's mineral resource development. All in all, Fremantle is a community that wants to get involved, a community that sees the bigger picture and a community that does not approach issues by asking, 'What's in it for me?'

We look forward to the community cabinet event, which I am sure will be robust, informed, passionate and good-humoured—because those are Fremantle qualities, and that is what Fremantle is about.

#### **Herbert Electorate: Local Clubs**

**Mr EWEN JONES** (Herbert) (1.50 pm)—I rise to speak about North Queensland Community Transport in Townsville and the community of Townsville. The Townsville Online Tenders System has a fleet of 39 drivers, all volunteers, and to drive for North Queensland Community Transport they must all have first aid certificates. Unfortunately, North Queensland Community Transport were not able to pay for that because they are a totally non-profit organisation, so they asked me what I could

do. I put out an email to all my associates and three people got back to me before I could do anything—the three large clubs in Townsville: the Cowboys Leagues Club, the RSL and Brothers Leagues Club. Craig Thomas, Joe Kelly and Karla Malouf said, ‘We will pay for the lot in one fell swoop. Then, if you let us know about every volunteer who comes through, we will ensure that everyone who drives for this valuable community service has a current first aid certificate.’ I think it is an absolutely wonderful thing to have done.

The value to the community of the clubs in Townsville is enormous. They provide jobs, cut-price meals and all that sort of stuff. They do many things for the community, including providing large amounts of money for sporting clubs. I just want to make sure that everyone knows how good these clubs are. It would be a shame if anyone ever did something to prejudice their position to be able to provide these valuable community services.

**YMCA New South Wales Youth  
Parliament 2011**

**Mr STEPHEN JONES** (Throsby) (1.51 pm)—I take this opportunity today to speak about two young constituents from Throsby who have been selected to participate in the YMCA New South Wales Youth Parliament this year. Paige Mackander, from Oak Flats, is in year 12 at the Illawarra Grammar School and has been chosen to represent the state electorate of Shellharbour, which falls within the boundaries of the electorate of Throsby. Secondly, Blake Osmond is an outstanding year 11 student at the Illawarra Sports High School and, for the second consecutive year, is the successful candidate to represent the state electorate of Wollongong.

The YMCA New South Wales Youth Parliament, which convenes, for the 10th consecutive year, in 2011, is a highly prestigious

forum for young people to learn about and participate in the parliamentary process. The youth parliament brings together young people from across New South Wales who are nominated and selected by New South Wales members of parliament to represent the young people of their electorate on issues of concern to them. Typically, these young people are high achievers academically, with a strong commitment to community services and a desire to make a real difference in the lives of residents in their electorates. They are passionate about making their local communities a better place in which to live and want to improve their skills in public speaking and leadership. I congratulate Paige and Blake on their successful selection to participate in the NSW Youth Parliament 2011. I foreshadow that one day down the track they, as leaders of tomorrow, may join some of us in this place.

**Bennelong Electorate: Armenian  
Community**

**Mr ALEXANDER** (Bennelong) (1.53 pm)—Bennelong is fortunate to have an active Armenian community, proudly displaying their great heritage, including a mayor and a local councillor. An issue of great importance to this community is the lack of appropriate recognition of the genocide by the Ottoman Empire, tragically linking our two nations, as Anzac troops landed in Gallipoli at the same time just a short distance away. The world has turned many times since then and the Turkish people welcome us back each year to commemorate a tragedy that has formed such an important part of our national legend. I look forward to the day that the Turkish and Armenian people can build a similar bridge and come to terms with their own tragedy. To Bennelong’s constituents of Armenian heritage: I extend to you my full support, as you carry this burden that weighs so heavily on your collective conscience.

**ACT Young Achiever Award**

**Ms BRODTMANN** (Canberra) (1.54 pm)—I would like to congratulate young Canberra engineer Adrian Thearle for winning the Australian Industry and Defence Network ACT Young Achiever Award. This award recognises the outstanding contribution Adrian has made to the defence industry. Employed by CEA Technologies, which is based in Fyshwick in my electorate, Adrian Thearle has worked on leading-edge radar technology for the Anti-Ship Missile Defence project for the Australian Navy. This allows our Anzac class frigates to find and track targets. This award is testament to Adrian's ability and the support of CEA technologies, which has seen him rise from a junior engineer to the principal hardware engineer for the Anti-Ship Missile Defence project in only six years. The phased array radar system was designed in Australia with Australian expertise. It gives young people like Adrian the opportunity to build their skills and experience, which is good news for the Australian defence industry. I also wish to congratulate CEA Technologies for its commitment to supporting and encouraging young people in the defence industry. This is the second year in a row that a CEA employee has won this award. I wish Adrian well in his aspiration to one day provide his own locally designed and developed solutions to help our defence industry, our forces and those of our allies.

**Tumby Bay District Financial Services Ltd**

**Mr RAMSEY** (Grey) (1.56 pm)—Today I would like to congratulate Tumby Bay District Financial Services Ltd, which will be opening a branch of the Bendigo Bank on Friday. I will be given the honour of officially opening it next week and I am looking forward to it. It has taken over 12 months. Kevin Cook, chairman; Julie Elliott, secre-

tary; Wayne Branson, vice-chairman; and their committee have worked very hard over the last 12 months to get a commitment of about \$900,000 from the district that will support and invest in Bendigo Bank. Bendigo Bank is given the ability to raise serious amounts of money. Over the last year, since Bendigo Bank was established, the community of Cummins—which is just over the hill from Tumby Bay—has reinvested \$1.2 million back into the community. Having this pool of investment to go to government and say, 'We've got some dollars on the table; what have you got?' is a great advantage to the community. I expect Tumby Bay to have similar success and I think, over the next few years, this community endeavour will pay great dividends for Tumby Bay. I look forward to being with them next week.

**Aboriginal Trainee Support Worker Program**

**Ms ROWLAND** (Greenway) (1.57 pm)—On 10 March, along with the member for Chifley, I attended the launch in Blacktown of the Marist Youth Care's highly successful Aboriginal Trainee Support Worker Program 2011, by the Minister for Indigenous Employment and Economic Development.

The program is now entering its third year, following an extremely successful retention rate of 81 per cent over the past two years. The program provides trainees with a recognised industry qualification and practical skills so that, when they become youth and support workers, they will be fully equipped to take up real jobs. As the minister noted, he has observed an amazing positive change in participants from the time they start the program to when they finish it. It is truly transformational. The Blacktown LGA, which falls across the electorates of Greenway and Chifley, has the largest Indigenous population in Australia for an urban centre. The

need for effective Indigenous employment programs is therefore very high. All trainees are unskilled and have been long-term unemployed. They have been nominated by their community as ideal participants for Marist Youth Care's extremely successful program. Over the next 12 months this government will provide \$100,000 in funding through the Indigenous employment program to assist Marist Youth Care.

I would especially like to congratulate graduands Troy Duke of Glenwood and Rhukaya Lake from Quakers Hill, who successfully completed the 2010 program. I would like to thank Marist Youth Care, and make special mention of CEO Cate Sydes, for the fantastic work they do in granting Indigenous Australians the dignity of work in my community and the wider community. I wish all of the 2011 participants all the very best.

#### **Banking**

**Mr BILLSON** (Dunkley) (1.59 pm)—The big banks and the major retailers have decided to spin EFTPOS off into its own organisation. Many small businesses view EFTPOS services as a part of their normal banking services and have paid bank fees and charges to support that activity. The decision to spin it off and form a new company is understood—so that we have an Australian based bill payment system to compete with Visa and Mastercard. What is not acceptable, though, is if it results in a double-dip against small businesses in terms of their bank charges and fees. If the banks and the major retailers see it in their interests to spin off EFTPOS, then they should also make a commensurate reduction in banking fees and charges to small businesses. Otherwise, this would represent a new service with additional charges, while the big banks hang on to the revenue stream that used to finance EFTPOS as part of an integrated banking

package. I call on the big banks to support the decision to spin off EFTPOS, with reductions in bank fees and charges for small businesses that have been paying those charges on the basis of EFTPOS services being bundled with the services they have been paying for for many years.

**The SPEAKER**—Order! It being 2 pm, the time for members' statements has concluded.

#### **BUSINESS**

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (2.00 pm)—On indulgence, for the benefit of members regarding arrangements for sittings, the Senate a little while ago carried a resolution which enabled the Senate to sit until 10 pm this evening but then be suspended until 9 am tomorrow. They, of course, are having a break of an hour, from 6.30 pm until 7.30 pm, when they will not sit. So perhaps we could have a bipartisan suggestion that they might like to do things a bit quicker.

I am advised that with the transmission time required for the NBN bills—and this is not often understood—things do not just finish in the Senate and arrive here—there is a procedure that is beyond capacity to change, which will take anything up to three to four hours, I am advised by the Senate officials. I will consult with the Acting Manager of Opposition Business, the member for Menzies, prior to four o'clock to make a definite call on whether it is the case that it is worth while us waiting around this evening. If it is not the case, then it is in the interests, particularly of the parliamentary staff, that we suspend the sitting. If the Senate is to sit tomorrow, given the transmission time, it is probably more efficient in terms of people going about the arrangements they have made according to the sitting schedule. Perhaps we can do what we did last time, which is to come back on Monday. But we will make that decision—



*Opposition members interjecting—*

**Mr ALBANESE**—and perhaps if people object, they might like to talk to their Senate colleagues in the other chamber.

**The SPEAKER** (2.02 pm)—Order! I am about to make two reports from the Main Committee in relation to condolences. I would hope that I could get the cooperation of the House for at least these two motions.

### CONDOLENCES

#### Japan Natural Disasters

##### Report from Main Committee

Order of the day returned from Main Committee for further consideration; certified copy of the motion presented.

Ordered that the order of the day be considered immediately.

**The SPEAKER**—The question is that the motion be agreed to. I ask all honourable members to signify their approval by rising their places.

Question agreed to, honourable members standing in their places.

#### New Zealand Earthquake

##### Report from Main Committee

Order of the day returned from Main Committee for further consideration; certified copy of the motion presented.

Ordered that the order of the day be considered immediately.

**The SPEAKER**—The question is that the motion be agreed to. I ask all honourable members to signify their approval by rising their places.

Question agreed to, honourable members standing in their places.

### QUESTIONS WITHOUT NOTICE

#### Carbon Pricing

**Mr ABBOTT** (2.05 pm)—My question is to the Prime Minister. I refer the Prime Minister to this report in the *Australian Financial Review* today confirming that the govern-

ment has already walked away from tax cuts linked to her carbon tax. Given that these phantom tax cuts have been much hyped for days, including by the Prime Minister who described them as a 'live option', will she now apologise to Australian taxpayers for misleading them yet again?

**Ms GILLARD**—I thank the Leader of the Opposition for his question. Firstly, I would suggest to him that he read the story carefully. Secondly, I will confirm to him that tax cuts are a live option for providing assistance to Australian households under this government. Of course, if the Leader of the Opposition were ever elected, the very first thing he would do is rip money out of the purses and wallets of Australians, take away the household assistance we have provided and then impose on them a charge of \$720 a year for his failed plan to address climate change, even though we know—or most days, we know—that the Leader of the Opposition does not believe in climate change. Some days he does, some days he does not.

This all comes down to a question of judgment, a question of leadership and to making decisions in the national interest. If you are acting in the national interest, if you are showing judgment, then you accept the science that climate change is real. You accept the economic advice that the best way of tackling it is by pricing carbon. You accept the further economic advice that the best way of doing that is through an emissions trading scheme and, if you believe in fairness, then you act to use the money raised from carbon pricing to assist Australian households.

Let me say again to the Leader of the Opposition: in assisting Australian households, tax cuts are a live option. Then of course you use the money raised from carbon pricing to assist industries to adjust and then you use money raised from carbon pricing to tackle

climate change through funding climate change programs. These things are questions of judgment and questions of leadership. It is the judgment and the leadership that Prime Minister John Howard showed when he went to the 2007 election promising an emissions trading scheme. But, as Australians saw yesterday, they can never expect leadership or judgment from the Leader of the Opposition.

### **Carbon Pricing**

**Ms ROWLAND** (2.08 pm)—My question is to the Prime Minister. Why is a carbon price a more efficient way of investing in a clean—

*Mr Hartsuyker interjecting—*

**The SPEAKER**—Order! The member for Cowper, who was the one that I heard, will withdraw.

**Mr Hartsuyker**—I withdraw.

**Mr Albanese**—Mr Speaker, the interjection was added to by the Leader of the Opposition, and he should also withdraw.

**Mr Abbott**—Mr Speaker, if it would assist the House, I withdraw.

**The SPEAKER**—I thank the Leader of the Opposition.

*Mr Perrett interjecting—*

**The SPEAKER**—Order! Member for Moreton, I think that when a line is drawn under an incident it does not assist to drag it out any further. The member for Greenway has the call.

**Ms ROWLAND**—My question is to the Prime Minister. Why is a carbon price, rather than direct action, a more efficient way of investing in a clean energy nation and why is it vital for the national interest?

**Ms GILLARD**—I thank the member for Greenway for her question and for her strong representation of her local community in this place. As a strong representative of her local community who believes in coming into this

place and acting in the national interest, she knows that it is in the national interest to tackle climate change and that it is in the national interest to price carbon and to create the right mix of incentives and rewards to enable the development of clean energy solutions.

At the moment you can put carbon pollution into the atmosphere for nothing. By pricing carbon, we will send a signal to the thousand biggest polluters in this country that there is a cost when they put carbon pollution into the atmosphere. As a result they will innovate and they will change. Australian businesses are very adaptable. They have adapted to economic reform in the past and they will do so again in the future. With the money raised from pricing carbon, you can assist Australian households, which we will do—and we will do so fairly because we are a Labor government—you can assist Australian industries make the transition and you can fund programs to tackle climate change.

In answer to the question from the member for Greenway, which asked me about the national interest, let me make some things very clear to the House. It is no wonder that shadow cabinet met twice to try to stop the shadow Treasurer belling the cat and confirming to the Australian people that, if we compensate and assist households through tax cuts, the opposition will take them away; if we assist households through direct increases in pensions, the Leader of the Opposition will take those increases away; and if we assist through direct payments, the Leader of the Opposition will take those away. We will assist Australian households and the Leader of the Opposition is committed to taking that assistance away.

But it gets worse than that—worse than taking money out of the purses and wallets of Australians. The Leader of the Opposition

is committed to a failed plan which would see carbon pollution in our economy rise by 17 per cent by 2020—rising carbon emissions—or the Leader of the Opposition would rip \$720 off Australians to pay for his \$30 billion worth of failed plans. So more assistance but more tax to be paid by Australian families—decent people who understand that this is a big challenge which, in our national interest, we need to face up to.

Decent people work their way through the facts and they think about these things very deeply. The Leader of the Opposition has taken a different course. That stands in stark contrast to the things that have been done by Liberal leaders in the past. I would refer the House to the Shergold report, the report of the task group on emissions trading, which made it clear to Prime Minister Howard—which is why he adopted the scheme—that it is the most efficient way of pricing carbon. Unfortunately, the present Leader of the Opposition is not a fit successor to Liberal leaders past. He has repudiated the power of the markets. He has repudiated the national interest. He would prefer to act in his political interests with his fear campaigns than act decently in the interests of Australians.

*Mr O'Dowd interjecting—*

**The SPEAKER**—I regret to inform the member for Flynn that he is suffering from the same problem that the member for Rivierina suffered from earlier on, in that his projection does not get here to interrupt, but he should remain silent.

#### **Carbon Pricing**

**Mr ROBB** (2.14 pm)—My question is to the Prime Minister, and it is a supplementary to the member for Greenway's question. I refer the Prime Minister to comments—

*Government members interjecting—*

**Mr Albanese**—Mr Speaker—

**The SPEAKER**—The Leader of the House will resume his seat.

*Honourable members interjecting—*

**The SPEAKER**—Order! Just for the record, this is of course not being treated as a supplementary question. The member for Goldstein has the call and he has the right to ask a question.

**Mr ROBB**—I refer the Prime Minister to comments yesterday by the head of the Productivity Commission, Gary Banks:

... it will not be efficient from a global perspective (let alone a domestic one) for a carbon-intensive economy, such as ours, to abate as much as other countries that are less reliant on cheap, high-emission, energy sources.

I ask the Prime Minister: why is she insisting on introducing a carbon tax before the rest of the world that will close down industry, cost jobs, increase the cost of living and give our trade competitors an unfair advantage? (*Time expired*)

*Honourable members interjecting—*

**The SPEAKER**—Order!

*Mr Sidebottom interjecting—*

**The SPEAKER**—I will just say to the member for Braddon that I do not need any advice. If people want to talk on despite the limit to the duration of question time, that, I think, is sufficient a penalty for the whole House.

**Mr Albanese**—Mr Speaker, on a point of order: it goes to the question and the amount of argument that was in that question, clearly making it out of order.

**The SPEAKER**—The question stands. The Prime Minister has the call.

**Ms GILLARD**—I thank the shadow finance minister for adding to the member for Greenway's question—an unusual move! The shadow finance minister asked me about the Productivity Commission review of international carbon pricing, and I think this is

an important piece of work; I do. Gary Banks spoke about it on behalf of the Productivity Commission, and, as usual, when the opposition comes into this place and quotes documents, they quote selected pieces or indeed just misquote them entirely, because I will refer the shadow finance minister to the conclusion of Mr Banks's speech. He said these words in conclusion:

While we may not be able to deliver everything that some people expect, I am confident the study can shed light on what other countries are doing, how the various policies work, the uncertainties surrounding the efficacy of many of them, how much they achieve and at what cost.

This is the work that the Productivity Commission has been asked to do to provide a stream of advice about action that is happening in other nations to embrace a clean energy future. This is one of a number of important pieces of work that are informing the government as we deliberate on carbon pricing. Those pieces of work include the reports and updates that people have seen released by Professor Garnaut over the past few weeks. Of course, we will also be informed by Treasury modelling.

The point that the shadow finance minister should draw from that is that there will be abundant information and facts available about the key matters that require judgment in the national leadership. Is climate change real? Well, there were climate change scientists in this parliament today available to members, hosted on a bipartisan basis, to talk about how the science is real, even though the Leader of the Opposition goes around denying it. Then of course we have the economic advice about the efficient means of acting, and the most efficient means of acting is by putting a price on carbon. Then we will have the Productivity Commission work, which will add to other streams of knowledge about how the rest of the world is acting, including China, India and the United

States. What this means is that the shadow minister—who is not prepared to act in the national interest but joins the Leader of the Opposition in his fear campaign—would prefer that the economic future of this country had us being left behind the clean energy future of the rest of the world, with all the loss of prosperity that that would provide.

As this parliamentary week draws to a conclusion, I believe members, particularly coalition backbenchers, will leave this place thinking about questions of judgment. They will go back to their electorates and think about the judgment of the Leader of the Opposition as he denies the climate change science. They will think about the judgment of the Leader of the Opposition as he shares a platform with Pauline Hanson, something John Howard would never have done.

**Mr Andrews**—Mr Speaker, on a point of order: I put it to you that, by any stretch of the bow, this is no longer directly relevant.

**The SPEAKER**—The member for Menzies will resume his seat. The Prime Minister will directly relate her remarks to the question. The Prime Minister.

**Ms GILLARD**—I am talking about this parliament acting in the national interest; I am sure that should be relevant on all occasions. The government will continue to do that by pricing carbon, and people will look at the Leader of the Opposition, who called it wrong on the flood levy, who called it wrong on the health agreement, who is calling it wrong now and who particularly called it wrong yesterday, as a hollow man with no judgment.

#### **DISTINGUISHED VISITORS**

**The SPEAKER** (2.21 pm)—I inform all members that we have in the gallery this afternoon the Hon. Brendan Nelson. Whilst it would be setting a precedent to acknowledge him for the position in which he is acting on behalf of Australia at the moment—and

whilst I know he is doing a good job in that—he is acknowledged as the former member for Bradfield, a former minister and a former Leader of the Opposition, and he is warmly welcomed.

**Honourable members**—Hear, hear!

#### QUESTIONS WITHOUT NOTICE

##### Carbon Pricing

**Ms SMYTH** (2.22 pm)—My question is to the Minister for Climate Change and Energy Efficiency—

*Opposition members interjecting—*

**The SPEAKER**—Order! The member for La Trobe will resume her seat. We will proceed when the House comes to order.

**Ms SMYTH**—My question is to the Minister for Climate Change and Energy Efficiency. How has the government's plan to take action on climate change been received? Why is it important that debates on major policy challenges such as climate change be based on sound judgment and leadership? Is the minister aware of recent commentary on these issues and what is the government's response?

**Mr COMBET**—I thank the member for La Trobe for her question. The government respects the climate science and the need to cut our pollution. Today, like a number of members of the House, I had a meeting with representatives of Climate Scientists Australia who reiterated to me, as they have done to many others today, the need to take action on climate change. They were in the building today because a forum was organised by the members for Chisholm, Moore and Melbourne on climate science for the benefit of parliamentarians. I am very pleased that members from both sides of the House attended that forum. However, there are others who obviously contest the science and oppose action being taken on climate change.

**Mr Simpkins**—Will we move to name calling now?

**The SPEAKER**—The member for Cowan will leave the chamber for one hour under standing order 94(a).

*The member for Cowan then left the chamber.*

**Mr COMBET**—At the rally at Parliament House yesterday, which the Leader of the Opposition had encouraged as part of the people's revolt, the following sentiments were expressed on placards held by the protesters on the issue of the science: 'Carbon really ain't pollution', 'No carbon tax, reject junk science', 'Carbon dioxide is not pollution, I love CO2', 'Say no to carbon tax 4 UN/IMF global governance=agenda 21 genocide'. As we saw on television last night, there was much worse.

The so-called people's revolt against carbon pricing has also attracted, as we have heard, supporters such as One Nation, Pauline Hanson, the League of Rights and a number of climate change sceptics. It is important for leaders of the community, and particularly the leaders of major political parties, to not be associated with extremes in the debate over carbon pricing.

*Mr Ruddock interjecting—*

**The SPEAKER**—The member for Berowra is warned.

**Mr COMBET**—Not only has the Leader of the Opposition refused to clearly to dissociate himself from these groups but last night on ABC TV he said, 'That was a representative snapshot of middle Australia.' Well, you must be kidding. I am sure that there would be many on the opposite benches that did not find it representative of their own views or of the values and traditions of the Liberal Party either. The fact is that it was not befitting someone who wants to be leader of our nation. It goes to character and judgment as

well as the ability to provide true leadership on an important public policy question.

*Mr Frydenberg interjecting—*

**The SPEAKER**—Order! The member for Kooyong is warned. In warning the member for Kooyong, I remind people that it is the first step, under standing order 94, for future naming followed by the practices of the House that some, I understand, were not aware of yesterday.

**Mr COMBET**—All of this is important in this debate because what we have seen from the Leader of the Opposition is lots of aggression and not much courage when it really counts.

It is worthwhile reflecting on the words of Prime Minister, John Howard, to the Melbourne Press Club on 17 July 2007, when explaining the need to act on climate change through an emissions trading scheme because these are in the tradition of the Liberal Party. He said:

Australia brings formidable assets to this challenge: an educated, can-do and adaptable people a modern; flexible economy; world class scientific expertise; deep global engagement and an enviable reputation for institution-building and reform ... No great challenge has ever yielded to fear or guilt. Nor will this one.

I could not agree with it more.

**Mr Hunt**—I seek leave to table the Parliamentary Secretary for Climate Change and Energy Efficiency's statement, *Shades of Goebbels in 'truth campaign'*, currently available on the ALP's website.

**The SPEAKER**—The member for Flinders, I think, was either warned or amongst those warned that I would not give the opportunity during question time to people outside the questioner to table documents. I think that warning is sufficiently understood that he will know that I now invite him to leave the chamber for one hour under standing order 94(a). For those that shake their

heads, I cannot prevent stunts but I can deal with them.

*The member for Flinders then left the chamber.*

### **Carbon Pricing**

**Mr ANTHONY SMITH** (2.29 pm)—I refer the Prime Minister to the following statement by the chairman of BlueScope Steel this week:

I am critical of the selective use of Chinese data to imply that they are phasing out coal and we are not.

This is patently false and misleading and should not be allowed to drive our domestic debate.

I ask the Prime Minister, why is she insisting on introducing a carbon tax that will close down industry, cost jobs, increase the cost of living and give our trade competitors an unfair advantage based on misleading information?

**Ms GILLARD**—I thank the member for his question, and let me assure the member I am all for the facts in this debate. In fact, one of the sharpest contrasts between the government and the opposition in this debate is: we are dealing with the facts; you are dealing with fear. We accept the climate change science; you do not. We accept the advice of economists that the most efficient way to act is to price carbon; you do not. We accept the collection of data from around the world about how other economies are moving, including China, and we have asked the Productivity Commission to report on that very fact; and I have got no doubt whatsoever when the Productivity Commission comes out with its work, then over there on the opposition benches they will distort it, they will misquote and they will go on a campaign of misleading to fit with their fear campaign, which is drawing them closer and closer to the extremes of Australian politics.

**Mr Anthony Smith**—Mr Speaker, on a point of order: the Prime Minister has been

speaking for one minute and she has not addressed China or the quote from the chairman of BlueScope Steel about her misleading statements. I would direct her to answer the question.

**The SPEAKER**—The member for Casey could also look at the second and concluding aspects of his question. We now get into this debate about whether things are relevant or directly relevant, and there was the expression ‘relevant to part’. I believe we are left with that it can be directly relevant to part as well. So far the Prime Minister’s response, whilst overly debating, is still directly relevant to the second part. The Prime Minister has the call.

**Ms GILLARD**—Thank you very much in directing my attention to the second part of the question that the member asked me. The second part of the question would lead people to conclude that somehow having a price on carbon, advocating a price on carbon, does not mean that you care about Australian jobs. Well, let me quote a statement from someone who had the aspiration to have ‘the most comprehensive emissions trading scheme anywhere in the world’. Would the member assert that the person who said that did not care about Australian jobs? Then let me go on and quote words by the same person, who said:

No great challenge has ever yielded to fear or guilt. Nor will this one.

And then went on to say—

**Mr Hockey**—Mr Speaker, I rise on a point of order on relevance. How is this in any way related to the question?

**The SPEAKER**—The member for North Sydney will resume his place. I am listening to the answer, but when a question concludes with ‘why is she insisting on the introduction of a carbon tax that will—’ and adds argument, I think that I am obliged to listen carefully to where this is going. But the Prime

Minister knows that she needs to be directly relevant, and the Prime Minister has the call.

**Ms GILLARD**—Thank you very much, Mr Speaker. Those words that I used, ‘the most comprehensive emissions trading scheme anywhere in the world’ are the words of former Prime Minister John Howard. In saying those words, why was John Howard then insisting on a price on carbon the way I am insisting on one now? I would suggest it is because we went through exactly the same thought processes, which is: climate change is real. I believe John Howard accepted the science.

*Opposition members interjecting—*

**Ms GILLARD**—You sit behind a climate change denier. John Howard asked for a comprehensive report from Peter Shergold about the best way of pricing carbon. When he received it he read it and responded to it rationally—something that the opposition is now incapable of: reading, thinking and responding rationally—and, having done that, he determined that the best way forward for this country was an emissions trading scheme. He said the nation should price carbon. I believe the nation should price carbon, and that is why we will bring legislation to the Australian parliament to do just that.

I understand the member opposite will follow the Leader of the Opposition in a fear campaign, but I suspect in his heart of hearts he is actually one of the members sitting over there who watched with dismay yesterday. I wonder when he got his Liberal ticket—

**The SPEAKER**—Order! The Prime Minister will bring her answer to a conclusion.

**Ms GILLARD**—excited as he was on that first day to join the Liberal Party, that he ever foresaw it would come to this.

*Opposition members interjecting—*

**The SPEAKER**—Order!

**Ms GILLARD**—Well, let me tell you something about John—

**The SPEAKER**—Order! The Prime Minister will resume her seat. I am now completely aware that because so many people talk and yell they do not listen. I said, ‘The Prime Minister will conclude her answer’—and the yells continued. The Prime Minister has the call and I have invited her to conclude her answer.

**Ms GILLARD**—Thank you very much, Mr Speaker. In conclusion, pricing carbon is about future prosperity for the economy. That is why I am insisting on it. John Howard understood that, and he was a Liberal leader who would not have shared a platform with Pauline Hanson.

**Mr Abbott**—Mr Speaker, on a point of order: quite apart from being in defiance of your ruling, the Prime Minister’s final statement was offensive and untrue. I would respectfully ask you to require her to withdraw.

**The SPEAKER**—I will simply say to the Leader of the Opposition that if he has a grievance with the statement made and the veracity of it there are other forms of the House that he might choose to use at the appropriate time.

**Mr Abbott**—Mr Speaker, further to my point of order; I understand your admonition, but it would assist the House greatly if the Prime Minister would not make statements which she knows to be untrue. That statement with which she closed her answer she knows to be untrue; she should not make it, and if she wants to complain about placards—

*Mr Champion interjecting—*

**The SPEAKER**—Order! The member for Wakefield is warned, yet again. The Leader of the Opposition may be overgeneralising, but he has been allowed to make a point. He

has made that point, and we will now proceed.

### **Gloucester Basin**

**Mr OAKESHOTT** (2.37 pm)—My question is to the Minister for Sustainability, Environment, Water, Population and Communities. The New South Wales state government, in a breach of at least the spirit of caretaker conventions, has approved drilling of 110 coal seam gas wells in the Gloucester basin, covering an area of 50 square kilometres and including the pristine Barrington region and key farming land throughout the Gloucester and upper Hunter areas.

This approval was done without any consultation with the water supply authority, MidCoast Water, nor with downstream water users in the Manning Valley, where a population of more than 50,000 residents are reliant on clean drinking water. Will the minister review this decision and make sure that it is done in a detailed consultation with the incoming New South Wales government so that the incoming minister at least gets the chance to start their job without their policy hands tied?

**Mr BURKE**—I thank the member for Lyne for his question. This is about the Gloucester coal seam gas proposal. I saw the photographs on Twitter of a rally which the member for Lyne participated in, with placards like ‘Save Gloucester’ behind him when he made a speech. There has been a high degree of community concern in many areas relating to coal seam gas proposals and some of that goes to the issues related to the best use of prime agricultural land. I do note, in passing, the legislation introduced today by the Minister for Climate Change on the Carbon Farming Initiative, which will provide a further incentive in favour of prime agricultural land being used for those purposes.

The federal environmental approvals are not able to deal with everything that is dealt



with at a state level. They have to deal quite specifically with matters of national environmental significance. The state remit on consideration is often much broader. In 2008 my department determined that this proposal would require an assessment under federal environmental law. The state processes, as I am advised here, were concluded in February of this year. Whether the state government wanted to reopen those would be a matter for the state government; it is not something that I would be able to insist on.

In terms of federal assessment being required, there are consultation mechanisms available to me when the brief does come to me on this as to whether or not we want to have a further level of consultation beyond what has happened already. That is something that I will not prejudge, but will deal with when the brief is presented to me. I presume from the information that I have here that that will not be too far away.

There is one listed vulnerable species and there is a Ramsar listed site in the Hunter estuary, both of which give rise to matters of national environmental significance. They will be considered in the light of the law—the EPBC Act. I expect that brief to come to me before long.

#### **Government Reforms**

**Ms GRIERSON** (2.41 pm)—My question is to the Treasurer. Will the Treasurer please outline for House the importance on delivering on reforms that are in the national interest?

**Mr SWAN**—I thank the member for Newcastle for that very important question. Reforms, particularly long-term reforms, are very important for our future prosperity. We would not enter our 20th year of economic growth if we had not embarked upon very significant economic reform in the past. It is absolutely essential to prosperity into the

future, which is why the government is getting on with reform.

It is getting on with the introduction of the mineral resource rent tax. Today, with the Minister for Resources and Energy, I announced our response to the Argus report. This is a very important way of getting access to resource rents which are owned by the Australian people. Through this tax we now have the capacity to reform our economy: to boost national savings; to make a very significant commitment to the superannuation savings of 3.5 million low-income earning Australians; to cut company taxation; in particular, to cut the taxation for small businesses; and—most particularly—to make an investment in infrastructure, particularly in our resource-rich states of Western Australia and Queensland.

We have to do this because the challenges of mining boom mark 2 mean that we need to make the investment in the infrastructure so we are not bedevilled by capacity constraints, and so we can handle the huge pipeline of investment that is going to create more jobs as we go forward. So this is a very important reform. It will raise \$7.4 billion to fund those tax cuts, particularly for small business and the investment and infrastructure.

But we have now got to the point where those opposite have become so extreme and so bizarre that they oppose this revenue; they oppose receiving \$7.4 billion to give a tax cut to small business, they oppose giving a tax cut to the company tax rate, they oppose increases in superannuation for low-income earners and they oppose investment in infrastructure.

This is of a piece with their opposition to abolish mortgage exit fees as high as \$7,000 when people want to shift their mortgage. The extremism of those opposite knows no bounds. When it comes to either sticking up

for the big end of town or sticking up for Australian families, they stick up for the big end of town. They are not siding with ordinary Australian families; whether it is a carbon price, whether it is a competitive banking system or whether it is for fair taxation in the resources sector, they are siding for even bigger super profits for mining companies against the Australian people. They are signing up for more profitable banks against a fair deal in the banking system, and they are supporting the big polluters against average Australians. It is about time they did the right thing by average Australians, instead of sticking up for the big end of town.

#### **Carbon Pricing**

**Mrs MIRABELLA** (2.44 pm)—My question is to the Prime Minister. I refer the Prime Minister to the statements from Toyota Australia that her carbon tax will potentially leave them in a corner with nowhere to go; from the Australian Food and Grocery Council, which wonders whether the government even wants food and grocery manufacturing in Australia; and from OneSteel, which has observed that the carbon tax will significantly disadvantage Australian manufacturers. Does the Prime Minister agree with these comments?

**Ms GILLARD**—I thank the member for Indi for her question. She raises with me statements by Toyota. I have actually directly and personally consulted with Toyota on the question of carbon pricing. I did it yesterday, as it turns out. I know others were engaged elsewhere, but I was speaking to Toyota and, as I regularly do, to businesses: businesses around the country; businesses that trade in Australia; businesses that employ a lot of Australians. What businesses say to me is that they understand climate change is real. They accept the science that the Leader of the Opposition rejects. Of course, because they are businesspeople, they are always

working out what is the lowest priced way of driving change. That is what gives them their competitive advantage as businesspeople. So they accept the advice of economists that the best way of tackling carbon pollution is to price carbon.

Then, of course, businesses want to be heard on this major public policy reform. They want to be heard on this major public policy reform in the way they have been heard on public policy reforms in the past when we have transformed our economy and adapted—

**Mrs Mirabella**—You are verballing them. It's just not true. You are verballing them. You are not abusing them; you're verballing them.

**The SPEAKER**—The member for Indi has asked her question.

**Ms GILLARD**—when they have looked to be engaged as tariffs went down, as we floated the dollar and as we drove Australia to its competitive, prosperous position today. They have wanted their voices to be heard, and of course their voices are being heard as the government goes about the work of designing the carbon-pricing mechanism.

As I have indicated to the House during the course of this week, the CEO of BlueScope is involved in our business roundtable. I spoke to Toyota yesterday; of course, they are directly engaged as well, putting their views forward. So I would suggest to the member for Indi that if she wants to come into this place and quote the views of Australian businesses then for completeness she should talk about the views of Australian businesses as a whole. I would say to her that Australian businesses are not in denial of the future. They understand that we need a clean-energy economy, they understand that this will take change and they understand—

**Mrs Mirabella**—Mr Speaker, I rise on a point of order on relevance. The question

was very simple. The Prime Minister was asked whether she agreed with these comments, not with any other comments which make broader discussion.

**The SPEAKER**—The member for Indi will resume her seat. The Prime Minister will respond to the question.

**Ms GILLARD**—Thank you very much. Responding to the latter part of the question, what I would say to the member for Indi is that we will work with Australian businesses as we go about pricing carbon. I would also say to the member for Indi that, if she wants to be fulsome and clear with these businesses when she is apparently having these discussions—or perhaps she is just taking statements from the media, but when she is discussing questions with businesses—she may want to indicate to them that she contested the 2007 election on Prime Minister Howard's team. Prime Minister Howard went to that election promising the most comprehensive emissions trading system anywhere in the world. He went to that election informed by this report—

**The SPEAKER**—Order! The Prime Minister should know that she needs to relate her remarks to the question.

**Ms GILLARD**—and he went to that election saying:

Being among the first movers on carbon trading in this region will bring new opportunities and we intend to grasp them.

I would like to remind the member for Indi of that. She might want to reflect on that position of the 2007 election before she dedicates herself to spreading fear today.

#### **PRIME MINISTER**

#### **Suspension of Standing and Sessional Orders**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (2.49 pm)—I move:

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

That:

(1) this House calls on the Prime Minister to stop evading and start explaining why, over the past 12 months alone, she has:

- (a) supported an emissions trading scheme, then opposed an emissions trading scheme;
- (b) promised not to introduce a carbon tax, then announced she would introduce a carbon tax;
- (c) blamed Bob Brown for forcing her to break her promise—

*An incident having occurred in the gallery—*

**The SPEAKER**—The attendants will bring the gallery to order.

*Honourable members interjecting—*

**The SPEAKER**—The House will come to order. The Leader of the Opposition has the call.

**Mr ABBOTT**—I will start again. I move:

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

That:

(1) this House calls on the Prime Minister to stop evading and start explaining why, over the past 12 months alone, she has:

- (a) supported an emissions trading scheme, then opposed an emissions trading scheme;
- (b) promised not to introduce a carbon tax, then announced she would introduce a carbon tax;
- (c) blamed Bob Brown for forcing her to break her promise about the carbon tax, then admitted that it wasn't true; and
- (d) then promised tax cuts as compensation, only to back flip and scrap this promise five days later; and

- (2) if the Prime Minister can't come clean and answer these questions honestly, then this House urges her to act with integrity by seeking a mandate from the Australian people for her carbon tax and let the people decide.

I am sure that as soon as the Prime Minister stands up, consistent with what she has demanded of us on this side of the chamber, she will dissociate herself from those people in the gallery and apologise for their actions. They are here at her behest and she should apologise for their actions.

It used to be said of the late American President Richard Nixon: if he rubbed his nose he was telling the truth; if he tugged his ears he was telling the truth; but, as soon as he opened his mouth, you knew he was lying. That is the Prime Minister's problem. This suspension is necessary to clean up the constant evasions and deceptions of this Prime Minister. She said, 'There will be no carbon tax under the government that I lead.' There is a carbon tax coming. She said that there would be a climate change people's convention to establish a deep and lasting convention. There is no people's convention. She said that there would be an East Timor detention centre before the election. There is no East Timor detention centre—that got lost somewhere in the Timor Sea. She said that there would never be onshore detention centres. There are onshore detention centres coming to a military base near you. She said that we must have a GST grab to fund public hospitals, and it is not happening. She said that the Murray-Darling Basing plan would be implemented, sight unseen. Now, it is not going to happen. She said that there would be a national curriculum, starting in 2011. Now, it is off on the never-never. She said that we must have a cash-for-clunkers scheme to save the environment. That was scrapped as soon as the floods hit Brisbane. She said that the mining tax was settled before the election. Of course, it is not settled.

She said that we had to have a tax summit to put the Henry review fully on the table, and now the great disappearing tax summit has become a tax forum and soon it will be a gathering of a coffee club.

This is a Prime Minister who has almost no familiarity with the truth. She claims that China is closing down its coal fired power stations—patently, untrue. She said that the Christmas Island detention riots were in-hand, and the centre was, subsequently, partially destroyed. She said that she has believed in an emissions trading scheme all along. Tell that to the foreign minister whose emissions trading scheme she sabotaged and then whose leadership she destroyed. I want to quote something that this delusional Prime Minister said to the Australian people a week ago. Listen to this Prime Minister, in full Napoleon mode:

Faced with hurdles, I will always find a way through. Faced with choosing between taking a few knocks or doing what's best for the nation, I will put our nation first every time, no matter what the personal price.

Why did this Prime Minister stand up and brazenly say to the Australian people, six days before the last election, 'There will be no carbon tax under the government I lead'? Was that a Prime Minister who would always put our country first? Was that a Prime Minister who would take a few knocks for the people? Of course, it was not.

We have seen quite a few different faces from this Prime Minister over the last little while. We have seen real Julia; we have seen fake Julia. We have seen wooden Julia; we have seen teary Julia. We have seen all the way with LBJ Julia; we have seen Bible expert Julia. We have seen George Washington 'I will never tell a lie' Julia. The fact is: the one thing we have never seen is truthful Julia. That is the one face of this Prime Minister we will never see because the one thing that she could not say to the Australian peo-

ple, six days before the last election, was, 'Yes, I will be honest and up-front with you: there will be a carbon tax under the government I lead.' That is the fundamental problem with everything this government does. This government is based on a lie. What did we see today? Today, we saw precious Julia—very precious Julia, indeed—

**The SPEAKER**—The Leader of the Opposition will refer to members by their parliamentary titles.

**Mr ABBOTT**—campaigning and complaining about a few nasty placards. I'll tell you what: we never heard any complaints from former Prime Minister John Howard when people like the minister for climate change and the Assistant Treasurer fronted rallies, before placards, calling the Prime Minister 'Satan' and 'Hitler' and 'baby killer'. This is the kind of thing that the former Prime Minister had to put up with, and members opposite did not utter the slightest word of an apology or show the slightest sign of embarrassment. This is the preciousness of a Prime Minister who thinks that anyone who does not agree with her is an extremist. She thinks all of the people who were good enough to turn up outside of this parliament building, yesterday, were somehow extremists—everyone except the member for Robertson, who was there with them. The trouble with the extremists, as she sees them, is that they include the Chairman of BlueScope Steel, who is not only the Chairman of BlueScope Steel but also is so extreme that he is on the board of the Reserve Bank of Australia. She says that everyone who does not agree with her is extreme but she so forgets herself that she cannot remember that one of the extremes is the extreme she relies on to stay in government. This is a measure of the dishonesty, the mendacity and the hypocrisy of this Prime Minister. Why shouldn't the Australian people be

angry with this Prime Minister who won office based on a lie?

Why shouldn't they be angry with a Prime Minister who said there would be no carbon tax? Now she says there will be a carbon tax, a carbon tax that will put \$300 a year on your power bill, just for starters, a carbon tax that would put 6½c a litre on your petrol bill, just for starters, a carbon tax that will put \$6,240 on the price of a new home, just for starters, a carbon tax that will cost 126,000 jobs in regional Australia, just for starters, and a carbon tax that will close down the steel industry, the aluminium industry and the motor industry, just for starters. I say to this Prime Minister: if she really is a person of conviction, if she really does believe that this carbon tax that she once said would never happen must happen—if she really believes this—why doesn't she have the guts to face the people? Why doesn't she have the guts to seek a mandate on her carbon tax and then accept the judgment of the Australian people? (*Time expired*)

**The SPEAKER**—Is the motion seconded?

**Mr HOCKEY** (North Sydney) (3.01 pm)—I second the motion. Following on from what the Leader of the Opposition so eloquently said there, the Prime Minister is clearly delusional. In fact, I note that the former Leader of the Opposition is up in the gallery, former medical doctor Dr Brendan Nelson. If he were in this place he would diagnose the Prime Minister with delusional disorder and prescribe appropriate drugs. The reason why we need to move swiftly to deal with this motion—

**The SPEAKER**—Order! I allowed the Leader of the Opposition a very wide mark on making accusations that could only be made within a motion. The member for North Sydney is straying even further, and he should be very careful.

**Mr HOCKEY**—The reason why we are moving this motion now and we are seeking to suspend standing orders is that the actions of the Prime Minister are now having a profound effect on confidence in the Australian economy. The chief analyst at Southern Cross Equities has advised his worldwide clients that Australian equities are underperforming the world. I quote:

... the key issue is that Australia economic and taxation policy remains “unpredictable”, with foreign investors displeased with the continual “surprise” movement of the regulatory goal posts in Australia.

It goes on:

I don’t know how many times I have to write that “stability and certainty” of policy are how to attract long-term foreign investment ...

There is no doubt in my mind this is the worst excuse for a Federal Government Australia has had since the 1970’s, and that is reflected by the global P/E relative de-rating of Australian equities.

That is going around the world, and what a surprise! When the Prime Minister is asked whether she is going to have a carbon tax, on the one hand she says no; on the other hand she says yes. When the Prime Minister is asked what the tax rate associated with it is going to be, on the one hand she says, ‘We’re making up numbers of \$26 a tonne’; on the other hand the Secretary to the Treasury appears before a Senate committee today saying \$26 a tonne is very reasonable.

*Mr Swan interjecting—*

**Mr HOCKEY**—I am coming to you, Swannie.

*Mr Swan interjecting—*

**Mr HOCKEY**—I am coming to you, old son! On the one hand they say jobs are going to be created by the carbon tax; on the other hand Eric Roozendaal warns Swan on coal job losses, he writes to him about that. We are on Eric Roozendaal’s side just on that

one. On the one hand the Prime Minister says it is in the national interest to move on pricing carbon. Yet I feel sorry for the foreign minister over there; his heart must be contracting every time this Prime Minister says it is in the national interest to move on carbon pricing, because this is the Prime Minister that not long ago told that man to dump an emissions trading scheme—that it was in the Labor Party’s interest not to act. Of course, there could be no better illustration of the government’s schizophrenia than the fact that this Prime Minister ran out there and told the Australian people that there would be tax cuts associated with it. The government encouraged Ross Garnaut to go out there and talk about the Henry tax cuts—even briefing out the front page of national papers on a Newspoll weekend, and yet today the dead cat is on the table. There are no tax cuts. They are phantom tax cuts. They are not real. It is this government again engaging in deceit.

Mr Speaker, I would say to you this is having a profound impact not only on investment confidence; it is having a profound impact on consumer confidence, it is having a profound impact on Australian families, and it is having a profound impact on the confidence Australians have in their Prime Minister and in their government. It is just part of everyday policy, whether it be border protection, whether it be royalties in relation to the mining tax, or whether it be a host of policy issues. It is a government that is confused, a government that is directionless, a government without principle and a government without a soul.

From our perspective and the perspective of the Australian people, I would say to this government: dump the politics. We see the Labor MPs are ordered to distance the government from the Greens. In a week’s time we will see Greens MPs ordered to distance themselves from Labor. I would say to you,

Mr Speaker: now is the time to go to the Australian people. Now is the time for the Prime Minister to have some ticker, to have some courage, to have some consistency. Go to the Australian people and ask them whether it is right for you to break yet another promise. (*Time expired*)

**Ms GILLARD** (Lalor—Prime Minister) (3.06 pm)—I rise to speak on the suspension motion of the Leader of the Opposition. The Leader of the Opposition asked me a question about a protest in the gallery. I do not believe people should protest in the public galleries of this parliament. I believe this parliament should be a place of reason. Because I believe this parliament should be a place of reason, I each and every day continue to be disappointed by the performance of the coalition in its modern form.

The Leader of the Opposition challenges me on my views about yesterday's protest outside Parliament House. I have said no words of criticism of the individuals who attended that protest. I have said no words of criticism of the Australians who came to that protest. I have said no words of criticism of the placards they held up, and I do not say those words of criticism now.

*Mr Hartsuyker interjecting—*

**The SPEAKER**—The member for Cowper will come to the dispatch box and withdraw. He is warned, and that is a precursor for naming.

**Mr Hartsuyker**—I withdraw.

**Ms GILLARD**—My criticism is not of the Australians who gathered yesterday; my criticism is of the Leader of the Opposition for exercising the poor judgment of going out to a rally and associating himself with One Nation, with the League of Rights, with anti-Semitic groups and with grossly sexist signs. That is my criticism. It is not of the Australians who gathered out there. I utter not a word of criticism about them but I

criticise the judgment of this man in associating himself with extremism and with gross sexism.

**The SPEAKER**—The House will come to order. The Leader of the Opposition will sit back down; he can deal with any grievance that he has, after this debate, by other means. He was heard in silence. He was allowed a lot of latitude outside of his motion for suspension of standing orders. The Prime Minister has the call and the Leader of the Opposition has other avenues to use. This applies to both sides: I am happy for you to have a robust debate but to carry on in the way that the House carries on is ridiculous.

**Ms GILLARD**—On yesterday's protest every Australian has the opportunity to see the footage and to judge for themselves. But the judgment to go out to that protest is indicative of a continuing lack of judgment by the Leader of the Opposition. National leadership requires judgment. It requires getting the big calls right. It requires constancy of purpose. It requires an ability to absorb the facts.

*Mrs Bronwyn Bishop interjecting—*

**The SPEAKER**—The member for Mackellar is warned.

**Ms GILLARD**—It requires working your way through those facts and policy design. At every stage this Leader of the Opposition gets the big judgment calls wrong.

Let's just look at the issues confronting the nation this year. On rebuilding Queensland the Leader of the Opposition got the judgment call wrong. He preferred to spread fear in the community rather than put together a package to rebuild Queensland. He does not run that fear campaign any more. He has dropped off that fear campaign but there he was, saying to the people of Queensland that he was quite fond of levies when they were about funding his election commitments but he would not exercise the

judgment to support a fairly constructed levy to rebuild Queensland and the rest of the nation. National leadership requires getting the big calls right.

Secondly what happened this year was a national health agreement. We have a health system staggering and suffering because of the actions of the Leader of the Opposition, when he was a long-serving health minister. This Leader of the Opposition, characteristically, with his usual misjudgments, went out and bagged the COAG national health agreement before it was announced. He did not wait to absorb the detail, did not worry about the future for Australian families, did not put his mind to whether or not people would be able to get a doctor in the middle of the night or whether their public hospital would work for them when they needed it; he just went out and criticised, because that is what the Leader of the Opposition does. National leadership requires getting the big calls right.

**Mr Pyne**—I rise on a point of order. The terms of the suspension of standing orders are about the carbon tax. The Prime Minister should be required to defend her positions on the carbon tax. She is talking about the national health reforms. I would suggest to you that it is well beyond—

**The SPEAKER**—The Manager of Opposition Business will sit down. I appreciate that he has supporters around this place who think he has a role as the Manager of Opposition Business but he was outside the chamber when his leader was on his feet. It was a very wide suspension of standing orders. The Prime Minister could hardly not be in order compared to what has been said in the debate so far.

**Ms GILLARD**—Of course it continues. The Leader of the Opposition gets the big calls wrong. In balancing the budget he had an \$11 billion black hole. With the minerals

resource rent tax—allowing Australians to share in the wealth generated from the minerals in our ground through better taxation arrangements for companies, better infrastructure and more superannuation—he got the big judgment call wrong. On the politics of grief, we saw his shadow minister out there trying to raise fear and concern in the Australian community, edging their way towards embracing a discriminatory immigration policy, breaking away from the Liberal tradition over decades. There was the Leader of the Opposition on TV endorsing the bitter politics of grief in order to stoke community concerns.

Then he comes into this place on carbon pricing, refusing to recognise that he should be acting in the national interest. He is not a Liberal in the tradition of Liberals past. John Howard understood that this issue needed to be grappled with. John Howard understood that. John Howard actually put out this report. He went to an election promising an emissions trading scheme but here is this hollow, bitter man. He is a man with no judgment, who never gets the big calls right. The Leader of the Opposition has gone to the Australian community and said that he believes in climate change; no, he rejects the science. He has gone to the Australian community and said, ‘Let’s back the carbon pollution reduction scheme,’ and then switched his vote. He has gone to the Australian community and said, ‘Why not just have a carbon tax; it would be simplest system?’ and now runs a fear campaign against it. The Leader of the Opposition is a man with no convictions in the national interest. He is a man who will only look for his political interests.

I say to the Leader of the Opposition: I believe increasingly Australians are disgusted by his negativity and revolted by his arrogance.

*Mr Hockey interjecting—*



*Mr Abbott interjecting—*

**The SPEAKER**—Order! Both the Leader of the Opposition and the member for North Sydney were heard in relative silence!

**Ms GILLARD**—They see it on display every day—this puffed up arrogance as he pursues his narrow political interests and goes about spreading fear and negativity in the community. He does not stand for one thing that would improve the lives of Australian families. Not one policy, not one plan, not one conviction: nothing that he believes in.

Mr Speaker, I want to conclude by saying this: the Leader of the Opposition, with his arrogance and his negativity, is leading the Liberal Party down the wrong path. I believe there are members on his backbench who will leave this place and sit in their electorate offices and they will think to themselves: ‘Did I take out a Liberal Party ticket all of those years ago in order to follow a man like this? Did I take out a Liberal Party ticket all those years ago to see my leader out at an event yesterday, associating himself with One Nation and the League of Rights? Is that why I joined the Liberal Party?’ And I believe when they reflect on that in their constituencies they will come to one conclusion: a man with no judgment stands before the Australian people exposed.

**The SPEAKER**—Order! The time allotted for the debate has expired. The Leader of the Opposition on a point of order.

**Mr Abbott**—Mr Speaker, the Prime Minister, I think quite appropriately now that she has finished her contribution, made an utterly offensive statement about the nature of the coalition’s immigration policy and she should withdraw.

*Honourable members interjecting—*

**The SPEAKER**—Order! There were numerous things in the three speeches in that

debate that, if I had been alert to them earlier, we might have had contesting withdrawals. I think we should leave it at that and perhaps over the break try to get back to thinking about treating each other with a little bit of respect and civility.

Question put:

That the motion (**Mr Abbott’s**) be agreed to.

The House divided. [3.22 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	68
Noes.....	<u>72</u>
Majority.....	<u>4</u>

AYES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Briggs, J.E.
Broadbent, R.	Buchholz, S.
Chester, D.	Christensen, G.
Ciobo, S.M.	Cobb, J.K.
Coulton, M. *	Dutton, P.C.
Entsch, W.	Fletcher, P.
Forrest, J.A.	Frydenberg, J.
Gambaro, T.	Gash, J.
Griggs, N.	Haase, B.W.
Hartsuyker, L.	Hawke, A.
Hockey, J.B.	Irons, S.J.
Jensen, D.	Jones, E.
Keenan, M.	Kelly, C.
Laming, A.	Ley, S.P.
Macfarlane, I.E.	Marino, N.B.
Markus, L.E.	Matheson, R.
McCormack, M.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Neville, P.C.	O’Dowd, K.
O’Dwyer, K.	Prentice, J.
Pyne, C.	Ramsey, R.
Randall, D.J.	Robb, A.
Robert, S.R.	Roy, Wyatt
Ruddock, P.M.	Scott, B.C.
Secker, P.D. *	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Tehan, D.	Truss, W.E.
Tudge, A.	Turnbull, M.

Van Manen, B.  
Washer, M.J.

Vasta, R.  
Wyatt, K.

#### NOES

Adams, D.G.H.  
Bandt, A.  
Bowen, C.  
Brodtmann, G.  
Burke, A.S.  
Byrne, A.M.  
Cheeseman, D.L.  
Collins, J.M.  
Crean, S.F.  
Danby, M.  
Elliot, J.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
Gibbons, S.W.  
Gray, G.  
Griffin, A.P.  
Hayes, C.P. \*  
Jones, S.  
King, C.F.  
Livermore, K.F.  
Macklin, J.L.  
McClelland, R.B.  
Murphy, J.  
O'Connor, B.P.  
Oakeshott, R.J.M.  
Parke, M.  
Plibersek, T.  
Rowland, M.  
Rudd, K.M.  
Shorten, W.R.  
Smith, S.F.  
Snowdon, W.E.  
Symon, M.  
Thomson, K.J.  
Wilkie, A.

Albanese, A.N.  
Bird, S.  
Bradbury, D.J.  
Burke, A.E.  
Butler, M.C.  
Champion, N.  
Clare, J.D.  
Combet, G.  
D'Ath, Y.M.  
Dreyfus, M.A.  
Ellis, K.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Georganas, S.  
Gillard, J.E.  
Grierson, S.J.  
Hall, J.G. \*  
Husic, E.  
Kelly, M.J.  
Leigh, A.  
Lyons, G.  
Marles, R.D.  
Melham, D.  
Neumann, S.K.  
O'Neill, D.  
Owens, J.  
Perrett, G.D.  
Rishworth, A.L.  
Roxon, N.L.  
Saffin, J.A.  
Sidebottom, S.  
Smyth, L.  
Swan, W.M.  
Thomson, C.  
Vamvakinou, M.  
Zappia, A.

#### PAIRS

Baldwin, R.C.  
Schultz, A.  
\* denotes teller

Mitchell, R.  
Ripoll, B.F.

Question negatived.

**Ms Gillard**—Mr Speaker, it being clear the opposition has no questions, I ask that further questions be placed on the *Notice Paper*.

#### QUESTION TIME

**The SPEAKER** (3.24 pm)—Yesterday the member for Hughes raised with me a query about the availability of gallery seating for question time. For the information of the House, I take this opportunity to remind honourable members of the process for gallery seating for question time. Tickets for the majority of seats can be booked in advance. Some seats are kept aside for people who arrive without a booking. Unfortunately, yesterday, there were approximately 80 booked seats left vacant at the beginning of question time, as the persons for whom the seats were booked did not turn up.

Further to my advice yesterday, when tickets for the galleries are fully allocated, people are advised to queue for available seats. In addition to the seating kept aside for people without bookings, further seating becomes available where they are no-shows and as people leave the galleries. I am advised that, to date, all people coming to view question time have been accommodated in the galleries at some stage during the proceedings.

#### 21ST ANNIVERSARY OF FIRST ELECTION OF SEVEN MEMBERS

**The SPEAKER** (3.25 pm)—Today is the 21st anniversary of the first election of seven members to this place. They are the members for Hotham, Werriwa, Banks, Maranoa, Fairfax and Wide Bay and the great political comeback merchant, the member for McMillan. I believe to have seven members that have gone the distance of 21 years out of the 150 is something of great credit to each of them. I hope that in some way each member will have something in their heart that would say, 'Congratulations, well done and thank you.'

**Honourable members**—Hear, hear!

**AUDITOR-GENERAL'S REPORTS****Report No. 34 of 2010-11**

**The SPEAKER** (3.27 pm)—I present the Auditor-General's Audit report No. 34 of 2010-11 entitled *General practice education and training*.

Ordered that the report be made a parliamentary paper.

**COMMITTEES****Selection Committee****Report No. 18**

**The SPEAKER**—I present the Selection Committee's report No. 18 relating to the consideration of bills. The report will be printed in today's *Hansard*. Copies of the report have been placed on the table.

Report relating to the consideration of bills introduced from 3 March 2011

1. The committee met in private session on 23 and 24 March 2011.
2. The committee recommends that the following items of private Members' business listed on the Notice Paper of 23 March be voted on:

Orders of the Day

House of Representatives Chamber

11—Sale of Australian Securities Exchange—Motion of Mr Katter

20—Auditor-General Amendment Bill 2011—Mr Oakeshott

21—Environment Protection and Biodiversity Conservation (Abolition of Alpine Grazing) Bill 2011—Mr Bandt

22—Abolition of Age Limit on Payment of the Superannuation Guarantee Charge Bill 2011—Mrs B K Bishop

23—Reducing carbon pollution—Motion of Mr S P Jones

24—Milk pricing—Motion of Mr Cobb

Main Committee

1—Flooding of communities in the Torres Strait—Motion of Mr Entsch

2—Meat export industry—Motion of Ms Saffin

5—World Veterinary Year—Motion of Mr Cobb

3. The committee determined that the following referrals of bills to committees be made—Standing Committee on Climate Change, Environment and the Arts:

- Carbon Credits (Carbon Farming Initiative) Bill 2011;
- Carbon Credits (Consequential Amendments) Bill 2011; and
- Australian National Registry of Emissions Units Bill 2011.

Standing Committee on Education and Employment:

- Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011.

**DOCUMENTS**

**Mr ALBANESE** (Grayndler—Leader of the House) (3.28 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following documents:

Australian Competition and Consumer Commission—Report—Telecommunications—Telstra's compliance with price control arrangements for 2009-10.

Department of the Treasury—Guarantee Scheme for Large Deposits and Wholesale Funding—Report, 24 March 2011.

Foreign Investment Review Board—Report for 2009-10.

*Schools Assistance Act 2008*—Report on financial assistance granted to each state in 2009.

*Superannuation (Government Co-contribution for Low Income Earners) Act 2003*—Quarterly reports on the operation of the Act—

2009—1 July to 30 September, 1 October to 31 December.

2010—1 January to 31 March, 1 April to 30 June, 1 July to 30 September, together with the annual report for 1 July to 30 June.

Sydney Airport Demand Management Act—Quarterly reports on movement cap for Sydney airport—1 October to 31 December 2010.

Debate (on motion by **Mr Hartsuyker**) adjourned.

### COMMITTEES

#### Education and Employment Committee

##### Membership

**The SPEAKER**—I have received advice from Mr Bandt nominating himself to be a supplementary member of the Standing Committee on Education and Employment for the purpose of the committee's inquiry into the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (3.28 pm)—by leave, I move:

That Mr Bandt be appointed a supplementary member of the Standing Committee on Education and Employment for the purpose of the committee's inquiry into the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011.

### BUSINESS

#### Rearrangement

**Mr ALBANESE** (Grayndler—Leader of the House) (3.29 pm)—On indulgence: I wish to update members regarding the program for the rest of the sitting. The advice is not particularly good, it must be said, so if people could redouble their efforts in terms of getting our Senate colleagues to maybe get a move on with regard to consideration of the legislation, that would be desirable. I told the House that we would make a final decision, because people do have to make plans, by four o'clock. I will report back to the House after the second speaker on the MPI and I will consult with the Manager of Opposition Business about that. It must be said that they did spend a considerable time

debating how long they would sit for. If they had just had the debate, maybe we would not be in this situation.

### MATTERS OF PUBLIC IMPORTANCE

#### Taxation

**The SPEAKER**—I have received a letter from the honourable member for Wide Bay proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The impact of the Government's taxation measures on Australia's competitive advantage and standard of living.

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 TRUSS** (Wide Bay—Leader of the Nationals) (3.30 pm)—Thank you, Mr Deputy Speaker, for giving me the honour of proposing this MPI on our 21st anniversary. I compliment my colleagues, the seven survivors from the class of 1990 on this anniversary. When I think back over those 21 years, I wonder whether there has ever been a time just like this when we have had a prime minister who went to the people, faithfully promising no carbon tax while she was Prime Minister—not once, but several times—and then having her turn around just a short time later and recanting on that commitment.

I can recall over the years the l-a-w tax cuts from Paul Keating that never happened, but this is in fact probably worse. Yes, it is in the taxation field, and we know from experience that when Labor talks about taxes and tax cuts, it is simply not the truth, and when they talk about new taxes, they are likely to happen, and even when they do not talk about new taxes, you are going to get them.

And here is another example of a major new tax which Labor promised faithfully they would not implement—they would not do it. Now today it is the most important thing on their agenda.

The Prime Minister said more before the election than that there would be no carbon tax under the government that she led. She also said prior to that, on 25 June, that she would not pursue a carbon tax before there was community consensus on the issue. She said:

First, we will need to establish a community consensus for action.

... ..

I came to that decision because I fundamentally believe that if you are going to restructure our economy so that we can deal with a carbon price and deal with all the transformations in our economy that requires, then you need community consensus to do so.

Who could say that there is community consensus in favour of the carbon tax today? Where is the community consensus? We have not had the committee that was going to be chosen from the phone book from every electorate to help decide the policy. There was no consultation with the community. The Labor Party went to the last election saying, 'No carbon tax.' The Liberal Party went to the last election saying, 'No carbon tax.' The Nationals went to the last election saying, 'No carbon tax.' There was no community discussion. There is no consensus that there is reason to have this monumental change of heart. It is just because the Prime Minister seemingly has had to do a dirty deal with the Greens—another dirty deal with the Greens.

It is also interesting to note that after she had done a deal with Senator Brown, after she had signed the agreement with the Greens, the Prime Minister said in question time on 20 October:

Yes, I do commit to keeping the promises made at the last election.

After the election, after the deal, in this House in front of everyone here and filled benches behind her—and they are not filled now; the members have all left—she promised then that she would commit to keeping the promises made at the last election. The frequent liar points start to click up—a promise made, a promise broken.

So where is the community consensus? It is simply not there. Was the community consensus evident in the rally outside yesterday with more than 3,000 people present? None of those people were supporting Labor's carbon tax. Those people are now being described as extremists and radicals, not representatives of the true people, radicals and extremists like the member for Robertson and the three busloads who came from her electorate, making the point absolutely clear. People are being vilified because they exercised their democratic right to have their say. They are not people like the trade union movement supported by the Labor Party, who smashed down the doors of Parliament House and were defended by members opposite. They did not resort to violence. They were not there with the former trade union boss who was around agitating this kind of a response, this level of debate. These people were putting their case and putting it strongly because they believed in it. They knew they did not have to smash down the doors like the trade union movement to make their point. They did it fairly and decently.

This government is about to do something truly remarkable. They are going to introduce a tax on Australians that is supposed to change the temperature of the globe. What a remarkable tax! Australians on their own are going to be able to cool the planet because we are going to pay another Labor tax, a tax on carbon in Australia that is supposed to cool the planet and make it rain again. Some

people are even saying it will stop earthquakes and tsunamis. This is a remarkable tax! I have never seen a tax like it. It is so powerful that it can do all these things.

I have never heard of any suggestion that it was a tax that created the last Ice Age. It was not the tax that created the rain in the Biblical Flood. I do not think that it was a tax that dried up the Sahara Desert. But now we are going to have a tax that will fill the Murray and make it rain again and restore all goodness to the earth. I do not think that it was coalmining or motor vehicles or air conditioners that created the Sahara Desert either, but now we have found the cure, a magic cure—a carbon tax on Australians. We alone, with our tiny insignificant part of the world's population, can fix these problems with a new tax.

I have heard lots of novel excuses from the Labor Party for having new taxes, but today's new reason as to why we must have this tax really takes the cake. The Prime Minister said today that we have to have this new tax because it will make us more prosperous—a tax that is going to make us more prosperous! With \$12 billion worth of tax we are all going to be richer; we are going to be better off. What a remarkable tax this is—it is so extraordinary. I cannot help but ask: where is the science that proves that this wonderful new tax will deliver all of these great things? We are told to believe the scientists. Produce for me a scientist that says that a carbon tax on Australians can cure the world's climate problems; that a tax on Australians will lower the sea level or reduce world temperatures. It is simply a nonsense. It is a tax like all other taxes: it raises more money so that the government can spend it.

And have we been told how they are going to spend it? We have been given all sorts of answers. At one stage two ministers were saying that 100 per cent of this tax was going

to be paid in compensation. Later it was said that only 50 per cent was going to be paid in compensation and the other bit was going to go on new green programs. That seems to me *carte blanche*. I do not know that I could really trust the Labor Party with another \$6 billion to spend on green programs—new green programs like pink batts, a Green Loans debacle or a cash for clunkers scheme. What about the solar panel fiasco? We could spend more money on that. The government is still pursuing this line even though it was shown in today's press that the \$14 billion that has so far been spent on green programs in this country has not reduced CO2 levels one bit. Most of the projects that have been funded have actually increased CO2 emissions. The reality is that this tax will be exactly the same.

So who is going to pay this tax? The other great myth of the government is that the people who are going to pay this tax are in fact evil polluters—people who cannot be relied up; people who do not matter in our economy. Just who are these evil polluters? They are the manufacturers who make our steel and the products that we use. They are the food processors who make the food that we eat. They are the electricity generators who generate the electricity to power our houses and the things that we do. They are the people who create the jobs that make our economy strong. These are the evil people who Labor says will pay the tax.

But if you want to look at the reality: the ASX has said that the top 200 companies will pay \$3.3 billion under Labor's proposed carbon tax. That leaves \$9 billion to be paid by small business and by households—by ordinary Australians. They are going to have to pay \$9 billion of the tax as Labor proposes it. So it is not the remote, ugly, big polluters that are going to have to pay; it is ordinary men and women; families—

**Mr Billson**—Good people.

**Mr TRUSS**—good people; people who want to drive their car to see their sick mother; and people who want to go to the shops to buy some food and groceries. And the people have to be punished for this sort of activity—‘they have to be taxed; their behaviour has to be changed; they are evil; they are polluting’. Their behaviour has to be changed by a gigantic tax.

But the government is now being told by everyone that this tax will not really work. The economists were out in force today to explain that this tax will not achieve its objectives. The March edition of *Quadrant’s* economic survey says:

ICAP’s senior economist Adam Carr said a carbon tax would have natural negative effects for both inflation and economic activity in Australia.

He said:

A carbon tax is inflationary, there’s no way around that.

He also said:

There is also no way around the fact that it will cut growth. I mean, where are the large scale viable energy alternatives in the short to medium term? So, really, all putting a tax on carbon will do is lift inflation; it will lift the price or the cost of economic activity. This in turn will cut growth and reduce our standard of living.

This is the kind of ‘wonder’ tax that the government wants to impose upon the Australian people. Economists say it will not work. If you give all of the money back to people by way of compensation, they will not try to change their behaviour, so it will make no difference whatsoever to CO<sub>2</sub> emissions. Indeed, it will probably make them worse, because one of the things that this tax will do—as we heard today in question time and as we have heard in the media over recent times—is make doing business in this country more costly.

It will give companies every possible reason to locate their manufacturing industry and create jobs in other places. Toyota Australia said that the carbon tax will ‘leave them in a corner with nowhere to go’. The Australian Food and Grocery Council wondered whether the government even wants food and grocery manufacturing in Australia. The Australian Housing Industry said: ‘It will add \$6,200 to the cost of an average home.’ OneSteel observed that a carbon tax ‘will significantly disadvantage Australian manufacturers’. BlueScope described the carbon tax as ‘the steel breaker’.

How can the government reasonably claim that this is a good and sensible thing to do? But let me give you another quote: ‘The carbon tax will not be good for tourism.’ That was not from some evil polluter or some big industry or some big employer; that was said by the federal minister for tourism, Mr Ferguson. When he met the Indian minister for tourism and culture, Ambika Soni, in India on 6 November 2008, he said a ‘carbon tax on aviation is not good for tourism’. So even the government knows that this is a job-destroying tax.

This is a tax that will hurt Australian people. This is a tax that will drive Australian jobs overseas to factories where the CO<sub>2</sub> emissions will be much greater than in an environmentally sensitive country like Australia. When you close down a cement factory in Australia and open up one in China to supply cement to Australians you increase CO<sub>2</sub> emissions. If you close down an Australian aluminium refinery, you may cut emissions in Australia but you increase the emissions in other countries where the emissions are much greater.

I visited the smelter in Kurri Kurri last week with Mr Baldwin, one of the members nearby, and we were impressed by the very real concerns of the trade union representa-

tives we met and the management of the firm about the future of their jobs. They know that their owners will not invest again in Australia if we have this tax that other countries do not have. They know the next investment decisions will be to go to countries like Qatar, China or Indonesia, because they do not have such a tax. The uncertainty created by the government's floating of this stupid carbon tax idea, this cure-all—the carbon tax that is going to save the world—has already damaged confidence in Australian industry and forced people to make decisions to invest in other parts of the world.

This is a tax that will not help the environment. This is a tax that will not make Australia prosperous. This is a tax that will not do things for Australian families. This is a tax that will destroy Australian jobs. This is a tax that will hurt Australians, and it should be rejected by all Australians. *(Time expired)*

**Mr SHORTEN** (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (3.45 pm)—I invite the members of the opposition to stay and listen a while and learn a bit. I listened carefully to the contribution from the current Leader of the Nationals and I would like to put forward the proposition in the next few minutes that our government's taxation measures are having a positive impact on Australia's competitive advantage and our standard of living.

*Mr Hartsuyker interjecting—*

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—The member for Cowper will remain silent.

**Mr SHORTEN**—Well, we can all pray! In advancing this proposition, I would like to put up six submissions in support of it. I will address the Leader of the Nationals' remarks about carbon pricing, but I also want to examine, in the course of this MPI, the inconsistencies in the opposition's attitude to cli-

mate change. I would also like to register my concern about the climate extremists—

*Mr Chester interjecting—*

**The DEPUTY SPEAKER**—The member for Gippsland!

**Mr SHORTEN**—the lunatic fringe, which some in the opposition are willing to—

*Mr Chester interjecting—*

**The DEPUTY SPEAKER**—The member for Gippsland will remain silent also.

**Mr SHORTEN**—To support the positive impact of our taxation measures in Australia, I would like to use as reference the concern some of the more thinking elements of the coalition must be feeling about the association of their leader and others with the lunatic fringe, in terms of some who attended the rally yesterday. I would also like to examine and shed some light on the tax myth that somehow—

*Mr Chester interjecting—*

**The DEPUTY SPEAKER**—The honourable member for Gippsland will remain silent.

**Mr SHORTEN**—the Liberal Party and their country allies, the Nationals, have an attitude of lower taxation than Labor, and point to the facts which very much contradict that case. When we look at the competitive position of the government's taxation measures, I would also like to examine what we are doing with the minerals rent resource tax and some of the other positive changes that we have made since 2007.

Returning to the first of the submissions as to why the impact of our taxation measures will be positive on Australia's competitive advantage and our standard of living, we must of course talk about the need to establish a carbon price. We are putting a price on pollution because it is the right thing to do, not because it is easy or popular. Big reforms



in Australia are always hard fought and are met with well-resourced scare campaigns in favour of the status quo. Action on climate change was never going to be painless—we knew that before we announced it—but governments are elected to do what is right, not what is popular. Sadly, the Leader of the Opposition blindly refuses to accept that a low-pollution future is in Australia's national interest, because he does not believe that climate change exists. So, just as putting in place superannuation was the right thing to do—although it was opposed by those opposite—and just as removing the tariff wall was the right thing to do, pricing carbon and building a low-pollution future is, again, the right thing to do.

It is a fact that in Australia we produce more carbon pollution per head of population than any other country—

**Mr Truss**—That's not true.

**Mr SHORTEN**—It is a fact—

**Mr Truss**—That's wrong.

**Mr SHORTEN**—The Leader of the Nationals had 15 minutes to speak; if he regrets he did not make his points, I would rather he took this opportunity to at least listen to ours. It is a fact that our big polluters create more pollution per head than any other country in the world. In order to start turning this around, we need to start making the biggest polluters pay so that they—

**Mr Chester**—Don't go down with the tax, Bill.

**The DEPUTY SPEAKER**—I warn the member for Gippsland!

**Mr SHORTEN**—We want to make sure that the largest polluters are encouraged to invest in lower carbon pollution efficiencies—and I appreciate the member for Gippsland's attendance in the chamber!

**Mr Chester**—I can't sit here and be quiet, sorry!

**Mr SHORTEN**—Unfortunately, if we are forced to wait, the costs will be far greater. There are no soft options and there are no cost-free ways to act.

There are two certainties about climate change: all nations including Australia are going to have to take action, and the longer we leave it the harder and the costlier it will be. I think there is a great danger to the Australian economy in having to play catch-up if we blindly refuse to change now, when we have the time to change. I do not think there is a 'do nothing' option, contrary to what the coalition would have people believe. Ignoring this situation is a bit like ignoring an illness until it becomes too much. Like treating an illness, early treatment is always better than later remedy.

We do believe that the large polluters should pay for their pollution. We think that they should look for less polluting ways to operate. We believe that every cent paid by the large polluters should go to families, businesses and climate programs that will help drive that transition to a clean energy future. This is all about making Australia's largest companies pay for their pollution so that they have an incentive to improve their performance. It is not going to come out of the pay packet each fortnight, as some in the coalition would have people believe. There will be changes, but we will give people assistance so that they can be supported in the transition to a lower carbon economy.

There have been plenty of references to the question of which party is the party of the markets. What we believe is that a market based mechanism to reduce carbon emissions will provide the best chance for Australia's standard of living to improve. It will certainly have less of a negative consequence than the direct action scheme of those opposite and it will be less damaging than the 'no change' option, which many of the climate

change sceptics believe in. Lord Stern has said that the cost of inaction will be greater than the cost of action. If the views of those opposite prevail and defeat the proposals we have for setting up a carbon price, I believe that Australia's prosperity and our future jobs will be at serious risk.

I think that the opposition's position is, sadly, saturated in contradictions. On the one hand they get involved in organising climate change sceptic rallies, whilst on the other hand they want to put forward their direct action on climate change policy. On the one hand we have a Leader of the Opposition who thinks that climate change is 'crap' or, at least, that the science is not settled, whilst their alternative leader, the member for Wentworth, has made belief in climate change central to his political brand and values.

On one hand we have the daily media stunts of the opposition, designed to scare people about the impact of a carbon price, while at the same time they deny that they are running a scare campaign. On one hand we see the crocodile tears feigned by the opposition about cost-of-living pressures, but on the other hand they have the unfunded direct action package that would blow a multibillion-dollar hole in the budget and that would have to be paid for by taxpayers.

On the one hand—

*Mr McCormack interjecting—*

**Mr SHORTEN**—I appreciate the member for Riverina is new to politics.

**The DEPUTY SPEAKER**—The member for Riverina is not in his seat—unless he has moved.

**Mr SHORTEN**—I was hoping my points were moving him. In 2007 Prime Minister Howard went to the election with an emissions trading scheme policy. The climate issue has progressed by four years and we see the coalition has regressed by many more

years in their categorical opposition to an emissions trading scheme. On one hand, the coalition would have you believe that they are the party of free enterprise, but on the other hand they staunchly oppose a market based mechanism in our economy to help lower the amount of carbon pollution.

On one hand they feign interest in international engagement and good global citizenship, but on the other hand they like to see Australia stand idly by while the rest of the world takes action and we become a global laggard. On one hand they say that Australia needs to be a leader in innovation; at the same time, they do not want to see anything done for industry to gear itself up for a clean technology and green-collar economy of the future.

The bottom line is that they are on the wrong side of history in this debate for one simple yet very straightforward and powerful proposition: what they are putting forward to Australia does not work in our future interests. Forgetting the political analysis for a moment, if we look at the debate on logical grounds—you could call it the front-bar-at-the-pub common sense test; call it what you like—we see that in any analysis that steps back from the daily changing headlines the coalition's proposition does not stack up because of their contradictions and contradictions on climate change and pricing.

I think they are also getting found out for their association—and not all of the people who are opposed to this are cranks—with some of the extremist groups who fronted up for their association in yesterday's rally, if I can call it a rally. Many regard the Leader of the Opposition's association with some of those extreme views as unbecoming of a leader of a major political party in Australia. I did wonder about that particularly obnoxious, nasty placard, which is in the Fairfax papers, which the Leader of the Opposition,

the member for Mackellar, the member for Indi and an assorted raggle-taggle bunch of coalition MPs were standing in front of.

*Mr Briggs interjecting—*

**The DEPUTY SPEAKER**—The member for Mayo will remain silent.

**Mr SHORTEN**—What we saw was a number of coalition MPs—I think the Leader of the Nationals was standing in the Leader of the Opposition's shadow, as he is wont to do—with a very nasty poster behind them. I thought, being charitable to members of the opposition, that perhaps they had been set up and that somehow an extremist had come in behind them to embarrass them. But I found out from other reports about the rally that the chap with the poster—whatever you thought of it—had been standing there and the Liberal MPs came and stood in front of it.

Then I went further. I had a look at the website of the No Carbon Tax rally group. The website was advertised on some of the T-shirts that members at the rally were wearing. This unusual website includes a 10-second guide to the world of climate change sceptics and a sceptics handbook—that would surely be one of the shortest books in the English language, the world of climate change sceptics. They say that CO<sub>2</sub> is not pollution and does not need to be reduced in the first place. They say it is natural, we exhale it and it is needed by plants to grow. Then they say that even if CO<sub>2</sub> were dangerous—which is an interesting concession—and even if we reduced it successfully in Australia or even globally, there is no physical evidence that it would have any beneficial effect on the climate. They describe global warming as the great 21st-century climate change folly. The website has a link to the climate change sceptics shop—that would be fun to shop at; the Climate Sceptics political party—I do not know if they are registered yet; and Menzies House. Some of

the slogans yesterday were: 'CO<sub>2</sub> is just tree food', 'carbon tax is a tax on fresh air', 'don't tax the air we breathe', 'CO<sub>2</sub> really ain't pollution' and 'climate change is crap'.

What concerns me is not that some people hold unusual views—that is a factor in our democracy; what concerns me is that the alternative government of Australia chooses to associate itself with some of these extreme views. I can only wonder if indeed the Leader of the Nationals will be seeking policy advice from Charlie Sheen next. He is not doing the sitcom; he could dial in to shadow cabinet every week, or maybe just once a month, to give the guys a bit of a leg-up.

Just as what we saw yesterday was ridiculous, another myth that the opposition pedal about the tax situation in Australia is that somehow if they were in power taxation would be marvellously low and we would be led to a land of milk and honey under the National Party and the Liberal Party and that, by contrast, Labor is dangerous on taxation. Let's just deal with this myth. In 2007, when the Howard government was defeated at the polls, Commonwealth taxation as a proportion of the GDP was 23½ per cent. Now, in 2009-10, it is down to 20.3 per cent. Ladies and gentlemen, the facts do not lie. We have seen this driven in part by the economic slowdown in corporate revenue falls and the tax take but we have seen significant personal tax cuts. The tax burden in Australia has us measured as the sixth lowest in the OECD.

Under Labor, we have a better tax regime and we have a better chance to reform the economy. Someone who is on \$50,000 this year is paying \$1,750 less tax than in 2007-08. But, of course, we have not forgotten the pensioners and we have increased the pensions. We have increased the pensions by \$128 a fortnight for single pensioners and

around \$116 a fortnight for pensioner couples. We are making sure there is an education tax refund, we have the Medicare Teen Dental Plan, the childcare rebate and we are improving the returns for people who get family tax benefit A. We have extended the tax refund to school uniforms, there is paid parental leave and we have not taxed large companies in order to get the paid parental leave. We are providing paid paternity leave for fathers, and there will be further pension increases in the course of this year. We want to make tax returns easier. This means there will be standard deductions of \$500 rising to \$1,000. We are providing tax relief to savings accounts.

One of the ways we are doing this marvelous list of accomplishments is through the minerals resource rent tax. What we are doing is ensuring that the benefits of the minerals boom are spread throughout the whole economy. We are doing this through making sure that the proceeds of the MRRT will go to infrastructure in the states of Western Australia and Queensland and elsewhere. We are also making sure that we can increase superannuation for 8.5 million Australians.

What we are doing is working like Trojans to improve our tax system. We want to boost our national savings. We want to increase our superannuation. We want to decrease company tax rates. The Henry review made clear that it was far wiser to tax immobile resources than mobile resources because mobile capital could be moved all around the world and it was a far better idea to tax immobile resources such as minerals. What we are doing with that is moving our taxation system to reallocate it to fall more on the immobile resources, and we are seeking to lower the corporate tax rate. We want to provide superannuation for low-income earners. We want to raise the concessional caps. We want to raise the level of the superannuation guarantee from 70 to 75. We want to intro-

duce a tax discount on interest. We want to see the phasing down of international withholding tax. (*Time expired*)

**Mr ROBB** (Goldstein) (4.01 pm)—Australians need to clearly understand that this decision to introduce a carbon tax is driven solely by politics—opportunistic, cynical and totally self-serving politics. It is the price of a single vote in this chamber. That is the nub of it. It is the price of saving the Prime Minister's political skin. And the price will not be paid ultimately by some anonymous nasty big business; it will be paid by Australian families, by Australian seniors, by all of us. It will be paid in higher costs of living, in lost jobs, or in both. For every million dollars raised, \$100,000 will, by agreement, go off to the United Nations. Can you believe this? One hundred thousand in every million will go off to the United Nations. That is akin to spending it on pink batts. It is like throwing the money away. This is a self-serving, cynical move by this government.

This debate is an argument about who can deliver a five per cent reduction in CO<sub>2</sub> emissions by 2020 with the least impact on electricity prices and on jobs. It is about incentives, really. In going it alone on a carbon tax and then, subsequently, an emissions trading scheme, the incentive is to shift emissions and jobs overseas. In going with direct action, the incentive is to reduce emissions in Australia in a way which reduces global emissions without increasing electricity prices or costing jobs. This is a fact which is consistently ignored, misrepresented and lied about in the arguments put by those opposite. There are alternatives. There is a better way, and we have it. The crux of the better way is the fact that we are going alone on this measure of a carbon tax and then an emissions trading scheme.

The key flaw in the Gillard government's decision to impose an \$11 billion tax every

year on Australians is the failure of the rest of the world, and in particular our major competitors, to come with us, to act in unison. Yet we have been lectured in a sanctimonious fashion for years and years and years by those opposite about the imperative of a global scheme. We heard it endlessly from the former Prime Minister, from the former Deputy Prime Minister, from the former minister for climate change. They said: if emissions are to be reduced, and reduced in the most economically efficient manner and in a way which will reduce global emissions, we had to have a global scheme. And they were right. If we had a global agreement which included our major competitors it would mean Australia, with its cheap coal, would be one of the last countries to transition away from coal for electricity generation. This occurs because if a global emissions trading scheme or a global carbon tax scheme was in place, the world's emissions would be cut fastest and at least cost by Australia buying international emissions permits rather than converting its own power stations. It is all about comparative advantage. It is basic economics, but you would not know it from the gobbledygook about the markets that we have heard from the other side.

It is basic economics that if the rest of the world have got higher cost emissions, those plants will be phased out sooner than our plants. Yet this has been totally ignored; in fact, I do not think they really understand it. And that means that we could have coal fired power generation that will be scrapped possibly decades ahead of what could happen, if we go it alone. We could have 30 or 40 years of coal fired power generation scrapped when, if there was a global agreement, other countries would be scrapping their coal fired power generation and we would still have cheaper electricity with our hundreds of years of cheap, good quality coal. But, no,

we will scrap our industries and send them offshore—our lead smelters, our zinc smelters, our aluminium smelters, our cement works, on many of which whole towns rely. Whole communities, people's lives, their families, their grandparents, the kids, the schools, the community spirit—gone because of political expediency. That is the sole reason they have stepped aside from what they told us for years must apply—a global scheme, otherwise we are not competitive internationally—to go unilaterally to save their skin, to get that one vote up there.

One Green vote in this House to save your political skin. It is pathetic. It is self-serving. It is cynical. It is irresponsible. At the cost of Australian jobs and at the cost of the living standards of Australians, you are prepared to do what you are going to do: make the biggest structural change in our history, scrap coal fired power plants years before they would, scrap all these other industries, cost us tens of thousands if not hundreds of thousands of jobs—all in the interests of saving your political skin.

Acting unilaterally will be irrational, and a very costly adjustment in Australia to the great advantage of our competitors. Acting alone with a tax is not rational. Acting alone ignores the fact that the market they endlessly parrot on about is now a global market. When they talk here, preaching to us about the marketplace and the need for market forces, they are assuming that the market we are talking about is Australia. We are now in a global market, okay? In case they do not know, we are in a global market.

This means that we cannot quarantine Australia from the world market. It is like putting a carbon tax on in Victoria and no other state, and then all standing around scratching our heads wondering why hundreds of jobs and lots of industries are moving into New South Wales, South Australia

and Queensland. It is the same thing: we are going to put a tax on Australia and scratch our heads, wondering why jobs are going to move into China, Malaysia, Thailand and India and into all of the neighbouring regions, and why our competitors around the world are getting a free run.

This is irresponsible, this is inane and this is naive. They do not know what they are talking about, and their economics is not even at a prep school level. They misrepresent it and they misunderstand it. We have a situation where the former Prime Minister understood it, and that is why when he was so disconsolate after the Copenhagen round that he gave in to the urgings of those opposite to scrap a global scheme—he suffered accordingly.

He understood it and industry understands it: if you want to change global emissions you need a global agreement. The Europeans, in their stupidity, have proven this. Since 1990, the Europeans' emissions from production have fallen flat—no change. They are priding themselves and are so pleased with themselves that they have had no increase in emissions of production. But their consumption of carbon has gone up by—only—44 per cent. What we have seen is a hollowing out of manufacturing in Europe, and it has all gone to China—emissions from Europe have gone to China.

As sure as night follows day this carbon tax will see a hollowing out of manufacturing in Australia. A global agreement must include our competitors. Who are they? Countries like Brazil, the biggest global producer of iron ore, or countries like Qatar in the Middle East—the biggest producer of gas. There is Sakhalin in Russia, which also produces gas. There is North America, and in Africa countries such as Cameroon, with huge oil and iron ore deposits. This is a government which is going to put us at an enor-

mous disadvantage, undermine the great opportunities this country offers and kill the morale of so many people. This is a government which is irresponsible and is acting solely out of political motive. They must be condemned. (*Time expired*)

**Mr BRADBURY** (Lindsay—Parliamentary Secretary to the Treasurer) (4.11 pm)—I rise to take advantage of this opportunity to speak against the matter that has been put before the House this afternoon.

The opposition, in their matter of public importance, have come forward asserting that the taxation policy of this government has in some way jeopardised the future living standards of Australians. I make the point that my colleague the Assistant Treasurer made a little earlier, and that is that one of the significant initiatives that we have undertaken in relation to taxation is the introduction of the minerals resource rent tax. We are working through the process of introducing that reform, and in doing so will undertake a taxation reform that will ensure the Australian people are able to secure a reasonable return upon the exploitation of our resources.

This was a tax that was recommended by the Henry review. The Henry review recommended that we should shift our taxation base away from more mobile factors of production and shift taxation to those areas that are more fixed. In that very way this government has brought forward a proposal that will not only introduce a minerals resource rent tax but cut corporate tax and company tax.

We find ourselves in the bizarre situation where the Liberal Party—supposedly the party of business—would like to parade themselves around as being supportive of business, and in particular, small business. But when it comes to company tax, we have a proposal to cut company tax and they want to stand in the way. They want to block a tax

cut for companies. In doing so, they want us to do what they did in office, and that is to walk away from the great opportunity to tap into the mineral resources that are currently being exploited at a great rate of knots in this country as a result of the mining boom mark 2.

We are determined to take advantage of this opportunity; we will lock in those gains in the form of the minerals resource rent tax, and we will secure higher living standards for Australians through an investment in their long-term future through retirement savings.

In terms of the broader question of tax, I offer a few comments in relation to the overall tax burden across the economy. This government has made a commitment to retain taxation levels, or to ensure that taxation levels do not exceed, on average those levels that were in place when we came into office. To emphasise that point, the ratio of tax to GDP dropped from 23.5 per cent in 2007-08 to 20.3 per cent in 2009-10. So for all the discussion about taxation and the great burden of taxation that this government is supposedly imposing on people, the facts are facts, and those facts demonstrate that when it comes to the proportion of tax to the size of the economy we have lowered the burden of taxation in this country. Putting all of the rhetoric to one side, those are the facts.

I want to address the issue of the carbon price, because this is very much central to the discussion. When it comes to the carbon price, there will be many Australians all around this country who will be somewhat confused by the adversarial nature of the debate that we have been engaged in in this country. But to those Australians I say this: ask yourself a simple question. Do not be distracted by so many of the furrphies that are brought forward by some of the extremes in this debate and, in fact, by some who under-

stand the issues but seek to obfuscate and to confuse people. Ask yourself this question: do we believe as a nation that we will be able to continue to rely upon fossil fuels the way we do today into the future—10 years, 20 years, 30 years or 40 years into the future? Do you believe that we will be able to continue to rely on fossil fuels at the same rate that we currently do? Most Australians will conclude that the answer to that question is no, and if your conclusion is no then you are faced with a challenge, as this government is faced with a challenge. That is the challenge of how we best prepare for that future, a future where we as a nation will not be able to be as dependent upon fossil fuels as we have been in the past. There is much evidence, when it comes to preparing for that massive restructure that this economy will need to undertake, of the benefits of early action, regardless of international action. We support and encourage international action, but the benefits for the Australian economy will be there if we take early action.

There have been many parallels that have been made in relation to free trade. Sometimes when the economic reform train leaves the platform there are people left on the platform. We saw, when the Fraser Liberal government left office, that it had failed to confront some of the challenges in relation to free trade. We saw the Hawke and Keating governments tackle those issues. When the Hawke and Keating governments tackled the issues of free trade and tariff reform, the same voices of dissent and opposition came forward and said, 'This will cost jobs.' The same voices of dissent and opposition came forward and said, 'We should not act ahead of the rest of the world.' If we look back on those reforms and the benefits that they have delivered to the living standards of all Australians, the evidence is emphatic. All of the pretenders on that side of the parliament now like to pretend that they were hitching a ride

on that train as it left the platform when it came to the economic reforms of the 1980s. They want to try and claim that mantle. They missed the train then, and today they are in danger of missing the train again.

Some of the smarter types on that side understand this, and one of the great challenges that they have from a public policy perspective and from a political perspective is that they are so divided on this issue. There are two camps in the Liberal Party. There are those that believe that climate change is real, that we need to take action and that the best way to do it is with a market based mechanism. They would consider themselves to be the true Liberals in the true Liberal tradition. Challenges of this nature, they would say, should be dealt with with a market based mechanism. They seem to be hiding at the moment, but I know that they are there, because when it came to the leadership ballot last time round Tony Abbott won by only one vote on this issue. The opportunity to vote on these issues will come again. But let us talk about the other camp. The other camp are the sceptics, and they are the ones that appear to be in the majority at the moment.

But the great difficulty that both of these camps have is that they cannot actually go out and sell what they believe in their heart of hearts, because it is not the Liberal Party policy. It is not the coalition policy. The coalition believe—or so they say—in reducing emissions by the same amount that we are committed to: five per cent by 2020 on 2000 levels. If you are going to try to achieve those cuts, you cannot argue the line that we see so many of you trying to argue: that climate change is not real. If it is not real, why are you wasting \$30 billion of government funds—taxpayers' funds—on a direct action policy that is an absolute sham, involves importing carbon credits from offshore and, in the end, will actually lead to an increase in carbon emissions by 17 per cent? That would

mean that each family in this country will pay indirectly through their taxes—it might not be a specific levy, but I tell you what: indirectly they will pay—\$720 to fund a climate change policy that is supposed to reduce emissions by five per cent but will increase them by 17 per cent.

It is a sham, and we will spend the next two years of this parliament shining a light on this sham. Those same people that found the courage to support action on climate change in the last parliament will be called to action, and they will be called to account. There will be people in electorates around this country—like the member for Bennelong, the member for Macquarie and the member for Brisbane—who will have to account to their electors, who believe that action should be taken on climate change. I will tell you the best evidence that the electors of Bennelong feel that way: they managed to convince even former Prime Minister John Howard that he needed to take action on climate change and, to his credit, he proposed to do so. And do you know what? As you all run away, scurrying away like cockroaches under the light, you will miss the train of economic reform and you will have to live with that. I tell you what: we will make you pay for that. In the same way as those that missed the boat last time round continue to pay, we will make you pay. (*Time expired*)

Consideration interrupted.

#### **BUSINESS**

**Mr ALBANESE** (Grayndler—Leader of the House) (4.21 pm)—On indulgence, for the benefit and information of members: we will conclude the MPI debate. We will then go to government business up till five o'clock, when the sitting will be suspended. We will return on Monday at 10 am for a short period. It is expected that the sitting should not take more than an hour—in terms



of the convenience of members and staff in making travel arrangements. It is the case that up to this point there is no certainty as to what time the Senate are likely to sit till. Given that they have scheduled to adjourn tonight and to return at 9 am tomorrow, and given that the transmission time of the legislation from the Senate to the House with amendments is anticipated to be three to four hours, I believe that this is the most sensible course of action, and I have advised the opposition formally that that is the case. I thank the House.

#### MATTERS OF PUBLIC IMPORTANCE

##### Taxation

Consideration resumed.

**Mr BILLSON** (Dunkley) (4.22 pm)—It is a pleasure to contribute to this matter of public importance. We should be discussing this incredibly important topic rather than being diverted into political games and nuances. What we saw today in question time seems to be the new political strategy of this government—that is, name calling and carbon vilification of anybody who questions or even criticises anything the government may say about its planned tax on carbon dioxide. This matter of public importance is really about the government's taxation measures that are disadvantaging our competitive advantage as a country and the standard of living of our citizens. It is interesting that—when the government has nothing else to say and no credible argument to present, to back its case for a tax that seeks to punish and harm and penalise every individual, every business, every activity, every step of production, every service, every area where wealth is sought to be created or every point of consumption or every stage of an input to any activity or business that anyone is engaged in, when it cannot come to address how on earth that is going to help—all it can do is revert to former Prime Minister John

Howard. I can assure this parliament of one thing: Julia Gillard is no John Howard.

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—The honourable member for Dunkley will observe the provisions of standing order 64 and refer to the Prime Minister in the appropriate way.

**Mr BILLSON**—The Prime Minister we have now is not John Howard. The Prime Minister we have now certainly has not put the nation in a relaxed and comfortable mode. The Prime Minister we have now certainly has not presided over what all in the nation recognise as the Howard government's era of golden opportunity, where people were optimistic about their future, secure about the opportunities to improve their circumstances, confident about prospects; they understood that a competent government had plans for the future and policies that would make a difference. This Prime Minister is no John Howard.

I can point to another Winston, Winston Churchill, and give you an insight into that great leader's appreciation of just how wrong-headed this government's approach is—where every problem needs a tax and somehow our living standards will be boosted by another tax. It was around 1903 that Churchill had something to say that should resonate right across the economy and right across our community. He said, 'A nation that tries to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.' That was Winston Churchill's account of it and that is exactly the logic that we are now accepting from the government as its rationale for this carbon tax. This carbon dioxide tax is supposed to lift our prosperity. This carbon dioxide tax is supposed to create jobs. This carbon dioxide tax is supposed to advantage our businesses. This carbon dioxide tax is supposed to be of benefit to families. How

wrong could this government be? All the evidence says it is inflationary, it is punishing, it is punitive, it builds, it cascades and it snowballs at every stage of activity. It is going to cost jobs, particularly in areas where energy matters, not just at the point at which people work but at every input that led to the point where they tried to create some wealth for the country.

You have seen data rolled out time and time again that the government cannot counter. You have heard them talk about 16 coalmines. The opposition pointed out that, according to ACIL Tasman, that will lose 10,000 jobs. These are not extremists. Everyone who criticises the government is now an extremist. Everyone who questions some of its assertions is now an extremist. I did not think ACIL Tasman were extremists. I did not think Concept Economics were extremists when they pointed out that 24,000 jobs are at risk because of this tax. I did not think Frontier Economics were extremists when they pointed out that 45,000 jobs in energy-intensive industries will go, under this carbon dioxide tax. And I have not heard people make the argument that the ordinary men and women out there trying to contest, day in and day out, in manufacturing are extremists.

I want to pay tribute to the manufacturers. They need to be world-class every day. Consider them the Olympians of our economy, where they have to compete with the world every day. What are the manufacturers saying? They are saying to me, 'If it wasn't for our innovation, our ability to automate and our opportunity to improve our productivity, we'd have a real problem competing with the globe.' So they compete vigorously through their innovation, through the use of technology and through improved productivity. Now, when they have to compete harder than ever, what does this government plan to do?—make it as hard as it possibly can, by imposing a carbon dioxide tax which will be

absolutely punishing on those in the manufacturing sector. They are like the people who are exposed internationally, who are not part of the big crowd that can go to government and get some handout of permits—the big businesses that the government likes talking to. These are the men and women who work in our suburbs and our regional centres, that convert their energy and inputs, inputs that have consumed energy to be produced. They put their own energy—and more—into production processes for creating wealth in this country.

In Victoria we understand manufacturing because it is at the heart of our economy. Do you know what they are telling us in Victoria? I had the pleasure of speaking to Garry Rose from Kinetic Engineering Services. He is an industrial chemist and knows his way in the world. He has been in business for 32 years. He used to joke, 'I thought my first 30 years were my hardest,' but he thinks the time ahead will be his hardest. He described this tax as 'idiotic'. Is he an extremist? I do not think so. Every day he is competing with Chinese imports. He is in the fabrication of things, like the star pickets you can buy from Bunnings and places like that. He makes those against the competition in China. He runs his business on a handful of guys, where there might be dozens of them in China offering the same product. He needs to be incredibly efficient. He consumes steel, and if the steel is too expensive he cannot compete. If the steel is not manufactured in Australia—as OneSteel is concerned about for its future—that steel has to come in from overseas. I reckon it will not come in as steel—it will come in as star pickets. And then what happens to his business?

He is urging the government to think carefully about what it is doing, to understand the impact on small and medium enterprises in Australia and particularly to appreciate that, in manufacturing, these imposts—these im-

posts that will build at every stage—could, as OneSteel has pointed out, make their business unviable. OneSteel and some of its competitors with electric arc furnaces watch the spot electricity market because, if the electricity spike goes up, they do not run the arc, they do not run the furnace. They wait till it comes down then they bind the market so close, so thin at the margins. It is so competitive that that is how they have to run their business.

What are they going to be faced with under this government? A tax that is going to push up all of the costs of their imports. Garry and his team down at kinetic will have to pick up that increased cost. They have increased costs of their own as they fabricate steel products in a diversified business, and they will have to somehow compete with imports from China. Our manufacturers need to be world-class every day, and this Labor Gillard government is doing nothing at all to help them.

Those people see their economic opportunities and futures going up in the air because of Labor. You know what else is going to go up in the air? Emissions, because they will not be saved here in Australia. Not only will the jobs go up in the air; the emissions will go offshore and more will go up in the air. So there is no upside for the environment. There is no upside for our atmosphere. There is no upside for our country. Fewer people will have jobs, and less wealth will be created in this country. We will export those manufacturing processes and businesses where energy inputs are crucial to economic survival. What is the logic of that?

What is worse about this policy is that it does not achieve anything that the government says it is going to achieve. You could call that a placebo policy, couldn't you? They talk up a good game and achieve none of it. But placebos are not harmful. They are

in the mind of the people. Labor think this makes a difference, and anyone who challenges them is vilified. A placebo causes no harm, but this policy causes plenty. It is long past the time Labor turned their mind to realising that, rather than punishing and penalising with a punitive tax that hits every person, every household and every business at every stage of activity.

Why don't they open their minds to what the coalition is proposing, where there is actually an incentive, a reward for reducing emissions? We can be partners in that emissions reduction. We can put incentives in place that for those can produce verifiable abatement. We can deliver the five per cent target—exactly the same target Labor is talking about—without shirt-fronting business.

I heard today the Prime Minister talk about the virtue of constancy of purpose. Give me a break. (*Time expired*)

**Dr LEIGH** (Fraser) (4.32 pm)—In 1989, when US President George HW Bush proposed the use of market based mechanisms to deal with acid rain, electricity generators warned him that their costs would skyrocket. Today, the program is universally regarded as a success, achieving its emissions targets at around one-third of the projected costs.

Why are market based mechanisms so much cheaper at cutting pollution? In the case of acid rain, it turned out that firms used a variety of approaches to reduce emissions. Some retrofitted emissions control equipment. A number switched to cleaner fuel. Others retired their dirtiest generators. Because each firm took the lowest cost approach to abatement, the social cost was minimised.

For environmental economists, this result merely reaffirmed theoretical work of Arthur Pigou in the 1930s and Ronald Coase in the 1960s. By the time the member for Flinders won a prize for his 1990 university thesis A

*tax to make the polluter pay*, the economic theory was widely recognised. The member for Flinders pointed out:

An attraction of a pollution tax regime is that it produces a strong incentive for firms to engage in research and development.

And that, for consumers:

... goods which do not generate—  
pollution—

in their production will become relatively cheaper and therefore more attractive.

Discussing the politics surrounding pollution taxes, the member for Flinders argued that ‘a pollution tax is both desirable, and, in some form, inevitable’ but acknowledged that ‘even if some of the Liberals’ constituents do respond negatively, a pollution tax does need to be introduced to properly serve the public interest’.

Today, those opposite are the party of ‘no’. But not so long ago, only 16 short months ago, they were reformers. They were a party of markets. Senator Judith Troeth on 30 November 2009 said:

By having a price on carbon, people can decide whether they really want to use these carbon-intensive products. It is an effort to move people away from carbon towards other alternatives, and the most effective and efficient way to do this is through a price signal. The other consequence of the price signal is that it makes alternative sources of energy viable, and I am strongly of the belief that the nature of public opinion is changing as more people accept that carbon based energy is less desirable.

The member for Paterson, Mr Baldwin, told the House on 3 June 2009:

I would like to make it clear: the coalition will support an emissions trading scheme ...

The member for Fadden said:

The opposition support an emissions trading scheme as one of the tools in a climate change toolbox. Other issues that should be considered include carbon sequestration—

and a ‘voluntary carbon market’.

As the member for Wentworth said, though, ‘things changed’—things changed substantially. The member for Wentworth wrote on his blog:

Tony himself has, in just four or five months, publicly advocated the blocking of the ETS, the passing of the ETS, the amending of the ETS and, if the amendments were satisfactory, passing it, and now the blocking of it.

His only redeeming virtue in this remarkable lack of conviction is that every time he announced a new position to me he would preface it with “Mate, mate, I know I am a bit of a weather vane on this, but ...”

The member for Wentworth told ABC radio:

My views on climate change—the need for a carbon price, the fact that market-based mechanisms are the most efficient ways of cutting emissions—my views are the same today as they were when I was part of John Howard’s cabinet, and those views were held by the Howard government.

By the time the member for Flinders wrote his thesis it presented the view that most small ‘l’ liberals around the globe have held for decades. Those opposite like to tell us that no-one else in the world is acting, but of course the UK conservatives are proud champions of their nation’s emissions trading scheme.

Thirty-two countries and 10 US states have emissions trading schemes. Market based mechanisms are everywhere. Why is that?—because, just as the scientists tell us that climate change is happening and that humans are causing it, so the economists tell us that market based mechanisms are the most efficient approach.

As recently as 2007 the Liberal Party’s election platform promised:

To reduce domestic emissions at least economic cost, we will establish a world-class domestic emissions trading scheme in Australia (planned to commence in 2011).

The Gillard government proposes to start with a carbon price—in which the market determines the quantity of pollution—before transitioning to a fully flexible emissions trading scheme—in which the market determines the carbon price. Both are market mechanisms. Both have the advantage that they allow millions of households and businesses to find the most cost-effective way to reduce dangerous carbon pollution. For the first time it will become profitable for entrepreneurs to find ways of reducing carbon emissions.

Because the arguments for harnessing markets to cut carbon pollution are essentially the arguments for free markets themselves, the opposition to emissions trading has traditionally come mostly from the left of the political spectrum. It was the left of the political spectrum that objected when, in 1989, President George HW Bush said that market based mechanism should be used to deal with acid rain. Yet today we have the odd spectacle of a supposedly market-friendly party advocating a climate change policy that looks awfully like command and control.

If you think we can cut smoking rates more effectively by subsidising celery sticks than taxing cigarettes you will love Tony Abbott's direct action plan. Of course you cannot, which is why the only way the coalition can meet its emission targets is by spending \$20 billion buying permits from other countries.

While the coalition is running a million miles from market based reform, this government is getting on with the job of serious long-run economic reform—investing in the future. Today, the Treasurer and Minister for Resources and Energy announced that the government is accepting all 98 recommendations of the Policy Transition Group for the minerals resource rent tax. That will mean a

boost to national savings, a cut to company tax rates and an investment in infrastructure. That infrastructure will go particularly to the mineral rich states of Western Australia and Queensland. Australians will get a fair share of the resources they own and will manage the mining boom in a way that supports the huge pipeline of investment.

But those opposite have become the party of 'no'. They will reject the \$7.4 billion the miners are willing to pay. They will reject the cut in the company tax rate which flows through to mums and dads who shop in Woolworths and Coles. They will reject the tax cuts to small business; they will reject the boost to superannuation—a much-needed increase in retirement savings that will improve dignity in retirement for millions of Australians. And they will reject the investment in infrastructure.

They are indeed the party of 'no'. They are even saying no to reforms which will ensure that Australians will not face exit fees of up to \$7,000 on a mortgage. Last night we introduced regulations into this chamber that will ensure that that will happen from 1 July, but those opposite are standing up against that.

We know why this is the case. The Leader of the Opposition has always been a man of 'no'. He brought his negative approach to public life in 1989, when his campaign against the republican referendum was: 'Don't know? Vote no.' The Leader of the Opposition came to the leadership with only one promise: that he would say no to any sensible policy to tackle dangerous climate change. He continued being the man of 'no' on the issues of means testing the private healthcare rebate and the Building the Education Revolution program—a once-in-a-generation investment in our nation's education infrastructure.

There are thoughtful people in the Liberal Party caucus. There are those who occasionally speak out in favour of ideas rather than carping criticism. There are people who could make a constructive contribution to the multiparty committee on climate change, if only their leader allowed them to do so. But, alas, the reformers are shouted down by the blockers.

This is a dangerous game that those opposite have got themselves into. It might feel good to be the party of 'no' but this kind of short-term populism is a risky strategy: you will quickly find there are people out there who are more simplistic and more negative than you. The organisers of yesterday's rally said on their website:

CO2 is not pollution and does not need to be reduced in the first place.

What we are seeing here has its parallels in the US—the rise of carping negativity and Tea Party style politics. The re-entry of One Nation wrapped in a blue ribbon is what we are seeing here today. *(Time expired)*

### COMMITTEES

#### National Broadband Network Committee

##### Membership

**The SPEAKER**—I have received a message from the Senate informing the House of appointment of Senators to the Joint Standing Committee on the National Broadband Network: Senator Stephens had been appointed a member; and Senators Bilyk, Bishop, Crossin, Faulkner, Forshaw, Furner, Hurley, Hutchins, Marshall, McEwen, Moore, O'Brien, Polley, Pratt, Sterle and Wortley as participating members.

#### ELECTRONIC TRANSACTIONS AMENDMENT BILL 2011

##### Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

##### Third Reading

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (4.43 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

#### TAX LAWS AMENDMENT (2011 MEASURES No. 1) BILL 2011

##### Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

##### Third Reading

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (4.45 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

#### MILITARY REHABILITATION AND COMPENSATION AMENDMENT (MRCA SUPPLEMENT) BILL 2011

##### Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (4.46 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**CORPORATIONS AMENDMENT  
(IMPROVING ACCOUNTABILITY ON  
DIRECTOR AND EXECUTIVE  
REMUNERATION) BILL 2011**

**Second Reading**

Debate resumed.

**Mr FLETCHER** (Bradfield) (4.47 pm)—The question of remuneration paid to senior executives of large, publicly listed companies is often controversial. It is an issue which raises strong passions in the community, and it is easy to understand why when one sees some instances of very large amounts of money being paid to people when it is a little difficult to understand the value that they are generating. So it is a question that is very easy to politicise, and of course the government that we have today is not one that ever resists the temptation to politicise an issue which is easy to politicise. The bill that we have in front of us now, the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Bill 2011, emerges from an inquiry conducted by the Productivity Commission which, in turn, was commissioned by this government in response to what it perceived to be community concerns about the remuneration of senior executives.

I want to make three points in the time that I have available to me. The first point is to acknowledge that there are instances where people working for large corporations—senior executives or directors—are paid very large amounts of money, amounts

which seem very hard to square with the claim that they are generating shareholder value. The second point is that the Productivity Commission inquiry into this complex area is a balanced and fact based inquiry, and it is pleasing that it is in such a state, particularly given, as I have mentioned, the great temptation to politicise these issues. The third point is that the key question which policymakers have to consider is whether it makes sense to introduce further specific regulatory measures designed to address the problem that there are certainly instances of excessive amounts of money being paid and whether the benefits of doing so exceed the costs, which inevitably follow such an additional imposition of prescriptive regulation.

Let me turn firstly to the point that it is easy to identify horror stories of enormous amounts of money being paid to executives of companies in circumstances where it seems very difficult to identify the value that they have purportedly delivered to justify such large amounts being paid. It is clearly the case there are instances from time to time of amounts of remuneration being paid—often associated, for example, with large termination payments—which are out of kilter with community expectations and which attract criticism. There have been a couple of instances that one can think of in the past 10 or 15 years that, as it happens, both involve executives imported from the United States at vast expense, and it is very difficult to identify the benefit that they have delivered to shareholders in their company for the enormous amounts of money that they have been paid.

One such executive was George Trumbull and his years at AMP. More recently, Sol Trujillo at Telstra was paid very large amounts of money, and it is instructive to briefly consider those circumstances. He was hired on a base salary of \$3 million, plus a short-term incentive of \$3 million. In 2007

his contract was varied so that the \$3 million base was maintained, but the short-term incentive suddenly went from \$3 million to \$6 million. Telstra's 2007 annual report put his total remuneration level at \$11.8 million, vastly more than any other executive of Telstra. A chief executive being paid more than other executives is not inappropriate in itself; but, curiously, his contract allowed him to resign with only 30 days notice, as compared to the standard six-month notice provision in the contracts of all other senior Telstra executives. Of course—lest there be any misunderstanding—Mr Trujillo delivered himself in August 2006 of this immortal observation:

I'm not doing this for the money, right. I'm not doing it for the pleasure, I've already had bigger titles than this.

It is fair to say that many Australians were a little bit sceptical about the claim that he was not doing it for the money, and I need hardly remind the House what a dreadful mess he got Telstra into. When Mr Trujillo arrived, the share price of Telstra was \$5.20. Today it is in the range of \$2.60 to \$2.70—I have not checked it today, but a couple of days ago it was at \$2.64. So it is very hard to identify the value that Mr Trujillo has delivered, and he was paid enormous amounts. Nobody would contest that there are instances of senior executives being paid very large amounts of money when it is hard to justify the payments in that specific instance.

The Productivity Commission inquiry has given a good, fact based survey of the issue involved here, and I congratulate them on their work. A number of points can be drawn from the report. Firstly, good decisions by chief executives and senior executives can have a very significant, positive impact on shareholder value. In other words, the decisions these executives are making, if they get them right, will deliver very large value to shareholders.

The second point is that Australian corporates operate increasingly in a global marketplace, and that includes the global marketplace for talent. The Productivity Commission acknowledges that point. It is also important to note—as the Productivity Commission does—that, if pay is structured wisely, if there is appropriate performance pay paid to senior executives and if the structure of their contract gives them the appropriate incentives, you can secure the best performance of those executives in the discharge of their jobs and you can also address the problem of 'agency'. This is the well-known phenomenon where executives of a company can find themselves making decisions which are in their own personal interest rather than in the interests of the shareholders. The 'agency' problem is a well-known, long-established problem. One way to deal with it is to have appropriately structured remuneration contracts which put significant amounts of the senior executive's remuneration at risk—that is, only paid if they actually deliver substantial improvements in value for shareholders.

The Productivity Commission made the point that there are some problems with executive remuneration, particularly where you have, for example, a board which is very compliant with the requests and desires implicit or explicit of senior management. That can be a particular problem in the United States, where it is quite common practice for the chair and the chief executive to be the same person. In Australia that is much less common.

The Productivity Commission also makes this important point: by world standards, corporate remuneration in Australia is not excessive. We remain below levels typically paid in the United States and in the United Kingdom, and payments to executives in Australian companies generally are in line



with those in the smaller European economies.

The report makes another very important point: a correlation has been demonstrated between good and bad economic times on the one hand and company performance and in turn the pay of executives. The specific correlation, obviously, needs to be between the company's performance and pay. What has been demonstrated in the Productivity Commission's report is that, during the global financial crisis, there was a decrease in chief executive remuneration, reflecting, in turn, poorer company performance.

The Productivity Commission reaches this conclusion—and it is one that I certainly strongly support:

... the way forward is not to bypass the central role and responsibility of boards in remuneration setting, especially through prescriptive regulatory measures such as mandated pay caps.

What then is the appropriate way forward? That brings me to the third issue I wanted to address—what seems to me to really be the key question here: does it make sense to introduce further, specific regulatory measures to address instances of excessive pay and, very importantly, do the benefits of introducing such measures exceed the costs?

Let us be clear: there is no contest on this side of the House that the agency problem is a significant one; and there is no contest on this side of the House that from time to time we see instances of executives being paid very large amounts of money which seem by any standard difficult to justify. It does not follow from that that any given piece of regulation is a sensible one to introduce. It is true that this Labor government has a huge face in the power of prescriptive microregulation. They have never seen a problem that would not, in their view, benefit from some more guidelines, more reporting requirements, more templates, some regulation,

some directives and mandatory standards. They are very keen on all of that. Detailed, prescriptive interference with the day-to-day operations of businesses and organisations of all kinds is very much in line with the philosophy of the Gillard Labor government. Their general line of thinking runs as follows: 'We've identified a problem, part 1. Part 2, we've put up legislation which we say offers a solution. Part 3, therefore, it must be good.' That logic is not correct.

As is the case with all measures, these regulatory measures have a cost, and the cost of those measures must be weighed against the benefit. As you build up an increasing agglomeration of regulatory burdens and requirements on business over a number of years, it has an increasingly deleterious impact. More and more of the time of directors and senior executives is taken up with dealing with regulatory requirements. They are distracted from their main job, which is doing the work of the company and delivering shareholder value. There is an allocation of time, of resources, of energy, of cost. So any regulation ought to be very carefully considered before it is simply endorsed.

In that regard, it is relevant that on the question of excessive corporate remuneration there are already remedies available to shareholders. If they are sufficiently exercised and if that concern rips shareholders in sufficient numbers, they can vote out the board or they can move a resolution binding upon the company. They can, obviously of course, also sell their shares, vote with their feet and invest in companies which have remuneration practices more to their liking.

I do not say these things are easy. I do not say that it is an easy thing to achieve a sufficient number of votes of shareholders to vote out a board, but I say that these remedies are available to shareholders, and shareholders are the ones who have the strongest interest

and the strongest incentive to ensure that remuneration levels are set appropriately but not excessively to reward the kind of behaviour that they are looking for managers, but to not be ripped off.

Against that backdrop, it cannot be disputed that the Productivity Commission proposals are quite onerous and prescriptive. Particularly we have got this ‘two strikes and you are out’ mechanism. I note parenthetically that if it were the case that the US bought a baseball from which three-strikes legislation and this variant two-strikes is derived and, instead, gave the batter five strikes or 10 strikes, many pieces of public policy might be quite different. But that is a parenthetical observation.

I make the point that this is quite a prescriptive requirement. If there is a 25 per cent vote against a remuneration report one year and that vote is repeated in the next year, there is then an automatic requirement to spill the board and to call an extraordinary general meeting 90 days later to elect a new board. That is a very detailed and prescriptive piece of regulation. It is consistent with this government’s enormous faith in regulation and intervention. I put to the House that we have not seen much evidence to justify that confidence.

So as a matter of principle on this side of the House, we tend to be more sceptical than the government about the benefits that any regulation will deliver and we tend to be concerned about the costs that will be incurred as a result of the new regulation being imposed. It seems to me that those issues present themselves quite squarely in this case. Nevertheless, as the House has already been advised, we will not be opposing this bill, although we are moving an amendment which we say reduces to some extent the prospect of capricious and unexpected consequences from the ‘two strikes and you are

out’ rule. It is a sensible amendment and one that I commend to the House.

Debate (on motion by **Mr Perrett**) adjourned.

Ordered that the adjourned debate be made an order of the day at a later hour this sitting day.

**The SPEAKER**—Order! The sitting is suspended until the ringing of the bells.

**Sitting suspended from 5.02 pm to 10.00 am**

*Monday, 28 March 2011*

### **GILLARD GOVERNMENT**

#### **Suspension of Standing and Sessional Orders**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (10.00 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Warringah from moving the following motion forthwith—That this House notes the incompetent and untrustworthy way the Gillard government has operated over the past six months and:

- (1) in particular, the incompetent and untrustworthy way the Government:
  - (a) dumped over 23 pages of complex amendments to the National Broadband Network legislation into the Parliament late last week breaking key policy promises and leaving regional consumers worse off;
  - (b) has handled the Christmas Island detention centre crisis with federal police having to re-take the centre which was partially destroyed after the Prime Minister had asserted, only 24 hours earlier, that the situation was “well in hand”; and
  - (c) has announced the introduction of a carbon tax, breaking the Prime Minister’s solemn promise five days before the election that “there will be no carbon tax under a government I lead”; and

- (2) importantly, that this House now calls on the Prime Minister not to introduce any carbon tax without first seeking a mandate from the people.

*Honourable members interjecting—*

**The SPEAKER**—Order! I am required to adjudicate on whether the motion is in order, and I cannot hear the Leader of the Opposition.

**Mr ABBOTT**—If the Prime Minister is so sure she is right that the people will support her carbon tax, what has she got to hide by letting the people decide? As this parliament resumes this morning, is there not an extraordinary pall over government members? Is there not an extraordinary shadow over government members, who have fled this chamber en masse lest they hear the truth that they are in denial over?

In New South Wales this weekend we saw the most comprehensive defeat that any government in this country has suffered. Not since the late 1800s has the Labor Party in New South Wales been in such an appalling position in the state parliament, and what we have seen in New South Wales is not just the rejection of a Labor government; it is the rejection of Labor's style of government. We all know that Sussex Street is the spiritual home not just of the New South Wales Labor Party but of the Labor Party in general, and that is what has been rejected by the people of New South Wales.

As the ex-Premier said on Saturday night, 'It is not that the people walked away from us, it is that we walked away from the people,' and there is no example of Labor walking away from the people that is more pertinent than the imposition by federal Labor of a toxic tax on the people of Australia.

This suspension is about the trust that the Australian people should be able to have in the government of our country. Members opposite have betrayed that trust again and

again in the six or seven months since last year's election. They betrayed it over the East Timor detention centre, which plainly is never going to happen. They betrayed it over the onshore detention centres, which are sprouting like mushrooms all around Australia and will continue to sprout now that the Christmas Island detention centre has been all but destroyed. They betrayed trust by calling for a climate change citizens assembly, which did not even last a fortnight after the election. They betrayed trust by assuring the people that the mining tax was settled, when plainly it is unravelling. They betrayed trust by promising a public hospital takeover which is never going to happen, and they betrayed trust by promising that the national curriculum would start at the beginning of this year, when plainly it is not.

This parliament is here today because this government has lost control not only of its policies but even of its legislative program. We all know that the National Broadband Network is a \$50 billion white elephant and we all know that this government is attempting to do what no other government is doing. Not even in China—where they say, 'We actually believe in competition'—are they trying to create a government owned telecommunications monopoly. But four months after the legislation was introduced the government dumps a whole series of complex amendments into this parliament and expects us to pass them within 24 hours. It is just wrong; it is no way to run a parliament, let alone a way to run a country.

Those amendments, at least at first glance, look to betray the government's assurances about a level playing field for all people in the telecommunications sector, and they certainly look to betray the government's assurances that regional consumers would not face a different price regime to consumers in the city.

Nowhere is this government's failure more evident than in the total loss of control of our borders. Not only have they lost control of our borders but now they have even lost control of the Christmas Island detention centre. What could be more indicative of a government that is utterly incompetent and utterly untrustworthy than a Prime Minister who says that the situation is well in hand and within a matter of 24 or 48 hours Australian Federal Police have to retake the government's own detention centre by force which in the process has been partially destroyed by rioters? There is one thing that the Prime Minister should do if she is serious about taking control of our borders, taking control of our immigration policy and restoring proper border protection. She would pick up the phone to the President of Nauru. Forget this East Timor fantasy. It is never going to happen. There is one offshore island which is only too happy to host a detention centre. It is the one that hosted it before. It was the detention centre that was built with Australian taxpayers' money and it is the detention centre which, above all else, helped to stop the boats. It is the detention centre in Nauru and the Prime Minister should pick up the phone today.

Finally, there is the carbon tax—the ultimate betrayal of the Australian people. This carbon tax is going to drive up prices again and again and again, starting with the \$500 that it will add to power bills in New South Wales, starting with the 6½c it will add to petrol bills right around Australia. And for what? We heard from the government's principal climate change salesman, Professor Flannery, just last Friday that it will not make a difference for a thousand years. It is the ultimate millennium bug. It will not make a difference for a thousand years. So this is a government which is proposing to put at risk our manufacturing industry, to penalise struggling families, to make a tough

situation worse for millions of households right around Australia—and for what? To make not a scrap of difference to the environment anytime in the next thousand years.

What we have seen in the recent New South Wales election is, on the one hand, the just departed Premier of New South Wales roaming around the country promising fairness to families. And how is she going to deliver fairness to families? By cutting a couple of hundred dollars off their power bills. What was the Prime Minister doing? She was running around promising to add \$500 to their power bills. Nothing could be more calculated to have sabotaged the New South Wales Labor government's re-election campaign than this utterly maladroit intervention by the Prime Minister, a Prime Minister who wants to inflict a toxic tax on the people of Australia—a tax which is not only toxic to families' standard of living and not only toxic to jobs in manufacturing industries but utterly toxic to the re-election campaign of the New South Wales Labor government.

We all know that members opposite are in denial. They are in denial. What do they think caused their defeat? 'Well, it might have been one or two problems that happened in Wollongong. It might have been one or two problems that happened at Ken's of Kensington.' Mr Speaker, I will tell you what caused their destruction in New South Wales: they have walked away from the Australian people. Nothing illustrates this more than the toxic carbon tax. I say to members opposite: if you want to walk again with the Australian people, if you want to regain their trust, do not even think about introducing a carbon tax without seeking a mandate first. Do not run away from the people yet again. (*Time expired*)

**Mr Albanese**—A point of order, Mr Speaker: the so-called resolution which the

Leader of the Opposition has moved is out of order in the last part. It is a rhetorical press release that has been put on letterhead and it should be ruled out of order.

**The SPEAKER**—I think it would assist the House if I simply indicated that I rule the last sentence—from ‘If the Prime Minister’ through to the question mark—out of order and allow the rest of the motion to stand. Is that motion seconded?

**Mr TRUSS** (Wide Bay—Leader of the Nationals) (10.12 am)—I am happy to second the amended motion. We should not be here at all. There is no need for this House to be in assembly today. If the government could run the parliament, if the government could run its own agenda, there ought to be no need to put the taxpayers to the multimillion dollar expense of bringing back the parliament today so that we could fix up one of its own pieces of legislation, which is clearly in a mess. This government cannot manage the parliament; it cannot manage itself. Labor is unfit to be in government. Labor in government is out of touch with the people, out of touch with Australians. The people of New South Wales made that abundantly clear on Saturday. That followed a clear message from the people of Western Australia not long ago when they said, ‘We’ve had enough of Labor.’ It follows the people of Victoria, who had had enough of Labor and sent a very clear message. If you want to look at the opinion polls in South Australia and in Queensland, the story is exactly the same. They have had enough of Labor.

Labor has walked away from the people. If there is one thing that we can remember Kristina Keneally for, it is that message on election night. She knows her party walked away from the people. They walked away from the people. They walked away from the people who manage the Labor Party across the nation. This is not just a defeat for New

South Wales Labor and its factions. These are the people who run Labor across the country. The people who kept changing premiers in New South Wales are the same people who kept changing prime ministers at the federal level. These are the people who pushed the former Prime Minister out of the way so they could put Julia Gillard in his place. These are the same people, and the public do not want to be associated with this style of governing the country. Labor cannot manage their own affairs; they cannot manage the country. Nor do they want anyone who might be associated with governments like this. The Greens were not a safe haven. The Independents were not a safe haven. People said no to Labor and they said it decisively.

They do so because time and time again Labor betrays their trust. The promises that were made mean absolutely nothing; indeed, when Labor make promises they are made to be broken. It is simply the Labor way. Remember back when Kevin Rudd stood before the television cameras and said that he was an economic conservative and that he believed in balancing the budget? There has not been a balanced budget since and there is not one in sight. You cannot trust Labor; they do not keep their word. That was too much for the Labor machine in Sydney, and Kevin Rudd had to go.

One of their other fundamental promises was that they were going to deliver fibre to the node broadband with speeds of 100 megabits per second to 98 per cent of Australians and that the first connections would be made by Christmas 2008, all at a cost of \$4.7 billion. Well, the promise is now only 93 per cent of Australians and it is not fibre to the node; it is fibre to the home. It is not going to cost \$4.7 billion; it is going to cost \$43 billion and up to \$50 billion. No-one knows if it will ever be built because they have not got a clue. If we ever needed any evidence of that

we have the 23 pages of amendments introduced hours before the scheduled end of sittings, a 75-page explanatory memorandum and an all-night session trying to draft amendments to the amendments. The government have not got a clue about how to build this network. They have not got a clue about how to manage their own affairs.

There is only one answer to this: it is not an extra sitting today, but a new election. If you really believe in a carbon tax and want the public to have any confidence when you change your position you must also ask for the people's consent. When the people of New South Wales were asked to judge the carbon tax they said, 'No, no, no.' Labor need to listen and say, 'No' also. For once, they should honour the promise they made to the Australian people. If they will not, they should go to the people and give them another chance. *(Time expired)*

**Mr ALBANESE** (Grayndler—Leader of the House) (10.17 am)—They have had since Thursday to prepare their latest suspension motion and they could not move a motion that was in order. They had Friday, Saturday, Sunday and this morning and they could not move a motion that was in order. What they did was to take a press release and put it on letterhead. What a farce!

It is true that after 16 years New South Wales Labor was tired and had lost the support of the electorate. That is true. But after 16 months this bloke is tired and has lost the support of his own branch of the Liberal Party. They had to hide him in New South Wales. They had to hide him from the people of New South Wales because his judgment is simply wrong. This man is an extremist who contrasts with the state Liberal leaders. Indeed, it has been reported that Tony Abbott told caucus:

... we won't win the next election by adopting a Barry O'Farrell-style small targets strategy.

Let me say this: the incoming Premier of New South Wales has never shared a platform with Pauline Hanson. I believe that he would never share a platform with 'Tony Hanson'. It is no wonder that the leadership of the Liberal Party in his own state did not want him anywhere near a marginal seat in Western Sydney, in Newcastle or in the Illawarra. They did not want a bar of him in any of those seats. Here he is: a New South Wales based federal Liberal leader who had to be hidden during an election campaign.

It is not surprising because his views contrast with the views of mainstream Australia. Those views say that we need to do something about the National Broadband Network. Those views say that we need to take action on climate change. Those views say that we need national health reform. Those views say that the education of our kids is critical to our future.

*Mrs Bronwyn Bishop interjecting—*

**The SPEAKER**—The member for Mackellar is warned.

**Mr ALBANESE**—The incoming Treasurer of New South Wales had this to say about climate change:

To every Australian, Professor Garnaut's report is an alarming wake up call for action on climate change ...

That is the view of the incoming New South Wales Treasurer. Of course, maybe he was listening to the Leader of the Opposition at different times because it was the Leader of the Opposition who said on 29 July 2009:

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

That was the view of the Leader of the Opposition in 2009. Of course, that is consistent with the view of the Prime Minister of Australia in the lead-up to the 2007 election.

John Howard went to that election calling for a price on carbon. This is what he had to say:

Now we must position Australia for a low carbon future.

But I think the best line in this speech is:

No great challenge has ever yielded to fear or guilt. Nor will this one.

So said the then member for Bennelong, and he went on to say:

Human ingenuity, directed towards clean technology and wise institutional design, remain our best weapon. The false prophets are those preaching Malthusian pessimism or anti-capitalism.

He continued:

Australia has the physical resources, the human capital and the technological strengths to be a global leader in key low emissions technologies. We can be an energy superpower in a carbon constrained future, but only with the right policy settings and only if we draw on all our national capabilities and resource advantages.

That is what he had to say. But not only has the Leader of the Opposition led the coalition into climate scepticism; they are also market sceptics. They are opposed to using the power of the market to drive change through the economy—to drive it through to the low-carbon economy that we will need. We all know that there are advantages in moving sooner; we all know that it will cost more if we delay. But those opposite seemed determined to do that.

John Howard then went on to say:

We do need massive investment in low carbon infrastructure and we do need a far-reaching new phase of economic reform here at home to establish a world-class emissions trading system.

That is what the then Prime Minister had to say in the lead-up to the 2007 election, where this government got a mandate to act on climate change. We have been consistent about acting on climate change.

But you do have to question the Leader of the Opposition's judgment—to question why he will deny climate change science simply because he can see political advantage in it, and why he did something that John Howard would never have done, in sharing a stage with Pauline Hanson. There he was, with the extremists to the left and the extremists to the right. The member for Indi was there. The member for Mackellar was there. But have a look also at who was not there. The member for North Sydney was not there. The member for Wentworth was not there. Those people with a smidgin of judgment knew better than to go out and stand and give a speech in front of those banners. It shows an underlying arrogance in a man who will sell the public and his backbench short in reaching again for a scare campaign when they want facts, not fear. They have seen through it before, and now they are seeing through the ultimate hollow man in Australian politics.

Then we had—of all people, on a motion about leadership and the states of parties!—the Leader of the Nationals stand up and give us a lecture about the state of parties. This is a bloke who is the leader of a party that in Queensland has a leader who is not even in the parliament! They knocked over the leader of the LNP—

*Honourable members interjecting—*

**The SPEAKER**—Order! The House will come to order.

**Mr ALBANESE**—and now you have a bloke who sits in the Queensland parliament, Jeff Seeney, and says, 'Oh, I'm the pretend Leader of the Opposition for the moment.' And you know what? The funniest thing about that was that they had a ballot over who could be the pretend Leader of the Opposition, even though Campbell Newman, the Lord Mayor of Brisbane, is sitting outside of the parliament. And the member for

Rankin has got some mail to say that there will be a challenge on against Seeney tomorrow. Anything is possible. 'Where else but Queensland,' to borrow a phrase.

The fact is that we are here today to pass the resolution, to pass the bills, on the National Broadband Network. We are up to some 83 pieces of legislation which have passed this parliament—83 have passed; none have failed before this parliament since we were elected to office on 21 August last year. And the fact is that those opposite are so frustrated and angry with the judgment of the Australian people that they want to take it out on not just us and the people who are listening to this; they want to take it out on each other, which is why you have the divided rabble opposite, and why you have today—a day when the member for Wentworth, Malcolm Turnbull, was going to be the lead speaker—the Leader of the Opposition saying, 'We can't have Malcolm in the spotlight; I'd better go in and move another suspension of standing orders.'

**The SPEAKER**—Order! The Leader of the House will refer to members by their parliamentary titles.

**Mr ALBANESE**—This is a farce. They could not even get it in order. No wonder they are nowhere near ready for government. They are barely ready to be an opposition.

**Mr Pyne**—Mr Speaker, I rise on a point of order. I chose not to interrupt the Leader of the House during his speech, but I would ask him to withdraw a statement he made regarding the Leader of the Opposition where he referred to him by his wrong title and used another person's name. I point out that the Leader of the Opposition is the only person in this parliament who has taken Pauline Hanson and One Nation to court. And it is wrong for the Leader of the House to use that phrase. I would ask him to withdraw.

**The SPEAKER**—To the Manager of Opposition Business, on part of his point of order: I did ask the Leader of the House to refer to members by their parliamentary titles. And I repeat what I said earlier on this sitting day: that there are other aspects of procedure that can be used if people are aggrieved by things that are said in debate. The question is—

**Mr ABBOTT** (Warringah—Leader of the Opposition) (10.28 am)—Mr Speaker, I wish to make a personal explanation.

**The SPEAKER**—It would be usual to ask that when there was no business before the chair.

**Mr ABBOTT**—I seek to correct the record at the earliest opportunity.

**The SPEAKER**—Does the Leader of the Opposition claim to have been misrepresented?

**Mr ABBOTT**—I do.

**The SPEAKER**—Please proceed.

**Mr ABBOTT**—I do claim to have been misrepresented, most grievously and repeatedly, by the Leader of the House in his contribution to the debate just a few moments ago. I have never, ever shared a platform with the former member for Oxley—unlike members opposite, who have let the Greens into their government and formed a government—

**The SPEAKER**—The Leader of the Opposition will resume his place. He has made his personal explanation. The question is that the motion moved by the Leader of the Opposition for the suspension of standing and sessional orders be agreed to.

Question put.



The House divided. [10.34 am]  
(The Speaker—Mr Harry Jenkins)

Ayes..... 65  
Noes..... 66  
Majority..... 1

**AYES**

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Briggs, J.E.
Broadbent, R.	Buchholz, S.
Chester, D.	Christensen, G.
Cobb, J.K.	Coulton, M. *
Crook, T.	Dutton, P.C.
Entsch, W.	Fletcher, P.
Forrest, J.A.	Frydenberg, J.
Gambaro, T.	Gash, J.
Griggs, N.	Hartsuyker, L.
Hawke, A.	Hockey, J.B.
Irons, S.J.	Jensen, D.
Jones, E.	Keenan, M.
Kelly, C.	Laming, A.
Ley, S.P.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
Matheson, R.	McCormack, M.
Mirabella, S.	Morrison, S.J.
Moylan, J.E.	Neville, P.C.
O'Dowd, K.	Prentice, J.
Pyne, C.	Ramsey, R.
Randall, D.J.	Robb, A.
Robert, S.R.	Roy, W.
Ruddock, P.M.	Scott, B.C.
Secker, P.D. *	Simpkins, L.
Smith, A.D.H.	Southcott, A.J.
Stone, S.N.	Tehan, D.
Truss, W.E.	Tudge, A.
Turnbull, M.	Van Manen, B.
Vasta, R.	Washer, M.J.
Wyatt, K.	

**NOES**

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bowen, C.	Bradbury, D.J.
Burke, A.E.	Butler, M.C.
Byrne, A.M.	Champion, N.
Cheeseman, D.L.	Clare, J.D.
Collins, J.M.	Combet, G.
Crean, S.F.	D'Ath, Y.M.

Danby, M.	Elliot, J.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Garrett, P.
Georganas, S.	Gibbons, S.W.
Gray, G.	Grierson, S.J.
Griffin, A.P.	Hall, J.G. *
Hayes, C.P. *	Husic, E.
Jones, S.	Kelly, M.J.
King, C.F.	Livermore, K.F.
Lyons, G.	Macklin, J.L.
McClelland, R.B.	Melham, D.
Mitchell, R.	Murphy, J.
Neumann, S.K.	O'Connor, B.P.
O'Neill, D.	Oakeshott, R.J.M.
Owens, J.	Perrett, G.D.
Plibersek, T.	Ripoll, B.F.
Rishworth, A.L.	Rowland, M.
Roxon, N.L.	Rudd, K.M.
Saffin, J.A.	Shorten, W.R.
Sidebottom, S.	Smith, S.F.
Smyth, L.	Snowdon, W.E.
Swan, W.M.	Symon, M.
Thomson, K.J.	Vamvakinou, M.
Wilkie, A.	Zappia, A.

**PAIRS**

Schultz, A.	Dreyfus, M.A.
Baldwin, R.C.	Marles, R.D.
Hunt, G.A.	Thomson, C.
Somlyay, A.M.	Burke, A.S.
Ciobo, S.M.	Parke, M.
Slipper, P.N.	Gillard, J.E.
O'Dwyer, K.	Brodtmann, G.
Haase, B.W.	Leigh, A.

\* denotes teller

Question negated.

**COMMITTEES**

**Public Works Committee**

**Cyber-Safety Committee**

**Membership**

**The SPEAKER**—I have received advice from the Chief Opposition Whip nominating members to be members of certain committees.

**Mr ALBANESE** (Grayndler—Leader of the House) (10.38 am)—I move:

That:

- (1) Mr Turnbull be discharged from the Parliamentary Standing Committee on Public Works and that, in his place, Mr Slipper be appointed a member of the committee; and
- (2) Mr Fletcher be discharged from the Joint Select Committee on Cyber-Safety and that, in his place, Ms Marino be appointed a member of the committee.

Question agreed to.

**APPROPRIATION BILL (No. 3)  
2010-2011**

**APPROPRIATION BILL (No. 4)  
2010-2011**

**Returned from the Senate**

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

**NATIONAL BROADBAND NETWORK  
COMPANIES BILL 2010**

**Consideration of Senate Message**

Bill returned from the Senate with amendments.

**Mr ALBANESE** (Grayndler—Leader of the House) (10.39 am)—I move:

That the amendments be considered immediately.

**Mr TURNBULL** (Wentworth) (10.40 am)—The opposition oppose these amendments being considered immediately. These are very, very substantial amendments to the NBN legislation—let there be no mistake about that. These are not minor or technical amendments introduced by the Senate to correct matters of detail; these are sweeping amendments that were introduced into the Senate not by the crossbenchers, not by the opposition but by a fundamentally, thoroughly dysfunctional and incompetent government that after months and months of discussing this legislation with the community, through committees, with the industry, chose to bring in dramatic changes to the legislation that were so substantial that they

set the entire telecommunications industry into a furore. Those amendments were produced late on Wednesday, and they would have had, and they still do have, the impact of giving the NBN enormous independent power without regard to the jurisdiction and the supervision of the ACCC. This was nothing more than a grab for power by the NBN and its owner, this incompetent, dysfunctional and disorganised Labor government.

It is worth considering the history of these amendments that came in on Wednesday night. They were produced, or circulated, on Wednesday night—I cannot even say that they were tabled in the Senate, but certainly a copy was made available—and immediately the telecommunications industry went into a furore, because they could see that what was happening now was precisely what we predicted in this place again and again. We have said from the outset that this NBN will not be a wholesale-only, common carrier free to all—a harmless public utility conferring blessings on all mankind! Oh no, this is going to be a great big government owned monopoly, massively overcapitalised, and as a consequence it will need to find revenues wherever it can, and the most obvious place to find them is by moving into the business of the private sector telcos, in particular the corporate and government businesses of the telcos.

So it was in this House that we moved a very straightforward amendment that would have made it unlawful for the NBN to supply carriage services to any person with a carrier's licence that was not providing a service to the public. That amendment was rejected and the consequence of that, as we noted last week, was that the NBN would be able to provide broadband services, connectivity, to corporations, to governments—indeed, to anybody who can get a carrier's licence, and it literally involves paying a few thousand dollars. Anyone who could get a carrier's

licence could then, with the investment of a few tens of thousands of dollars into electronic equipment, create their own private network. And what big company, what government department, what local government would not take advantage of that? The consequence being, of course, is that Telstra, Optus, Macquarie Telecom, Vocus, Primus and all of the carriers that are offering themselves to that government and corporate market will be out of business.

The bottom line is that the NBN will be the sole monopoly fixed line broadband carrier in Australia. That is the government's intent. It will dominate the corporate and government market for telecommunications. The only areas where it will not be dealing directly with customers will be residential customers and presumably small businesses—and, if I may say, they will be very small businesses indeed. This is because the complexity or, should I say, the simplicity—the plug and play simplicity—of modern electronics enables any customer who is provided with a layer 2 connectivity service from a carrier like NBN to quickly create a private network for themselves. The government would say, 'What's so wrong about that?' What is wrong with that is that it is essentially pushing the private sector out of the market. It is doing so via the NBN, which has the benefit of tens and tens of billions of dollars of taxpayers' subsidy and it will have the effect, or the ultimate outcome, of re-establishing the monopoly dominance in telecommunications of the old Postmaster General's Department or the old Telecom. It is turning back the clock in terms of economic reform and telecommunications reform, and it is doing so at absolutely massive expense.

These amendments, particularly those to the access bill, the second bill, are very significant because of the way they take away from the ACCC its ability to oversee the

NBN. The amendments are also extremely complex. We know that they were drafted and redrafted in the dead of night in the Department of Broadband, Communications and the Digital Economy on Wednesday night and Thursday night and through Friday. So confused and chaotic was the government's situation with these amendments that it had to filibuster its own bill in the Senate while it was trying to cobble together some language. If the government with all of its resources and with all of its expertise is in confusion and disarray and does not understand the consequences of this legislation, how absurd is it for this House to be asked to deliberate on this legislation and finalise this legislation this morning, when we have only had the amendments over the weekend. We did not know what these amendments were until Friday evening. There is a whole industry that is confused, appalled and troubled by these amendments, and they are entitled to, as indeed all Australians are, the time to consider them carefully. There is no urgency in bringing these bills on today. The government will say, 'Telstra has to have its shareholders meeting.' That was the argument at the end of last year. But Telstra has acknowledged that it is not going to have its shareholders meeting by 1 July. Telstra's timetable, if you like, should not be determining the timetable of this House.

Let me remind the House of the magnitude of this matter. This is not a minor project. This is the largest infrastructure project in our nation's history. It will involve the investment of about \$50 billion of taxpayers' money. The government hopes that the net expense will be somewhat less than that, but that assumes some very optimistic revenue forecasts coming true. As we all know, the sad lesson of life is that forecasts like that rarely do come true. This project is going to revolutionise, and not for good, the telecommunications sector in Australia. It is go-

ing to create a massive government owned monopoly, which, as I said earlier, will not simply provide a wholesale carriage service for other telecom companies to use but move directly into dealing with governments and corporations. This will not be limited to just large corporations.

There is no limit to the extent to which the NBN can deal direct. I will predict now that if this legislation is passed and if the NBN is established, before long they will be offering even quite small businesses a 'telco in a box' product. They will say: 'Here is the layer 2 connectivity; here is the gear—the switches and routers—you need to buy to enable that. Here are the various other carriers that can provide backhaul for you.' That will all be provided as a package. How does a Telstra, even a mighty Telstra cashed up with its \$11 billion, let alone an Optus or the smaller telcos such as Macquarie Telecom compete with the NBN? The basic connectivity that they will be offering their corporate customers is being provided by the NBN direct, without the added expense of a middleman, an RSP. So this is a government takeover of the telecommunications sector. It is also unique in the world. There is no country in the world that is investing money at this scale in a national broadband network.

**An opposition member**—Not one.

**Mr TURNBULL**—Not one. The government talk about Korea. Remember the Prime Minister saying, 'We can't let the Koreans get ahead of us in IT'? Well, in Korea, they do not have a government owned, monopoly broadband provider. They very rarely have fibre to the home. It is in fact a fibre to the node system, so it is quite a different system to that which the government is proposing here. Above all, as the Korea Communications Commission emphasised when I was visiting with them two weeks ago, a key part of their policy is ensuring facilities based

competition. So the aim and the object of their policy is that, in the basement of every apartment block, there are several carriers—at least one, often two or more, fibre providers, an HFC cable provider and others. They seek to maintain and promote facilities based competition. That is a policy objective everywhere else in the world. Yet here we have, in other elements of these amendments, cherry-picking provisions that have been amended in the Senate that were designed to ensure that the NBN is effectively a fixed line monopoly. And why is that; what is the object of that? The object, as clearly stated in the NBN business case, in the McKinsey study and in all of the utterances of the government and NBN Co., is simply to protect the economics of the NBN.

This is going right back to the bad old days when state governments owned businesses, whether they were butcher shops, brickworks or railways, and then regulated and legislated to make it impossible for the private sector to compete with it, for no reason other than to preserve the profitability of the state government owned business. So this is a massive change.

I mentioned Korea. Another country that is very committed to ICT—but, obviously, not strictly comparable to Australia because of its size—is Singapore. They are forging ahead with ICT. In Singapore, they are absolutely committed to facilities based competition. Their national broadband carrier, their fibre carrier, which is not government owned, will be subject to facilities based competition both in the residential sector and, above all, with business—very, very vigorous competition. Again, when I spoke to Singaporean regulators, legislators and ministers, they all said the same thing: 'Here, we believe in competition. We believe that there has to be facilities based competition; service level competition is not enough.'

To really rub salt into the wound of Australians who believe in free markets and competition, when I was discussing this very project in the People's Republic of China only a few weeks back, they were amazed—as all parties I met on my travels in Asia were—at the size of the investment and, above all, at the way in which this is going to be a monopoly provider. They asked me about it. They could not believe it. Finally, they said, thoughtfully and respectfully, 'Well, that's very interesting but, you know, in China we really believe that you must have competitive markets in telecommunications.' So, even in the People's Republic of China, they are not prepared to undertake a project as monstrously monopolistic as this one.

This is gigantic project. These legislative amendments that the senators have resolved on—in a rush, frankly, with inadequate consideration in the Senate, as our colleagues observed—deserve proper consideration and proper time and we should not be considering them today.

**Mr PYNE** (Sturt) (10.55 am)—I do rise to speak on this motion that the amendments be dealt with immediately, for the very simple reason that, while it is unorthodox for the opposition to debate this particular motion, we are absolutely appalled that the government, on Wednesday night and then on Friday night, introduced a raft of very technical, very serious and far-reaching amendments to the National Broadband Network bills that will have real consequences, without allowing the opposition and the minor parties the proper time to consider and debate them.

Last Wednesday, the Leader of the House and I facilitated the passage of these bills through the House of Representatives. In fact, the Chief Government Whip asked members of the opposition if they would truncate their time for speaking on these

bills, to allow them to pass and be dealt with in the Senate, for commercial reasons that the Leader of the House asked me to take into consideration in allowing that to happen. They were described to me at the time as being non-controversial bills, and I think I have to give the Leader of the House the benefit of the doubt—while it is unusual, I will give him the benefit of the doubt—and assume that he was as misled by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, as I was then misled by him. These bills were passed in the House of Representatives without a vote because they were considered by the House of Representatives to be non-controversial. There was not a division called on these bills. There was a division on an amendment from the opposition but not on the substance of the bills, and the bills moved to the Senate.

It was only then, once the NBN bills reached the Senate, that we discovered the government's real plan, which was not quite as bad as Pearl Harbor—let us not engage in the hyperbole the government like to engage in—but certainly was a surprise attack on the Senate and on the opposition. Twenty-three pages of very substantial amendments that have far-reaching consequences for the National Broadband Network were moved in the Senate by the government. The government expected the Senate to pass those with less than 24 hours to do so. The Senate sat late on Thursday night, sat all Friday and into Friday night to hold the government to account and scrutinise these amendments. The government did not expect that to happen.

I do not blame the House of Representatives for this; I blame the minister for communications. The minister for communications had simply expected the Senate to rubber-stamp 23 pages of amendments to legislation establishing the most substantial pub-

lic works in Australia's history. But the story gets even worse, because, due to the incompetence and ineptitude of the minister for communications, the government scheduled more amendments to be debated and passed in the Senate on Friday and Friday night. Such is the manifest inadequacy of the minister for communications, Senator Conroy, that the opposition in the Senate had to keep the debate going so that he could get his act together and introduce amendments on Friday night.

Our view is that those amendments should have sat on the table to be introduced on Friday and debated at a future time. That was our view. That was what should have happened. Instead, the Senate debated these amendments and the outcome is such that we are here on Monday debating changes and requests and amendments from the Senate.

The fact remains that on Wednesday night and on Friday night the government introduced far-reaching amendments which they expected to be rubber-stamped by both houses of parliament and that is why we meet today. That is why the opposition say we will not support debating these amendments immediately. We will not support this debate occurring today. We believe that this debate should occur at a future sitting of the House of Representatives when the opposition and therefore the parliament have the opportunity to properly consider and hold to account a government that are so manifestly inept that they cannot get their act together on what is the most far-reaching change to our infrastructure and the most expensive in Australia's history.

I remind the House of the costs involved. This National Broadband Network is going to cost \$27 billion in equity funding, a further \$10 billion is expected to be borrowed by NBN Co. to roll out the network and \$11 billion, or equal to roughly \$16 billion in

actual transfers, is being paid to Telstra to sign up to this deal. Therefore around \$50 billion is commonly used as the amount of money that the NBN is going to cost the Australian taxpayer—\$50 billion of taxpayers' money will be used to set up a new government monopoly in telecommunications.

It is unprecedented in the world today. Nobody else in the world is establishing a telecommunications monopoly like this one in order to deliver broadband to people's homes—not North Korea, not Cuba, not South Africa; no country in the world is adopting this policy. Only in Australia would you get a Labor government that is prepared to spend \$50 billion of taxpayers' money to establish a new telecommunications monopoly in 2011 for the future. The coalition believes it can be done much more efficiently, much more cheaply and much more effectively. We have a policy that the shadow minister for communications has been advocating for months which would achieve broadband speeds to the home at a fraction of the cost, use the whole gamut of technologies that are available, leaving open the opportunity for changing technologies into the future, reduce the cost to the taxpayer by an enormous amount of money and include the private sector rather than this new telecommunications monopoly giant.

We do not support debating these bills immediately. We do support the government recalling the parliament.

*Mr Albanese interjecting—*

**Mr PYNE**—I say to the Leader of the House—I take his interjection—that we do believe the parliament should sit again. It is not our fault that the government has only scheduled 17 sitting weeks; that was a decision that the Leader of the House and the government made. We are elected to be in federal parliament. When I was first elected we sat for 22 weeks a year. This year we will

sit for 17 weeks. It is the responsibility of members of the federal parliament to sit in the parliament and deal with the legislation, the motions, the amendments, the question times and so forth that are part and parcel of being a member of the House of Representatives. It is not the job of members of federal parliament to find ways to truncate the sittings of the House and return to their electorates. We already sit in our electorates for most of the year. Yet, because the government did not want the parliament to sit in a hung parliament, because the government is frightened of the parliament, because the government sometimes loses votes in the parliament, because the opposition is a more effective opposition than the government is a government in this place and because the Leader of the House knows that we will present a phalanx of accountability and scrutiny to the government every day the parliament sits, the Labor Party wants the parliament to sit as little as possible. This year we will sit for 17 weeks. It is the lowest in a non-election year in the time that I have been in parliament, which it will surprise some people to know is 18 years. It is the shortest period of time in many decades that the parliament would sit in a non-election period.

So we say to the government: return to the parliament when these amendments can be properly taken into consideration and scrutinised and the government can be held to account. We will not be rushing this debate through today. We will not be sitting here and simply allowing the government to ride roughshod over the process of scrutiny and accountability that is the House of Representatives, and the Leader of the House knows that. He is a better man than this. He does respect the parliament. He does know that the parliament needs to sit to scrutinise legislation and amendments and so does the member for Kennedy, who is a longstanding member of this parliament and the Queen-

sland parliament. He knows the role of the parliament in holding governments to account. He was a member of the Bjelke-Petersen government. He knows how important it was that the parliament sat to hold the government of Joh Bjelke-Petersen to account in Queensland. He was a minister in that government. He would never support rushing through this parliament amendments that need to be properly scrutinised and held up to the light.

This is the government with a Prime Minister who said that every decision that comes to the cabinet she holds up to the light; she looks in every corner, she reaches into the dark recesses—

**Mr Hartsuyker**—Let the sunshine in!

**Mr PYNE**—of every decision be made by the government to root out all the dark and dangerous spots to make sure that every decision being made is being made correctly. As my colleague said, she is the Prime Minister who said, 'Let the sunshine in.' Sunshine is the best antiseptic for government, and yet she is part of the government that today is trying to consider 23 pages of amendments that were handed down in the Senate on Wednesday and Friday and she is expecting the parliament to rubber-stamp those today in order to get those amendments through.

We in the coalition say no. We will not support a rubber-stamping of those amendments today. We will hold them to account. We will hold them up to the light. We will let the sunshine into the grubby, unattractive, dark recesses of this Labor government in order to ensure that the right decisions are being made for the Australian people. If only that level of accountability had been visited on the New South Wales Labor Party they might not be sitting here today in this parliament with more coalition members of parliament elected across Australia in total than

members of the Labor Party. That is what Labor face today. They face opposition in Western Australia, in Victoria and in New South Wales. The Labor Party in New South Wales are smashed and broken. That has happened because they got too big for their boots, because of their arrogance, because of their inability to understand that they were supposed to be representing the people, because they decided that instead they represented the union movement, special interests, local developers and their own passionate desire to gain and hang on to power.

That is why the New South Wales voters woke up to the New South Wales Labor Party and smashed them on Saturday. The same thing will happen to this government in Canberra unless it pauses, takes a breath and recognises that trying to drag the parliament back on a Monday like today rather than scheduling proper sittings throughout the year and trying to force amendments through in the dark of night last Wednesday in the Senate and again on Friday is exactly the kind of behaviour that caused the New South Wales Labor Party to have its political life terminated on Saturday. That is the same attitude that brought Kristina Keneally to the point of ensuring that the parliament did not sit from late last year until this election. That is the same arrogance that made her believe that she could stop an investigation and an inquiry into New South Wales privatisation by stopping the parliament and parliamentary committees from sitting. The voters of New South Wales delivered their verdict on Saturday.

The Labor Party brings that same arrogance to this House in expecting the opposition to pass technical amendments to complicated bills, amendments that make far-reaching changes to the way that the National Broadband Network will operate in this country. We in the opposition do not support the amendments being debated im-

mediately. We believe that the government should properly schedule sittings of the House to ensure that the parliament can do its work. That is the work of the House of Representatives. That is why we get elected to come to Canberra. We come to scrutinise the government if we are in opposition, and if we are in government we come to deliver good policy outcomes for Australia. That is not happening with this government, led by the member for Lalor.

I hope that I am right and that the Leader of the House did not mislead me last week. For all his faults, which are manifest, he is not known for misleading the Manager of Opposition Business. He knows that the result of that would be an impossible-to-manage House. I am assuming that he was misled by the incompetent Minister for Broadband, Communications and the Digital Economy and then misled me about the non-controversial nature of these bills. But this is his opportunity to stand up and explain to the House why these amendments should be considered immediately. My sense is that he would rather the parliament sit again later in this session to get these amendments right, because he knows that the only way to ensure good legislation is passed is to let the sun shine in, as it is the best antiseptic for bad government.

**Mr HARTSUYKER** (Cowper) (11.10 am)—You have to ask the question as to what bringing the House back today says about the project management of the National Broadband Network. The fact is that we had 23 pages of amendments being introduced into the Senate at a minute to midnight. What does that say about how the rest of the project is being managed? The fact that the minister responsible was unable to get his legislation up before these houses of parliament in an organised manner that allows for proper debate of the very important



issues that are before this parliament is reason for concern.

It is interesting to note that among the amendments we have an extension of the completion date. Admittedly, it is an extension that was foreshadowed in the business plan. But we have a project—the largest project in the history of this country; the most expensive in the history of this country; the largest piece of government expenditure in Australia's history—that in its infancy is already the subject of time delays. One thing that comes with time delays is increased cost. Every time that you have a time blow-out, the cost always increases. This project is looking down the barrel of \$50 billion of government expenditure. The legislation to allow that \$50 billion of expenditure is not being considered in the usual way before this House, with proper and reasoned debate. Rather, the amendments are being rushed in at a minute to midnight to the detriment of the proper function of this House.

This government has a history of delay. On coming to office, it cancelled the OPEL contract, which would have delivered high-speed broadband to regional and rural Australia. That project would have been completed at a fraction of the cost of the NBN. We would have been delivering high-speed broadband to people in regional and rural areas by 30 June 2009. By then, some of the places in which services are the worst would have had that fixed. What have we had with this project? We have had a delay in the legislation to the point that this minister cannot even get his legislation before the House in a timely manner to allow appropriate debate.

And you have to ask questions about the Independents in this House and whether they are truly representing the interests of the people who sent them to Canberra. The fact that OPEL could have delivered better quality services to their constituencies by 30 June

2009 has to raise questions about where their allegiances lie. Are they supporting the people who sent them to Canberra or are they in fact just propping up the government? That is a very important issue and one that there was some reflection on over the weekend with the result in the New South Wales election, in which we saw the country Independents suffer massive swings and largely being swept from office, in no small part as a result of the actions of the New South Wales country Independents in this place. We will be watching how they vote during the course of the day on the matters that are before this House. We will be watching their actions in the months ahead in relation to the delivery of communication services for the people that they represent.

But it certainly is a concern that within this legislation we effectively do not have the promised uniformity of wholesale pricing across this country. We might have uniformity within technologies, but we certainly do not have an ironclad guarantee that we are going to get uniform wholesale prices right across the country, because, if you access broadband via satellite or via wireless, when speeds exceed 12 megabits a second, which they most certainly will in the years ahead, there is no guarantee what you will be paying. That is of great concern to the people that I represent and to the people that the member for Maranoa represents. It is of great concern to the Nationals and the Liberals, in coalition, that there may well be a huge digital divide in relation to the prices paid by those users who are not connected to the fibre-optic network.

We will see the way that the NSW country Independents vote on this matter during the course of the day. We will see whether they are actually going to support the people who sent them to Canberra or whether they are going to once again, as they almost invariably do, prop up the government. It is a very

important issue. We have seen them time and time again vote to support an incompetent government rather than vote to support the people who sent them to Canberra. That is a very grave concern indeed.

We have concerns about the many needs in rural and regional areas. The big question about this \$50 billion expenditure is whether this is the best use of government resources and taxpayers' money. What is the opportunity cost of that expenditure? What other priorities in regional and rural areas could have been fulfilled, as well as the provision of high-speed broadband, because the coalition believe most firmly that we can deliver high-speed broadband that is going to meet the communications needs of people in regional and rural areas and get change from the \$50 billion the government are proposing to spend at some significant capital loss to the taxpayer—because the value created by their misinformed scheme is certainly going to result in a capital loss to the taxpayer. The New South Wales Independents should be asking themselves: is this the best use of \$50 billion of taxpayers' money, and what other services could be provided in regional and rural Australia for this money? Is there going to be access for users of satellite and wireless? Are they going to get an equivalent wholesale price as the speeds increase above 12 megabits a second, as they almost invariably will?

But the real concern with this project, which is only in its infancy, is that cracks are starting to appear in the way it is managed. The way this legislation is being rushed into the House at a minute to midnight tells us a lot about the rest of the project. It tells us that the government cannot even manage the first phase of the project. How is it going to deliver a completed project on time and on budget? This government does not have a proud record on its ability to deliver within budget. We have seen it with pink batts, with

computers in schools and in every area of this government's operations. It cannot keep a project on time and on budget. We see that this legislation was rushed in at a minute to midnight. It has not been properly considered by the government and the minister, let alone had the chance to be properly debated within this place.

I know that people in regional and rural areas want faster broadband. We all know that and we all know the importance of such a facility. We know the importance to our constituency, but we also know the importance of value for money in the many needs that are out there in regional and rural areas. I would hope that the rural Independents would think very carefully in this debate today, because we will certainly be raising an amendment that is going to consider the issue of uniform wholesale pricing, to ensure that there is equity for the people we represent and that, as technology changes and speed improves, satellite and wireless customers will not be disadvantaged in relation to cost. That is a very important factor. The digital divide needs to be bridged, but there needs to be equity in pricing. The current legislation does not guarantee equity in pricing. That is of great concern.

The New South Wales Independents will have the ability today in this place to show whether they support regional and rural Australia or whether they are merely supporting the government. Sadly, that has all too often been their track record. The public has seen them in action. When it comes to the crunch, which way will they vote? Do they vote in support of their constituents or do they vote to support the government? Sadly, time after time they have voted to prop up the government and not support their constituents. They will be judged when there is a community in need of a particular piece of infrastructure, because if they support this \$50 billion white elephant the public will know that these

funds could have been better spent in other areas. The public will know that you could provide high-speed broadband and still have funds left over for other priorities. It will be up to them to explain to their electorates why they are missing out on other essential infrastructure because money is being wasted on this project.

The delay in introducing this legislation into the House is just a symptom of the mismanagement of the National Broadband Network. We see the delay already in finalising the agreement with Telstra—one of the very first steps in this project, and the government has been unable to deliver even the announcement of a vote in relation to the purchase and lease over Telstra's interest in its infrastructure. That could have critical ramifications for the ongoing project and for the final cost of the project. Yet, at this early stage—at square one—we see the government failing to come to an agreement with Telstra on time, such that a date has not been set for a vote by Telstra shareholders on the agreement with the government. That is something that should be concerning taxpayers.

What is this delay going to cost them? What will the cost of prolongation be as more and more money is poured into this project? We really do have some concerns. The fact that this House had to be brought back to sit for an extra day because the minister responsible was not even competent enough to get his amendments in on time so that they could be debated in the usual sittings of the House certainly does raise concerns for many, many people indeed. For a project of this magnitude Australian taxpayers demand, and should have, better project management than we have seen to date from the minister responsible. It is the taxpayers of this country who will be footing the bill for Labor's incompetence.

On the weekend, we saw the people of New South Wales pass judgement on Labor's incompetence and Labor's failure to deliver. They were also passing judgement on the carbon tax, but that is another story. At the federal level, we are seeing the same strategies of spin and mismanagement being implemented in the infancy of this government, and I suggest that this government will go the same way as the New South Wales Labor government through their failure to deliver for the constituents they represent. They have a responsibility as stewards of taxpayers' money to ensure that funds are wisely disbursed to provide quality outcomes. Yet we are going to have a situation where people in rural and regional areas are potentially going to be paying far more for an equivalent service than those in metropolitan areas or on the fibre optic network.

During the course of the day, we will be moving an amendment that is going to ensure equity across technologies, because we are concerned that the digital divide is going to be widened by the passing of this bill. We will certainly be fighting very hard on behalf of the people we represent in this House. I would hope that the New South Wales country Independents take this on board and support these amendments. We have seen in the New South Wales election the judgement that has been passed on their performance to date. The New South Wales member for the Northern Tablelands, Mr Torbay, drew a very clear comparison between the result in New South Wales and the performance of the New South Wales country Independents. He said that, for an individual to try and claim that there was no correlation, they would clearly have to be delusional. So I think there is a wide gap opening up between the view of the member for New England and that of the member for the Northern Tablelands as to the perceived quality of the performance of the

New South Wales country Independents in this place.

It is a very important debate that we are having in the House today, but it is a debate that has been rushed. It is a debate that should have been given the appropriate amount of time to allow proper consideration of the things before the House. But one thing is for certain: the coalition will be fighting to ensure equity of access to high-quality broadband. We will be fighting to ensure that the interests of rural and regional Australians are upheld in this place despite the incompetence of a minister who has introduced 23 pages of amendments at a minute to midnight and not allowed proper consideration of this legislation, which it rightly deserves.

**Mr TRUSS** (Wide Bay—Leader of the Nationals) (11.26 am)—The NBN was born out of Labor's spin machine. It has been all about rhetoric, which has been excessively lavish. But the delivery has been abysmal. The reality is that this was an idea that was dreamt up when people within the Labor Party machine—the New South Wales Labor Right was no doubt at the core of all this, as it was with everything in the Labor Party over recent times—were looking for extraordinary, over-the-top election promises to pretend that the Rudd government, if it came into power, would be a government of vision which could deliver real things to the Australian people. And so they made a very clear, very precise and very clearly articulated election promise that had more detail in it than most Labor promises. To summarise: Labor said that, after their election in 2007, they would deliver fibre-to-the node broadband speeds of up to 100 megabits per second to 98 per cent of Australians and that the first connections would be made by Christmas 2008. They also said that the cost of this magnificent project would be \$4.7 billion. Shortly after the election, Prime Minister Rudd, in this House, reaffirmed that Labor

intended to honour all its election promises, including the promise to deliver broadband speeds of 100 megabits per second to 98 per cent of Australians, commencing from Christmas 2008, at a cost of \$4.7 billion.

The promise was repeated but, in reality, there was never a plan to deliver it. The plan was never realistic. Where it came from, who knows. But the reality is that it could never be delivered. It was a dishonest promise made to the Australian people. If Labor did not know that the promise was undeliverable, then that simply demonstrates their incompetence in the field. They did not understand what they were asking for, they did not understand what they were promising, and, not surprisingly, they could not deliver.

Bit by bit, the policy has changed. There was another grand announcement. So the situation changed. Instead of delivering the NBN to 98 per cent of the population, Labor decided they would deliver fibre-to-the-home to only 93 per cent of the population. There was no chance of meeting the Christmas 2008 deadline. In fact, the deadline has blown out for years and years, and in discussions over recent days it is clear that it has blown out even further.

Once more, the price drifted from \$4.7 billion to \$47 billion—the decimal place had been moved! Not just a simple typo: from \$4.7 billion to \$47 billion! And, of course, the price is still going up. Who knows what it will eventually cost—and it looks like it is at least eight years away, before most people will get any connections at all. And under this scheme, two million Australians miss out on the fibre-to-the-home commitment altogether. Labor just walked away from those people, as though they did not matter. The price went up tenfold, but the number of people actually getting the 100 megabits per second speed has been reduced. That is the nature of Labor in government: the promise

completely dishonoured for two million Australians. And of course, I care about those two million Australians, because they are mostly from regional communities. I know Labor does not care much about people who live outside the capitals, but these two million people, who have been slashed from Labor's promise, are out of sight—they live in remote communities and therefore they don't matter, and Labor does not care.

What is particularly annoying is that Labor, when they came to office, cancelled the OPEL contract that had been signed by the previous government. This was a plan already in place that had been through the tendering processes. There were a number of parties offering to build it, and the contract was awarded to the OPEL consortium. That consortium would have been delivering broadband to all Australians up to 12 megabits per second by now—everyone would have it! While Labor were talking, the coalition had acted and the coalition's program was in place for delivery. But Labor cancelled the contract. They said they had a better way. But the better way has not happened—and it does not look like happening. Labor still does not know how they are going to deliver it. That is clearly apparent by the fact that they bring 23 pages of amendments to their own legislation into the parliament, several years after they announced their NBN program. They did not know what they were doing when they made the announcement, and they clearly do not know what they are doing today.

The OPEL consortium would have delivered to all Australians for less than \$1 billion of government contribution. We do not know how much of the \$47 billion to \$50 billion the taxpayers are going to have to pick up for the NBN, but we do know it is tens of billions of dollars. And who knows whether that will ever deliver the value that the government claims. Some of the reasons the

government gave for axing the OPEL contract was that it was only going to deliver 12 megabits per second and it was dependent upon wireless. That was not good enough, we were told: you had to have fibre-optic cable for everyone. So they axed the contract. But when it comes to country people, that is all Labor are going to offer under their \$47 billion scheme! They are still only going to get wireless or satellite coverage. Twelve megabits is enough for people who live in country areas, according to Labor. The 100 megabits per second is only going to be a promise to people who live in the more densely populated areas.

And when we hear the Labor Party's rhetoric about how vital it is to have this speed, if we are going to be a modern economy, how vital it is to connect the whole of Australia, they then say, 'Country people: that doesn't apply to you; you don't need these higher speeds.' That is clearly an insult and a demonstration of where this government's priorities are. They talk often about a two-speed economy. Writers talk about two-speed economies. And they are referring to the development in the mining areas of particularly Queensland and Western Australia that are doing well. But there is also another two-speed economy that this government is inventing—that is, those who can have 100 megabit speeds and those who cannot; those who are only deserving of 12 megabit speeds.

The other thing that the government tells us is that this 100 megabits is going to be wonderful stuff, because it will enable things like fast connections to schools and to telemedicine and the like. But the very communities that need the tele-medicine, that do not have the doctors—the ones in the remote communities—are not covered by the promise! They are the ones who are going to be left out. The small country communities that really need the capacity to link into the best

technology and make contact with city specialists and the like are those who live in little country towns. And all they are offered is wireless. This government has not thought it through—even the remote schools, where educational achievements are way below the national average. It is an embarrassment to our country that the people who go to schools in small country areas have such poor academic achievements, whether it be in reading, writing and arithmetic—or, for that matter, their capacity to get to university and obtain university degrees. The very people who need these speeds, who need the opportunity to connect to the best systems in the world, are the ones who are not going to get it.

The reality is that this whole program has been a tragedy for people who live in regional areas. Not only do they not have their OPEL broadband connections by now, as they should, but other developments in the telecommunications sectors have been stalled. Labor axed the black spot program for filling in mobile telecommunications black spots. They refused to fund it, even though it was recommended by the reports that were done into the telecommunications services. And there are still hundreds of black spots around, particularly in rural communities. I have been pressing for ages to get mobile phone coverage for a little town called Widgee in my electorate. They were close to the top of the list under the previous government's black spots program, and most certainly would have got mobile phone coverage well and truly by now. But the government axed this program. When I wrote to the minister about it, he wrote back to me and said, 'Well, we've axed that program because we are instead going to deliver the NBN network, with fast broadband speeds.' However, Widgee will never get the high-speed broadband that Labor is talking about. They probably will not get wireless!

And yet the government has axed the program that would at least give these people mobile phone coverage.

There has been a complete stalling of the provision of infrastructure in the telecommunications field for those people where the installations are not profitable for the telecommunications company. Telstra will not spend the money because they do not know what their future is. The plans of Optus and others are being held in abeyance because they do not know where the government's NBN program is going to end up. So country people have missed out twice. They have not got the OPEL coverage they should have and they have not got the continuation of the Black Spot Program that the previous government was providing across the nation. And now, to add insult to injury, they are left out of the NBN promise of 100-megabit speeds through fibre-optic cable.

This is a government that has misled all Australians because it has failed to deliver the NBN as it promised it would—on time, on budget and on schedule. It has broken each of the commitments it made in that regard. But, in particular, it has betrayed regional Australians, who will be left out of this massive expenditure, and the people who need it most will not get the speeds that they need to connect to the rest of the world.

**Mrs BRONWYN BISHOP** (Mackellar) (11.38 am)—In speaking to this motion, moved by the Leader of the House, insisting that the House consider these extensive amendments that have been made to two bills in the Senate—the National Broadband Network Companies Bill 2010 and Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011—I want to argue very soundly that it is totally unreasonable to debate the complexity that is in these amendments and which, in the case of

the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011, literally constitute one-third of the size of the bill itself in highly complex amendments. Normally, when a government is introducing complex legislation, it spends time and effort to get the plan right. It includes all the essential ingredients, the bill is prepared and finally we see another large document, the explanatory memorandum. But this time we have seen amendments come into the House—the purpose of us being recalled is to debate this complex legislation—which, from the reports we read, were literally stitched up on the floor of the Senate and which have no such explanatory memorandum explaining what the purpose and effects of the amendments are.

If you look at the nature of the amendments that have been moved and, for instance, look randomly at page 14, which sets out part 8, you will see the heading ‘Superfast fixed-line networks.’ Then there is ‘Introduction’ and ‘Simplified outline,’ and the following is a simplified outline of this part:

- A controller of a telecommunications network (other than the national broadband network) must not use a local access line to supply an eligible service to a person other than a carrier or a service provider, if:
  - (a) the local access line is part of the infrastructure of the network; and
  - (b) the network is used, or is proposed to be used, to supply a superfast carriage service wholly or principally to residential or small business customers, or prospective residential or small business customers, in Australia; and
  - (c) the network came into existence, or was upgraded, on or after 1 January 2011.

The amendments go on for several more pages, dealing with definitions, until we get to the heading ‘Supply of eligible services to be on wholesale basis.’ The document deals

with highly complex issues, including provisions that will prevent the ACCC from overseeing the National Broadband Network Company. There is page after page of complex legislation. Every now and again we get a box that tells us it is a simplified explanation of what is in the bill. The amendment I just read out shows just how complex it is because, even the simplified version of it, is complex to ordinary folk.

Speakers who have spoken to this legislation to date have outlined why it is so unfair in terms of looking after all Australians and how the policy that was taken to the election by the government has since been varied. I would also like to add a few more points to that. Originally, all new houses were to be connected to optic fibre. That was then read down to: ‘No, it will only apply to a development of 100 homes and maybe there’ll be retrofitting for the others.’ The whole point about fitting new homes was that it was a sensible allocation of costs. It has been decided that it is too expensive to do it that way, so now 100 houses have to be done and if the development is smaller than that then the fibre-optic cable will not be laid.

In the debate that took place before the election many people, including the opposition, said it was reasonable that we should have a mixture of technologies that would deliver a high-speed broadband facility for customers. Indeed, originally, it was supposed to be 98 per cent of households that were going to be the beneficiaries of this service. That was read down to 93 per cent of people who would be recipients of this. In the debate that took place prior to the election it was said that, in particular, the interests of rural people would be looked after and they would not get a more expensive delivery service. No matter what technology was to be used, they would not be penalised because they lived in rural and regional areas. That statement has also been down-

graded: 'You can now have 12 megabits per second and you will be guaranteed a constant price.' The Prime Minister has spoken eternally about the need for everybody to have 100 megabits and has even talked about gigabits; yet the government is now saying that the guarantee of price will only apply across different technologies for 12 megabits per second. Many Australians get by on much less than that, but the whole aim of the roll-out of this very, very expensive concept and this very expensive network, costing billions of dollars, was that we would be up at the forefront of the world and that everybody would have access to at least 100 megabits.

I saw some figures earlier on. I cannot quite remember them off the top of my head, but I do recall that the number of people earning in excess of \$120,000 a year who have taken up the internet is somewhere in the vicinity of 96 per cent. Once you come down to people who are earning around \$40,000 a year it drops off quite dramatically to around 65 per cent. The reason I am using those figures is that, in fact, the expense of connecting to and using the higher speeds is something that will become more and more apparent.

If you found yourself in Melbourne, for instance, and wanted to have 100 megabits, you could have it right now because the coaxial cable has been engineered so that that is available to people who have access to that cable. But under this proposal, because we are being given a monopoly situation, that coaxial cable will be illegal for people to use. It will be a wasted resource. For houses that are supposed to be retrofitted, all the old copper cable will be pulled out of those trenches and the retrofitting is meant to take place through those existing trenches that belong currently to Telstra.

The reason I mention those two points is that this is again a grab for a monopoly that

used to exist under the old PMG and under Telecom. People can remember vividly how there were never any services available. If you wanted an extension put into your home, you had to wait and invariably it would be delivered on a Saturday morning when there was time and a half paid by way of penalty rates to install the facility. There was always a wait of weeks or months because there was an attitude that they were the monopoly supplier and they were doing you a favour by letting you have that service. It was not your right. I vividly remember seeing a letter written almost in those terms when I was Deputy Chair of the Senate Standing Committee on Regulations and Ordinances when we were looking at certain regulations that were being made with regard to that monopoly. The attitude of the monopoly supplier was simply, 'We are doing you a favour to roll out any services; it is not your right to have them.'

When we started to have competitors in the field, people were able to have rights and there were time limits. Repairs had to be made to services that were brought in. In other words, when we started to have competition there was better delivery, there was more efficiency and people were much better satisfied. But if you go back to the old monopoly you will get that same old monopolistic attitude where it is not the customer who is considered but the monopoly itself and protecting that monopoly. What better way to see that entrenched than to have provisions put into the amendments to protect the new monopoly from the oversight of the ACCC.

Under the system that the opposition when in government had originally proposed to put into place under OPEL there was the expectation that everybody could reasonably expect to get 12 megabits per second. As I said, there are plenty of people who get by on less than that. In fact, a hell of a lot of people get by on 2½ megabits per second. But it is not unreasonable and it was our intention that



that speed be increased because, as users become more and more sophisticated, and as technology continues to grow and expand, we will start to see people wanting to have greater speed and greater access to high-speed broadband. There was never a debate on this side of the House that we should not be delivering that high-speed broadband; it was only ever a debate about how it could be most cost-efficiently done so that people could receive the service that they wanted.

But the debate this morning, as I said, is about whether or not we should be asked to debate this right now. That is the question. The fact of the matter is that, as the Manager of Opposition Business explained, we in the opposition facilitated speedy passage of the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011 that left this House so that it could go to the Senate, and now we find that the government has brought back a whole package of amendments which have never been examined in this place and which were a work in progress, to put it kindly, when they were in the Senate. Now they have been brought in here and there is an anticipation by the government that they should just be rubber-stamped by the opposition and allowed to pass into law.

We have heard many speakers, and there will be many more people who will want to express their point of view that when it comes to this area, which is complex and difficult, there should be more time given for a proper analysis of precisely what these amendments do to the original bill which was debated here in this place. I simply say that it is unreasonable of the government to ask that these amendments be considered forthwith. It is reasonable that they lay them on the table and let people consider what the impact of them will be.

**Mr FLETCHER** (Bradfield) (11.51 am)—The question before this House is: what is the appropriate way in which we should deal with a set of complex amendments which were made by the Senate in its processes on Thursday and Friday of last week? I put to the House that there are several reasons why it is not appropriate to simply move to an immediate consideration of these amendments. I argue that the policy scheme surrounding the National Broadband Network, of which these amendments form part, is of the first importance and of considerable controversy. It does not, therefore, make sense to accede to the government's desire to ram through a set of poorly considered amendments.

I secondly want to argue that the structure of the amendments that was put in the Senate was extensive in the extreme, and that, through no fault of the Senate, the capacity to have reasoned consideration of very detailed amendments—only disclosed by the government last Wednesday—was simply not there. There was simply not the capacity to have the detailed and reasoned consideration which properly ought to have been carried out, given the nature of these amendments.

Thirdly, I want to make the point that the impact on the telecommunications industry and on stakeholders in this sector is very substantial, and that is another powerful reason we ought to give careful, detailed and measured consideration to these amendments rather than simply acceding to the government's request that they be rushed through. Fourthly, I want to particularly highlight some of the serious policy concerns embodied in these amendments.

The first point I want to make is that the scheme surrounding the National Broadband Network is of great importance and great controversy. You have a government which

is pursuing a policy scheme for broadband in this country which reverses a 20-year bipartisan approach to telecommunications. For 20 years the priority has been to maximise and unleash the power of competition to deliver the best possible services to end users rather than seek, through direct government ownership, to engage in day-to-day provision of telecommunications services.

As a core part of that policy direction in Australia, as in so many other countries around the world, the formerly government owned telecommunications monopoly, Telstra, was opened up to competition and subsequently sold into private ownership. This government is now introducing a scheme of great controversy as it reverses that direction and returns to substantial government ownership of a telecommunications company and as it also seeks to buttress that ownership with a series of very concerning limitations and restrictions on competition in telecommunications.

The amendments that we saw moved and passed in the Senate on Thursday and Friday add, in a very serious way, to the limitations on competition. In particular, the new division 16, which has been added to the Competition and Consumer Act, imposes very substantial restrictions on the capacity of the Australian Competition and Consumer Commission to scrutinise and oversee the conduct of NBN Co. For example, it is now the case under the amendments which have been passed by the Senate that NBN Co. has statutory authorisation to refuse to supply a service except at what are called 'listed points of interconnect'. In other words, everywhere across Australia NBN Co. can, with impunity, refuse to provide interconnection. If it is not a so-called listed point of interconnect then there is no obligation to provide interconnection.

That is a fundamental change in the policy principles which have regulated telecommunications in this country for some 20 years. Throughout that period, a core principle has been the principle of any-to-any connectivity. That has been central to the regulatory regime and yet, at three minutes to midnight—or to be more specific, last Wednesday—a new set of amendments was introduced which dramatically reduce the degree to which NBN Co. is subject to the scrutiny of the ACCC if it refuses to provide interconnection otherwise than at listed points of interconnect.

Similarly, NBN Co. is now shielded from the scrutiny of the ACCC when refusing to supply in the context of bundles. Additionally, NBN Co. has been handed very wide powers to argue that it is doing something because it is necessary to achieve the principle of uniform national pricing. Because the new section 151DA operates as a statutory authorisation, it effectively shields NBN Co. from the scrutiny of the ACCC in determining if there has been anticompetitive conduct under either the general law provisions in the Competition and Consumer Act or under part XIB, the telecom-specific competition provisions of the Competition and Consumer Act.

The remit of the amendments, which were first revealed last Wednesday and which were passed by the Senate in unseemly haste on Thursday and Friday, is very broad. As a corollary, the degree to which it was possible to have appropriate scrutiny and consideration of these amendments was modest indeed. You need merely look at the list of Senate amendments which has been prepared to see the number of those amendments which were moved by Senator Xenophon.

I certainly do not criticise Senator Xenophon for a second—on the contrary, I congratulate him for his assiduous efforts to try to correct a deeply flawed legislative

scheme. It is a scheme which is deliberately intended to allow NBN Co. to amass extraordinary market power and to exercise that power quite independently of and quite protected from the scrutiny of the ACCC. I congratulate Senator Xenophon for his assiduous efforts to correct a deeply flawed set of amendments, but I do ask this question: what has gone wrong when the government is moving, at very late notice, very detailed provisions which are manifestly flawed and it falls to one Independent senator to try to make some corrections?

I also want to put on the record my admiration for my coalition colleagues in the Senate who worked assiduously to seek to improve this ramshackle and inadequate set of provisions. Senator Birmingham, Senator Fisher, Senator Macdonald and many others in the Senate worked extremely hard to try to correct the gaping flaws in this legislative package.

The point I am making is that, when we have had legislation rammed through at such short notice, when there has been so little time for consideration of the merits of these very detailed measures and when it is only thanks to the work of an Independent senator who has sought to make some last-minute corrections at very short notice with the limited resources available to him, does that not say to us that we have here a legislative package which could benefit enormously from some calm reflection and some detailed analysis of whether the provisions actually work or whether, as is evident from even the most cursory review, the policy underlying them is deeply flawed because, amongst other things, it greatly expands the likely market power of the National Broadband Network Company, the NBN Co. and greatly reduces the level of competition that will prevail in the telecommunications sector?

The third point I make is that this is not just of interest to telecommunications policy wonks—if I could perhaps describe myself and a number of others in this place and the other place in that way—and it is only that small community of persons whose interests are affected by the work the parliament is doing today. The telecommunications sector is enormous and is of great economic and social importance, and yet the major players in this sector—Telstra, Optus, members of the Competitive Carriers Coalition, such as AAPT—were unable to have more than 36 hours to consider these amendments before the Senate was in a position to vote on them. That is no way to go about making comprehensive and extensive amendments to a very detailed legislative scheme. It is no way to treat investors in this multibillion dollar industry, to completely sweep away from them any capacity to have certainty as to the regulatory regime under which their investments will be regulated.

When you have regard to the nature, the extent and the importance of the stakeholder interests that are affected by this set of amendments which have been rushed through with very inadequate preparation and consideration, it is self-evident, I would put to the House, that we need to take more time rather than accede to this government's request or proposal that we simply rush through on a nod and a wave this complex package of amendments without giving them more detailed consideration.

The fourth point I want to highlight is that embedded in this package are some very significant and deeply unpleasant provisions. I want to particularly highlight section 151DA. This is a section which provides, amongst other things, that if you breach proposed section 143 of the Telecommunications Act, you are committing a criminal offence and you are exposed to 20,000 penalty units. In substance, you are exposed to that

sanction if you choose to operate a network—a so-called ‘superfast fixed-line network’ is, I think, the defined term—and you fail to offer a layer 2 bit-stream service.

This is truly a return to the bad old days of economic policy in Australia, the days when attempting to sell eggs or milk or any other commodity except under the watchful eye of the relevant state government marketing board exposed you to being followed by inspectors, to prosecution and involved in the extraordinary squandering of state resources dedicated to suppressing energy, innovation, creativity and competition. But that is what we have gone back to in this country in the telecommunications sector by reason of this legislative scheme which has been seriously embellished by the amendments passed by the Senate on Friday—the amendments which it now falls to the House to consider the merits of. Included within that set of amendments, as I highlight, is this deeply unsavoury provision, section 151DA, which allows for the imposition of a penalty of up to 20,000 penalty units should you have the temerity to want to deliver a high-speed broadband service in competition with the National Broadband Network.

Does that not highlight how fundamentally misconceived this entire legislative scheme is? What has gone wrong in this country when we are imposing penalties upon people, companies and economic units that want to compete and invest and want to deliver services in competition with the government’s own National Broadband Network Company? This is a dark day for economic policy in Australia. We on this side of the House firmly reject the notion that we should just wave through this package of amendments. It deserves detailed scrutiny.

**Mr ALBANESE** (Grayndler—Leader of the House) (12.06 pm)—I seek leave to speak without closing the debate.

Leave granted.

**Mr ALBANESE**—I seek to make a contribution to this debate on behalf of the government, as the mover of the motion. When I moved this motion it was anticipated, of course, that it would be supported without debate. That is the way that Labor in opposition operated over 12 years of opposition. That is the way that this place has operated. What we have here, after 12 years of failing to make advances on high-speed broadband and 12 years of inadequate policy and failure on behalf of those opposite, is an extraordinary attempt to delay even the debate about the amendments that have been carried by the Senate.

The Senate dealt with these issues over Thursday night and over Friday. And, late Friday night, it carried the bills before the House, with amendments. That is the appropriate way to operate. Indeed, there was some discussion last Thursday about the scheduling of this sitting on Monday morning at 10 am to provide some certainty for members to be able to make appropriate arrangements, given commitments that they had in their electorates on Friday. Had we not done that and had what used to occur—sitting all night here—occurred, we would have been sitting here until Saturday because we could not have received these amendments back until Saturday morning from the Senate. So the correct decision on the management of this House was made. And the correct decision is also for us to consider this legislation here today.

We know that, under the former government, Australia fell behind the rest of the world on broadband. We were ranked 50th for broadband speeds. Not one Australian city—not one—makes the top 100 in the world for broadband speeds. Many in our region are rolling out fibre broadband networks or have already done so; Japan, Sin-

gapore and New Zealand come to mind. Yet the shadow minister opposite has said, 'The NBN is an answer to a problem that has not even been identified.' That is what the member for Wentworth thinks.

What we saw, during their period in office, was 20 failed broadband plans and, at each step, an attempt to delay action. We know the member for Wentworth was appointed by the Leader of the Opposition to demolish the NBN, because the Leader of the Opposition told us so. Those opposite said, 'Wait for the ACCC advice.' Done. Then they said, 'Wait for the implementation study.' Done. Then they said, 'Wait for the response to the implementation study.' Then they said, 'Wait for the Senate committee on NBN.' 'Wait,' five times, while five separate reports were done. Then they said, 'Wait for a seven-month Productivity Commission inquiry,' which they would not even promise they would listen to. Indeed, Senator Joyce, at the time the shadow infrastructure minister, said about the Productivity Commission reports: 'I use them when I've run out of toilet paper.' That is the standard of the debate from those opposite. Then they wanted a committee of politicians—not the experts—in charge of the NBN rollout. While the coalition calls for delay in the National Broadband Network, NBN services are up and running in Tasmania. And we have rolled out more than half of the regional fibre optic links.

The debate today is extraordinary. They actually cannot even get to the substance of the amendments that they want to move. They are having a debate over whether we have a debate. This is some sort of syndrome which has been caught by the opposition since their defeat on 21 August last year—this ability to oppose absolutely everything, whether it be of substance, such as the National Broadband Network itself, or whether it be procedures.

People in regional Australia, such as the member for Hinkler in this chamber, know that the broadband services are not up to scratch in regional Australia. We know that there are pockets, including in my electorate, that will always be advantaged, in terms of delivery of infrastructure such as broadband, in comparison with outer suburbs, such as those in Western Sydney, and areas such as the Central Coast and areas of regional Queensland. It is quite frankly extraordinary that this is the case.

We had the Leader of the Opposition come in here and, very predictably, move his suspension of standing orders—not, this time, so that it could be on before *Play School* at five past three, but as the first motion of business. He wants to draw analogies with state politics. But have a look at what state politicians are saying. The Brisbane Lord Mayor who, whilst not being a member of parliament—I am not sure what he is; they have outsourced the leadership of the LNP—had this to say on 24 March: 'I am not opposed to the NBN. However, its rollout across Queensland should be occurring at a faster rate.' That is what Campbell Newman had to say. So we are not doing it fast enough. Well, I say to Campbell Newman, in the unlikely event that he is listening to this broadcast, that he should get on the phone to the nongs who represent the LNP opposite and tell them to get out of the way and get on with the debate.

That statement is consistent with the other statements that are made by their state leaders. Will Hodgman, the Tasmanian Liberal leader, said on 28 July 2010:

"I will continue to argue that in my view the NBN rollout is a positive thing for this state."

The Victorian Minister for Employment and Industrial Relations and Minister for Manufacturing, Exports and Trade, in a recent media release on the outcome that two Victorian

companies had been awarded contracts to assist in building the NBN, said:

“This is a fantastic outcome for Victoria with potentially \$1.3 billion of NBN Co’s \$1.6 billion of investment coming to our state over the next five years ...

... ..

“We are committed to working closely with local industry on our promise to ensure there are future opportunities for Victorian companies with the National Broadband Network project.”

This bloke, Minister Dalla-Riva, was not caught up at some doorstep with a trick question. This is a media release from him, put out on 18 January, just two months ago. Indeed, in the recent campaign conducted for the election on Saturday, Tim Owen, the Liberal candidate for the state seat of Newcastle, told a forum during the campaign on 9 March that he supported the early rollout of the NBN to Newcastle, saying that the sooner it was rolled out to Newcastle the better.

The hypocrisy of those opposite is just unbelievable. They talk about not being ready. They had from last Thursday to this morning to prepare their surprise motion for the suspension of standing orders, and they could not even get it in order. Some of it had to be ruled out of order because they could not even get it right because they just cut and pasted, one would assume, from a press release with question marks all over it as part of their motion—an extraordinary performance. If they had actually bothered to listen over the weekend to what people had to say about the changes that have been made to the legislation by the Senate, this is what the chief negotiator from Optus, Mr Maha Krishnapillai, had to say on *Inside Business* on ABC TV yesterday:

It is a fundamentally important reform for this economy.

That is what he had to say. He was asked by Alan Kohler:

So are you satisfied now with what you’ve got. Do you think you’re going to be able to use the NBN to improve Optus’ position?

This is what he had to say:

We have said for the last few years that this all about levelling the playing field and we think this’ll give us and others the first-time opportunity to really start to offer those sorts of services across a wholesale-only network run by an organisation that doesn’t have an incentive to prefer itself or an incentive to, if you like, have monopoly profits within its organisation. That’s a first.

That is a very important statement, because those opposite took a public monopoly, made it into a private monopoly and called it reform. They wondered why they had to have 20 separate plans and simply could not get it right.

An email from Matt Healy, the Chair of the Competitive Carriers Coalition, had this to say at the end of last week: ‘It is our view that the amendments to the NBN bills address our issues of concern that had been raised.’ That is what he had to say. He went on to say: ‘I understand that these are needed to support the NBN business case and the notion of regulated monopoly.’ He went on to say: ‘It is our view that the subsequent amendments ought to be supported.’

So we have here a piece of legislation subject to scrutiny, amended in the Senate and improved as a result of the amendments that have been carried, and those opposite are so underconfident about their ability to raise any issues of substance about those amendments that we are, frankly, wasting the House’s time with a long debate about whether we have a debate or not. We know that we will be having a debate today. Those opposite know it; we know it. The fact that people have been stumped up to continue to speak for 15 minutes each on this debate in order to drag out the end result will not

change the end result. What it will do is expose those opposite as blockers, as wreckers, as prevaricators. It will not change the outcome because a majority of this House supports the National Broadband Network. A majority of this House wants to move forward.

Those opposite probably think, 'Oh, we're stopping the government.' But, at the end of the day, these delays that they keep calling for are not stopping the government; they are stopping the result, the impact and the benefit to consumers that the National Broadband Network will bring. That is the end result of this negativity. I thought I had seen the lot. I have seen them oppose the national health reform process. We have seen them oppose the economic stimulus package that saved Australia from the recession that the rest of the world had to endure. We have seen them oppose the levy which was put on temporarily in order to reconstruct Queensland and other parts of Australia affected by the natural disasters. We have seen them oppose national infrastructure spending in a range of areas. We have seen them oppose action on the National Broadband Network. But now they are reduced to trying to oppose through procedural means even the parliament debating these issues.

The opposition should get on with this debate of substance. If they have any amendments to move, they should move them by all means. Let them be considered by the House. But we on this side of the House are determined to pursue the benefits to consumers that will result from the National Broadband Network.

**Mrs PRENTICE (Ryan) (12.21 pm)**—I speak in support of proper discussion and debate on this issue. Once again, we see the minister and the government trying to rush through legislation on NBN Co. From day one we said that they had not got it right, and

22 pages of amendments from the Senate show that to be true. No-one disputes the need for high-speed broadband. But, as we said from day one, not at any cost to the taxpayers.

**Mr Albanese**—Not the ratepayers; we're in parliament now.

**Mrs PRENTICE**—Indeed. Look at the waste of money in getting people to return today.

**Mr Albanese**—You want us to come back.

**Mrs PRENTICE**—We want a proper debate. You want us to be here for just two hours. You want to rush it through. This is a shambles. Your legislation is incompetent, because you had not got the model correct in the first place. The minister quoted Campbell Newman as wanting broadband delivered sooner rather than later. What Campbell Newman said was that he wanted fast broadband but not with the NBN Co. model. In fact, if the minister had bothered responding to correspondence from Brisbane City Council over a year ago he might have had some assistance with getting the model and, subsequently, the legislation correct. But they chose to ignore those approaches at the time.

I find it appalling that the minister should suggest that because the Senate has dealt with the issues we should support this without debate. These are very important amendments.

**Mr Albanese**—You are the ones blocking the debate. Put your amendments.

**Mrs PRENTICE**—The minister clearly said that we should ignore it. We will be putting amendments forward, and plenty of them.

**The DEPUTY SPEAKER (Ms AE Burke)**—The member will resist responding to interjections.

**Mrs PRENTICE**—What we have seen today is yet another waste of time and money by the government. This particular project will be the largest capital infrastructure project in this country. It has risen from \$4.7 billion to \$47 billion and growing. As we know, the initial rollout has expanded in time and has also expanded in cost. And yet the minister and the government have not bothered tabling the cost to date of the initial rollout because once again it is over budget. These amendments will allow no scrutiny of the NBN by the government or anyone else. If you look through some of the amendments, they suggest that even the ACCC should have no power when it comes to scrutinising the NBN Co. This is because it is a monopoly and they do not want to be caught out once again with an old-fashioned and outdated model, which is what we saw previously. Broadband is the technology for the future. But the NBN Co. model is outdated, based on last century corporations and operations. We need an open access system. We do not need another monopoly controlled by the government. We have seen where that ends up.

The minister claims that there were five separate reports done, each a result of a coalition request. My memory is that the most important request that we made, which was critical for the people of Australia, was for a cost-benefit analysis. Yet that was not done and has not been provided for scrutiny, because it will not stack up. The minister quoted a list of other countries with faster broadband speed to show that Australia was lagging and needed to roll out broadband. And yet once again the minister failed to say that those countries did not fund it all from government money. They did not spend \$47 billion-plus for broadband to be rolled out in their countries, which is what he is committing Australians to.

We should not be surprised at this government's incompetence. We only have to look at the pink batts project, which has cost more to fix than the initial projected cost to roll it out. Unfortunately, we are going to see more and more of these amendments as the NBN Co. model staggers and fails. We have seen the increases in cost. Yet, at the same time, we have seen a reduction in the number of people who are going to be connected—two million fewer people. We should look at the people who this should benefit, the people in the rural and regional areas. The Regional Telecommunications Independent Review Committee chairman, Dr Bill Glasson, was hoping for some benefits from the NBN Co. Yet on 28 March he said that the amendments were 'immoral and unjustified'. That is from someone who was looking forward to the potential benefits of this who can now see what a disaster we are getting ourselves into.

The bottom line is that this government cannot manage their legislation. They cannot manage what they are delivering. Their putting forward more than 22 pages of amendments is another example of their incompetence. We can have absolutely no confidence that they will be able to roll out the NBN. As we have seen, it is already behind schedule. We are looking at past 2030. I would suggest that by the time they get it right the technology will be obsolete, and at great cost to the taxpayers. We cannot encourage their continued incompetence. We need to properly discuss this in greater detail so that everyone can have some input to their flawed legislation.

**Mr WYATT** (Hasluck) (12.27 pm)—I rise to oppose the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011. I want to commence by quoting two sections of the *House of Representatives Practice*:



Thus, the House of Representatives is the people's House and the inheritance of responsible government, through the Cabinet system, is the most significant characteristic attaching to it.

... ..

The Ministry is responsible for making and defending government decisions and legislation. There are few important decisions made by the Parliament which are not first made by the Government. But government decisions are subject to parliamentary scrutiny which is essential in the concept of responsible government. The efficiency and effectiveness of a parliamentary democracy is in some measure dependent on the effectiveness of the Opposition; the more effective the Opposition, the more responsible and thorough the Government must become in its decision making.

In respect of this legislation, and in particular the amendments, there is a need to consider it in a proper timeframe. The understanding of all members in this House is paramount in the decisions that we make. The proposed amendments have not been considered in a risk averse process to enable all members to understand the concepts and constructs in each of these amendments and their flow-on effects.

The complexity of the legislation makes it interesting in that the way in which you read the proposed bills and the interrelatedness of the amendments sometimes are confusing. What I would prefer is that we debate these within a proper time frame to allow for an understanding to occur, and for the debate to allow us to consider the amendments in the context of the current legislation, with the flow-on effect for all our constituents because, ultimately, it is the taxpayer who pays and foots the bill for the NBN. The \$50 billion is a sizeable sum of money and the process of the management of that money does not fall within the accountability of this parliament; it is exempt from it. On that basis there is a dereliction of responsibility by members of this House if we do not consider

each of those amendments in the level of detail required to make an informed decision.

*Mr Albanese interjecting—*

**Mr WYATT**—We are not blocking it. We are quite keen to continue having the discussions, but the amendments cannot be placed on a table and then it be expected that the decisions we make, without the implications and understanding of legislation, are consistent with the outcome that is sought. We are not blocking. It is a matter of having some of the debate that we need to have around—

*Mr Albanese interjecting—*

**Mr WYATT**—No, Minister. I love the interjections that the Leader of the House makes when there are challenges. But it is good, I am glad that you do debate, because debate is the important part of this parliament. You are leading to the notion that we do need to have the debates around each of the amendments with respect to the bill in its totality. I am sure that the parliamentary leader has a really good understanding of the interrelatedness of each amendment against the legislation, because then I would have some degree of confidence in what he is proposing; however, the majority of members do not. I think the debate has to go to the issue of what we represent for the constituents that we all take care of, because our decisions extract from their pockets. I am pleased to see that the Leader of the House is quite happy to extract from the pockets of taxpayers and to exclude the NBN from parliamentary scrutiny!

Let me also say that the complex business arrangements that are required to support the legislation and the amendments need to be considered and discussed, and certainly those elements that we need to debate that are of risk have to be considered. Members of this House need to carefully examine and consider the implications of each amendment as it is applied in the context of the total legisla-

tion. To receive them late on Friday does not allow for that type of scrutiny, particularly in the processes that we have in this House. I would expect that bringing us back to debate these—

*Mr Albanese interjecting—*

**Mr WYATT**—It does not matter whether I am new, Leader of the House. It is good that I am new because at least I get the chance to read the parliamentary procedures, to watch your behaviour, to learn from you, but also to be responsive in terms of the debates that we must have in this House.

I also want to say that the efficacy with respect to each of the amendments has to be applied because this is a far-reaching piece of reform or significant reform. Too often the creation of structures, particularly monopolies, can be unchallenged by ordinary Australians who experience difficulties. They can be unchallenged by businesses who have difficulty with a monopoly because they really have nowhere to go. For it to be exempted from the FOI also makes it challenging in terms of the decisions that it makes as a corporate body, because in that context it then leaves a high degree of risk in the way taxpayers' funding is used.

We are not opposed to an effective broadband, but the model of the broadband needs to encompass not just fibre-optic cabling but also the best modelling that will deliver to all Australians at all points across this nation, regardless of where people live and choose to live, to manage businesses and to enjoy the expanse of this country. I do have a concern that remote and some regional areas of Australia will not have access to the broadband in the way in which it is purported to be provided.

The late amendments are a concern because the House has not had the opportunity of looking at the level of detail. On that basis it is important that we consider the context in

which we debate each of these amendments, including the opposition's amendment that will go to the way in which this legislation becomes more effective and efficient. The Senate spent a whole day discussing each of the amendments. We have been brought here today to look at these in a last-minute arrangement.

*Mr Albanese interjecting—*

**Mr WYATT**—No, that's fine, Leader of the House. I do not have a problem with that.

**The DEPUTY SPEAKER (Ms K Livermore)**—Order!

**Mr WYATT**—I apologise, Madam Deputy Speaker, for entering into debate with the Leader of the House but he has got a very effective voice that is very soothing!

**The DEPUTY SPEAKER**—The minister will stop interjecting and the member will ignore the interjections.

**Mr Albanese**—That's the first time I have ever been called that!

**Mr WYATT**—They are very soothing and I am captured by the words that he utters because I find it difficult to ignore them. Faster broadband is wanted by Australians, and we acknowledge that. But what we also acknowledge is that there is a better way of doing it. Certainly these amendments need to be delayed so that we can look at the implications. If it was not taxpayers' money and it was money from another source I would have no difficulty in supporting amendments that have implications for expenditure.

*Mr Albanese interjecting—*

**The DEPUTY SPEAKER**—Order! The member for Hasluck has the call and will be heard in silence.

**Mr WYATT**—I really do love the sound of Minister Albanese's voice!

**Mr Albanese**—He's struggling, Madam Deputy Speaker, and he has seven minutes to go.

**Mr WYATT**—Leader of the House, I do not always take the full time required. I will just make the points that are necessary. These amendments need to be delayed to allow the type of debate that is required and the rigour that is important. The risk management processes have to be examined because there are elements that are important in this construct. I would suggest that the proposed amendments lie on the table to allow considered examination of each, to allow informed debate, or both.

It is interesting that the Leader of the House said that this is trumped up, that it is not sloppy government and that it is a delaying tactic by the opposition, but my concern is that we do the right thing by Australians and that we ensure that the expenditure we are committing to in these amendments and in this legislation does not compound to blow out beyond the \$50 million that is referred to. With those points and with my enjoyable interaction with the Leader of the House, I conclude my comments and oppose the tabling of the amendments.

**Mr NEVILLE** (Hinkler) (12.37 pm)—I too would like to speak to this procedural motion. I have a very warm and affectionate interaction with my good friend the Leader of the House.

**Mr Albanese**—We deliver for you!

**Mr NEVILLE**—More of it please. I would just like to explain something to him, as good friends should. When he intervened earlier—without closing the debate, and I thank him for that—he taunted us by asking why we endlessly debate procedural motions. Isn't it the case that you taunted us, Leader of the House? I will tell you why we do it. We do it because, since this government came to power about 3½ years ago, you

have refused to take your fair share of censure motions. The one thing you could always say about the coalition under John Howard is that it never ducked a good debate. It was very seldom that John Howard ducked a censure motion because he was confident enough of his government to debate it and beat it, not just beat it on the numbers but beat it comprehensively on the argument. I would like to ask, rhetorically of course, the Leader of the House, because he is the guy who makes these decisions essentially: how many times have you accepted a fair dinkum censure motion debate? Very few.

What has happened is that we now debate for 10 minutes and five minutes, with a 10 minute response from the government, the motion to suspend standing orders. Over time, and in some respects regrettably, it has become the de facto censure motion. Is that not the case? We have to debate that to the nth degree as it is the only forum we have to censure the government. The Leader of the House would understand that we have debated some of the substantive aspects of this NBN bill this morning not because we want to be bloody minded in holding up the debate but because there is uncertainty about the extent to which the government will allow us to debate if fully.

As other speakers have said, it is bad enough to drag back 140-odd of the 150 members from all parts of Australia to debate this thing when it has been so badly rushed and so badly structured in the Senate. That the Senate had to debate this into Thursday night and then all day Friday to bring it before us today, and that at times during those debates the government had to filibuster to keep the debate alive so it could make more amendments, just gives a picture of how incompetent the legislation is. It should not be surprising to the government that we would want to debate it more fully.

Looking at some of the aspects of this legislation, as the member for Bradfield described it rather succinctly in his presentation today, the fact that these amendments create an even greater monopoly should be of concern to all members. If you go back in telecommunications in Australia to the old Postmaster-General's Department, you can well understand, with a country as extensive as Australia was at the turn of the 19th to the 20th century, why the government had to become involved in rolling out telecommunications. As we came into the sixties, seventies and eighties and a more enlightened view of competition was adopted by all political parties, it became obvious that our telecommunications were quite antiquated in their approach. We had the Kennedy inquiry that separated the PMG into two entities, Australia Post and Telecom—a good move. Then we saw Telecom take the primary voice and data role.

One of the great disappointments in that development of communications was that the then minister in the 1991-92 period, Kim Beazley, squibbed it. He squibbed it. He should have gone a step further and separated the then Telecom into a wholesale and retail entity. Had he done that, I imagine half or three-quarters of the debates we have had to have in this parliament over the last two decades might never have had to occur.

So where do we find ourselves now with the NBN? The government know the opposition's ambivalence about the NBN, and I have quite publicly stated my ambivalence about it. It seems to me extraordinary in this day and age that we would want to spend up to \$43 billion on this, and some predict that before it is finished we will be looking at \$50 billion if the current scheme goes ahead in its entirety—\$50 billion. It is a lot of money, isn't it? If you look at what has happened around the world, the per capita subsidy for bringing in broadband in Australia is far in

excess of that in any other nation on earth. It is many times more than it is in New Zealand, France, the United States and Canada. But we have embarked on this high-subsidy government plan to introduce the NBN.

I think honourable members should be concerned about some of the matters that are proposed in these amendments. I will not go over them in great detail because many of them have already been canvassed. But it troubles me to think that in Tasmania, in towns that one of the parliamentary committees has already visited, we have only 15 per cent uptake. It troubles me to think that we are embarking on this great adventure of very high spending when last week we rushed this whole range of amendments through the Senate.

Speaking now on the procedural motion, I think it is proper that we give this issue adequate consideration. As the member for Bradfield said, one of the provisions will restrict other companies to the monopolistic control of NBN. That is a bit of a concern when you think about it, because isn't that a retrograde step? Isn't that returning us to the old Telecom-PMG sort of attitude? That is an aspect that needs consideration.

Then there is the fact that the ACCC cannot scrutinise NBN. Now, there is an extraordinary aspect. If an entity of this nature is going to be in the business, or so we are told, of providing a platform for vibrant competition, why would the organisation at the heart of this, NBN Co., not be subject to the rigours of the ACCC? I find that quite amazing. With this legislation, we are going to have this return to the past. We are going to enhance the monopolistic control by NBN. We are not going to allow it to be subjected to oversight by the ACCC. And the killer—the killer of all killers—as the shadow minister said in his address this morning, is the backdoor way by which the NBN can sell its

services to almost anyone other than householders and small businesses; it can engage directly with them. In other words, it can create within itself a de facto retail arm. That is even more worrying.

That is to do with just a few of the amendments, but if you take any of them seriously then I think we have come to the point where this matter, ideally, should be deferred for at least several days to allow for proper scrutiny, and today we should make sure that the intimate details of the amendments that have come across from the Senate are well and truly examined. As many have said, this is the greatest single infrastructure spend in Australia's history: it deserves better than what it is getting.

**Mr BILLSON** (Dunkley) (12.50 pm)—The one thing we can be certain about from this government is that, with anything to do with the NBN, we are guaranteed there will be surprises. This has been one of the most shambolic processes of public policy development and then policy implementation that I think any of us in this chamber have seen. The debate we are having now is about whether we should again react as a parliament to the latest set of surprises—surprises that emerged late last week in relation to the discussion, the negotiations and the debate in the Senate on the NBN bills. These latest surprises follow a long list of other surprises, and they are also another example of how the government just cannot manage this process at all. We had this problem when I was the shadow minister for broadband, communications and the digital economy—

*Mr Bradbury interjecting—*

**Mr BILLSON**—They were interesting days—and thank you for the vote of confidence, Parliamentary Secretary! They were interesting days in that every time a piece of legislation relating to the NBN was presented, it was up to the coalition opposition

to try and shepherd it through the parliament, so inept and incompetent was the minister.

I remember that with the show-and-tell legislation. The Labor Party went to the 2007 election not with a policy but with a few thought-bubbles written in crayon on the back of an envelope, which they ran around as a considered plan when it was really badge engineering of Telstra's own network upgrade strategy. They then thought, 'We'd better check how this might actually work.' They thought, 'As a parliament, let's force telecommunications providers to provide really fundamental information about their networks and their services,' so that there was some way of working out how the government could inject itself into this broadband space. That was important because it recognised one simple fact that the government continues to fail to recognise today, and that is there is no such thing as an NBN. There are networks of networks that combine together to provide the broadband functionality that is available for Australian consumers. There are many other stakeholders who have a great interest in what happens in this place because they have got assets, they have got skin, in the game. I will use the analogy of breakfast—some of you may have had bacon and eggs for breakfast: the chicken might have been involved but, by golly, the pig was committed, wasn't it? In this space there are many telecommunications companies that are the equivalent of the bacon. They have put their own resources, their own commitment and their own investments into the industry.

Even way back in the early months of 2008, there was still complete confusion about the government's policy. Senator Conroy, the Minister for Broadband, Communications and the Digital Economy, sought to extract some insights from those who were active in the industry and proposed this show-and-tell legislation but then failed to

provide for the proper process and proper time for it to be passed through the parliament. So the opposition had to facilitate that. Senator Conroy and the Labor government had failed to consult with just about everybody. No-one had been spoken to about some of these provisions. Again, it was up to the coalition to provide some constructive amendments to enable information to be provided with appropriate security and scrutiny in terms of how that material would be used. This is just one example, but it happened again in 2009. There was another requirement on the opposition, the coalition parties, to facilitate the government's work. Despite all of this history, we are back here today with exactly the same circumstances. The single largest infrastructure build the Commonwealth of Australia has been involved with, and we are still here expected to deal with it on the run.

We have gone from crayon notes on the back of an envelope—a plan that never got out of the starting blocks and that was re-defined and re-examined to an NBN concept that sees the government potentially displace every other business in the sector—to debating here today what we can do to mitigate the harm and the real life and commercial concerns that arise from the government's approach. So it is interesting that the manager of government business comes in here and condemns the previous government for having a number of different plans on broadband. What he fails to accept and fails to share is the reason that there were a number of different plans, all of which were implemented—a word that is unfamiliar to the Labor Party when it comes to broadband. The various plans that were implemented—and some of them still run today in terms of the broadband guarantee and the like—were taking account of changing circumstances in the technology and in customer expectation. So what is held up as a sin by the govern-

ment against the coalition is actually a virtue—implementation of successive strategies that recognise higher expectations, technological improvements and a nation keen to keep pace with those. But the government has not had to worry about that, because while it has been fumbling over the NBN it has frozen investment in so many parts of the telecommunications industries.

I would say the Labor government's approach to broadband is a net negative at the moment. I think their contribution has taken the sector far back from where it would otherwise have been had the private sector had the confidence to invest. So we are here again today, after extended sitting hours, with a new set of proposals. I was just discussing with the shadow minister: is this the sixth or seventh version of the NBN? If we are going to count numbers of plans, how many times has the government had a go at this to try and get it right? Yet here is another effort that reflects the fact that the public policy motives that might guide government behaviour in this place have been put to one side, while there is this seemingly single-minded ambition to build something that can have an NBN sticker stuck on it and the government can claim as an achievement.

One of the amendments we are discussing today is how utterly changed the government's position is on what was supposed to be a so-called wholesale only model for the NBN. What a remarkable change. I say it is 'remarkable' for a couple of reasons. When you go all the way back to 2008 there was a Canadian consortium, which I think was called Axia, if my memory serves me correctly. They were happy to build a broadband backbone network with many, many points of interconnect, with no taxpayer money. They did not want any taxpayer money. They were happy to proceed with the rollout of additional fibre investment and infrastructure across Australia, not on the basis of taxpayer

money. Do you know what their interest was? Their interest was being guaranteed a customer base. They said, 'If we could be certain we would get the government's own telecommunications business, that could finance the investment itself.' They were saying, 'Give us some guaranteed business and that will be enough to build up the business case for a Canadian based company to do what we have done in British Columbia and what we have done in France, and not require taxpayers' money.'

**Mr Hartsuyker**—What a revelation.

**Mr BILLSON**—That was their proposition. This was back in the RFP days, when it was not a request for a proposal; it was the government pleading for a request for a policy. They had no idea how to implement an NBN. Here we had a Canadian consortium happy to do what is now being discussed and now being facilitated by these amendments, where the wholesale-carrier-only assurance is being displaced by a new arrangement where businesses can shake themselves into some kind of telco provider and then buy services from the NBN and effectively undermine this wholesale-only model. The government are now flopping around with an idea to go back to that very proposition.

Had they thought this through four years ago, there would probably be \$50 billion less taxpayers' money going into this venture. But the problem the government had when they started on this ambition was that all they had was a sound bite and no sound public policy framework. We flip and flop around each time this legislative process comes back to the parliament as they try and fix and manoeuvre and mend and remedy and renovate little bits and pieces as it evolves. Today we are faced with another lot of these on-the-run remedies and on-the-run proposals.

I touched on this so-called wholesale-only model of the NBN and I make it clear to the

Australian public and to this parliament that there was an investor prepared to roll out enhanced, high-speed broadband infrastructure without any public money, had the opportunity that is now being afforded to NBN Co. been more generally available when the government was looking for a way to implement its sound bites.

Twenty-three pages of changes to the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011 and five more sets of pages of complex changes to the National Broadband Network Companies Bill 2010 are what we are being asked to deal with today and we are being told to take it in good faith: 'It's all good stuff.' Well, the telecommunications industry is not convinced of that. The opposition are always looking for some continuity and clarity from the government as it fumbles its way through, but you wonder where the consumers out there are going to be left after this latest lot of on-the-run changes the government is trying to force through this parliament.

If any of us were a telecommunications provider and we wanted to change our fees to sell to another participant in the industry, we would have to advertise that. Under the competition laws of this country, we would have to go out and say, 'Here's what we're planning to do.' Anybody who might be affected by it would get an opportunity to have a go at our intentions, and then the regulator at the ACCC would adjudicate and say, 'That's reasonable,' or, 'Hang on, one of these stakeholders has a point; you should make some changes here.' That applies today even to a proposal to vary costs of a very modest proportion. That is a safeguard. But, under this bill, the ACCC is not even entitled to get anywhere near some fundamental issues relating to how NBN is going to operate.

The bills are not enabling an intervention on interconnect points—and remember where this came from. The original proposal from NBN Co. was to have only 14 points of interconnect, so if retailers want to plug in their own distribution network for that last mile or, more broadly, invest in their own infrastructure to complement or work with what is available, they have only 14 points on this vast continent through which to connect. The ACCC, to its credit, said there should be at least 121 points of interconnect so that there is some scope for other parties to get involved in further investment nearer to the consumer, nearer to the retail end of this industry. But, as useful as that idea was then, the ACCC will not have the opportunity to make that contribution under these amendments.

There is also an issue with the ACCC's role in bundling services. We have seen time and again in the telecommunications industry how bundled services, in some appropriate and inappropriate ways, have had an enormous impact on the competitive structure of telecommunications in this country. Even in the way in which cross-subsidisation works and the way in which the ACCC can look at that as manipulation of the market, the ACCC's power will be hugely curtailed in that space as well.

Those are just some of the changes that the parliament is being asked to rush through today, and that is why we need a proper opportunity to examine them. Had we started this journey where the bill now proposes we go, this could have been done without a dime of taxpayers' money. There are international models operating today with Canada based consortia that were willing to invest in Australia when this journey started some years ago. All they were looking for was some certainty that they would get government telecommunications business and the potential for certainty in terms of the revenue that they

could rely upon. They were prepared to make that investment in many, many interconnect points across this vast continent. Instead, we have \$50 billion of taxpayer exposure on the table to now change the model to the very model that was said not to be suitable some years ago—but now it is okay! This is what happens when you do not have a sound public policy framework.

I say to those Australians in outer metropolitan and rural and regional areas: it did not have to be like this. The former government put \$960 million of funding on the table. Through the OPEL plan, for those areas where there was underinvestment, where it was uneconomic for the private sector to invest and where, as a result, there was a lag in the availability of broadband and the performance of that service, there was a remedy available—a remedy that could have delivered benefits. A child born back then could have had their whole education supported by improved broadband, facilitated by the coalition's OPEL investment. They could have benefited from that every year throughout their education. Now, under this shambolic process the government is overseeing, that child will miss out on that benefit and go on to do other things with their life as an adult, still wondering whether there will ever be a coherent public policy framework for this enormous expenditure of community resources that will substitute for the sound bite and reactivity that we see from the government with these kinds of amendments dropped on the parliament at the last minute. *(Time expired)*

**Ms ROWLAND** (Greenway) (1.05 pm)—What a farce. What a farce that those opposite come into this place and say, 'Oh, there are so many amendments; we don't understand what they mean.' That has never stopped them before from having an opinion on something they know nothing about. It has never stopped them before. They should



keep bringing out that B-team and let us know all they want to tell us about broadband.

I was listening to a couple of the speeches earlier, and there was so much interesting stuff I do not know where to start! But let us start with the member for Ryan. The member for Ryan, the chair of Campbell Newman's fan club, came in here and talked about what a difference he is going to make to the people of Queensland, improving broadband in Brisbane. Let us just remember that this is the same person who dropped his little plan to put broadband through the sewers of Brisbane on the basis that it was not economical to do it. Yet we had the member for Ryan coming in here for months saying what a wonderful alternative this is. She is still talking today about what a wonderful alternative Campbell Newman will have! Well, so much for that. We had the previous speaker, the member for Dunkley, talking about getting different consortia together to do this—just like Campbell Newman's little consortium that, all of a sudden, decided that there was no value for money in it at all.

Another interesting thing is that we have had those opposite come in here and repeatedly talk about OPEL. My eyes were welling up when I heard the member earlier talking about how children who were born 10 years ago could have had broadband here today, I was so moved! But then I reminded myself about how they did not even bother to have a cost-benefit analysis on OPEL. They come in here and hold up OPEL, and they did not even bother to have a cost-benefit analysis on it. Yet, somehow, this would have been the best form to take!

Another thing I find repeatedly amusing about the member for Ryan and others opposite is that they come in here talking about 'their plan' for broadband. So not only will it add to the 20 or so failed plans—plans that

failed to bring any substantive benefit to anyone in Australia regarding broadband access over the time they were in government—but their plan, as you will see if you go onto the Liberal Party website today, remains the plan they took to the last election. That plan has one objective: to destroy the NBN. And we know that that was the remit given to the member for Wentworth by the Leader of the Opposition. We know that that was the remit given to those opposite: not to be constructive, not to support the NBN but, rather, to ensure that they were simply upholding the failed plan that they took to the last election which was universally lampooned by the industry and the public alike.

I also find it very interesting that those opposite come in here and talk about the ACCC and the points of interconnect ruling that the ACCC put out. Isn't it interesting that, as much as they bag the ACCC, it was the ACCC that made a decision last year on the points of interconnect issue. Indeed, it is the ACCC which will continue to have substantive oversight of NBN Co.'s activities under this legislation. So when we have those opposite—particularly regional members—coming in here and wanting to hold themselves up as champions of broadband, I find it absolutely astounding that they should come in here and do that after all those years of being done over completely by their coalition colleagues and getting no substantive benefits at all.

Some things have not changed since this legislation was first introduced. One of them is that we are still trailing most of the countries in the developed world, and developing world, when it comes to broadband access. We can now lay claim to being behind countries such as Estonia, Latvia and the Czech Republic. And what is happening while that is all going on? Copper is edging even closer to its use-by date. This is not a political issue. This is fact: copper is nearing its use-by

date. And everyone else in Australia—anyone else with any sensible knowledge of the telecommunications sector—will know that, when you look at the increases in fixed-line bandwidth, we are surely edging closer to a time when we will need to replace the very infrastructure for, the backbone of, the communication networks in Australia.

So, as has been said in this place, by me and by others: the reason we are pursuing the path of the NBN is not some flight of fancy that has not been thought about in terms of what is actually needed for Australia. It has been thought about in terms of it being needed to be regulated like a utility, of it needing to be regulated in the public interest. And why do we need to make this public investment? I go back to this yet again. We are in the position we are in because of the failure of facilities based competition. I find it most amusing that the member for Wentworth comes in here and talks about all these other countries which have facilities based competition and encourage it. Yes, that is what we were doing in this country some decades ago. We wanted facilities based competition. One of the key planks of telco regulatory economics is that you encourage facilities based competition and, where that is not successful, you encourage services based competition. And where you do not get substantive results from either of those, you need to have government intervention.

Those opposite say that they believe in the market—though sometimes they do not believe in the market; when it comes to things like action on climate change, sometimes they do not believe in it. On this occasion, the reason why government intervention is so essential is that the market has failed. Facilities based competition in Australia, when it comes to broadband access, has failed. You do not need to take it from me. All you need to do is to look at the rankings by electorate of the amount of broadband access in peo-

ple's homes. And you will see that there are unbelievable disparities between affluent areas, such as that of the member for Wentworth, and other areas, such as substantial parts of the member for Chifley's electorate where, if you were to lay out those areas by colour—and I have seen this done—whole areas are white, meaning that there is virtually no broadband access at all for those communities.

In the northern part of my own electorate of Greenway, new housing estates have been built. They have not had the investment that is required in terms of advanced communications services. People from there contact me, unprovoked, on an absolutely regular basis, saying that they cannot understand why, in this day and age, they should be living in a suburb of Sydney where they cannot get broadband access. And those opposite will say to me, 'Why do we need such a big investment?' The NBN is the investment in these suburbs. That is why, when I hold street-corner meetings in suburbs such as Kellyville Ridge—and I held one only a few weeks ago; it was a very hot Friday afternoon—I had people queueing up to ask me why they could not get broadband access and when the NBN was coming. They ask such things as this. This is an example of some of the representations I have received from residents in this area:

I was interested to receive your letter regarding limited broadband access in Kellyville Ridge and I could not agree more. I fully support any progress you can make to improve service. My wife and I can only use wireless broadband and our mobiles from the front of our house on the balcony. I have no choice of service provider.

He goes on to say, in terms of the service providers they use for wireless broadband:

None of these work with any level of efficiency.

This quote is very telling:

I find it extremely frustrating that in this day and age in Sydney's largest growth area we cannot access quality broadband or mobile services.

There are whole parts of Australia that have not had equality of access to ubiquitous broadband services. There are whole parts of Australia that have been crying out for the transformational change that we know the NBN can bring. Again, you do not need to take this from me; you need only go to some of the public documents on the DBCDE's website to see that the estimated benefits in terms of health and teleworking, for example, are in the order of up to \$2 billion per year. So once it is built you can see how the benefits of the NBN end up ensuring that it pays for itself in the long run.

Those opposite have come in here and opposed this bill on the basis that they believe they have got a better plan. They believe that the option that is being pursued here is not the only option that can be pursued. Yet again I say: they had 11 years to get it right, 11 years during which the convergence debate came and went without even an ICT from those opposite. How many times did Australia go to the World Summit on the Information Society and listen to every other country talk about how they were developing strategic broadband initiatives? It is very interesting that one minute the member for Wentworth was bagging Korea minute and the next minute he said he was going over there and that he thinks it is fantastic.

How often have those opposite talked about how much all those other countries are developing? Yet when it comes down to it and you think about when those countries were developing these policies, it was exactly the time the coalition was in government. That is the time when it should have been sitting down and planning a strategic response to what was obviously emerging as the highest productivity driver the world has ever seen. Increases in productivity through

ICT, as has been proved time and time again, are the highest productivity increases that anyone will ever see. That is why we have seen Korea develop the way it has. That is why Singapore continues to be a powerhouse in South-East Asia and truly is a regional communications hub.

I seem to recall that around 2000, when SingTel was starting to be opened up to competition, when the IDA was being established and when the telecommunications code of practice came in, Singapore said very clearly, 'We have a goal to be the ICT centre of excellence in our part of the world.' Australia just watched it. When those opposite were sitting on these benches they just watched it. We watched the convergence debate come and go. We saw all of these advances and all the strategies that other countries were pursuing and they have now overtaken us. The Gulf States have overtaken us in terms of their rollout. We continue to fall behind the rest of the developed and the developing world when it comes to per capita access to broadband. For those opposite to come in here and say that there is no need for this legislation and that what they need is time to look at this legislation even further, I find incredible for two reasons. First, they have already made up their minds about what they want to do with the NBN, so for those opposite to come in here and say that they need more information to make a decision is an absolute farce. Second, having an opinion on something they know nothing about has never stopped them before.

You have got to love some of the specials the Leader of the Opposition comes up with. He asked why we need this investment in something that is only going to deliver us faster YouTube downloads. He said that all it is going to be is a high-speed entertainment system. I love it when that happens because, as the member for Chifley will tell you, the blogs light up with intelligent people who

say, as I quoted in here the other day: ‘What an embarrassment it would be if he were to become Prime Minister of this country. What an embarrassment it would be to see a country ruled by someone who was a member of a cabinet that did not even have an ICT policy and thinks that everyone wants to use the NBN to watch YouTube downloads.’

We do not need anymore debate on debate. The people of Australia know that they want the NBN. The people of Australia know that there will be no equality of opportunity both within metro and also between metro and regional areas until we get the NBN. The debate has been had. It has been had around the world. There is a resounding need for a substantial investment in the NBN in this country because otherwise we will simply continue to be left behind to the detriment of Australia.

**Dr SOUTHCOTT** (Boothby) (1.20 pm)—The first issue I would like to address is the urgency of this legislation. The government were elected in 2007 to deliver an NBN. They were re-elected in 2010 to deliver an NBN. The parliament has sat for four weeks already this year, yet in the last two days of sitting they have introduced 28 pages of highly technical amendments to their own legislation. It is unreasonable to ask the parliament to consider such extensive, far-reaching and technical amendments in such a short amount of time. These amendments need careful, detailed and prudent consideration. They need consultation with stakeholders. To bring the NBN bills to a vote in this House today to ram through the government’s own amendments without proper and prudent consideration and analysis is highly irresponsible.

This is the latest in a line of attempts by the Labor government to remove public scrutiny into the NBN project. They have refused to conduct a cost-benefit analysis of this \$43

billion project. They have refused to refer the NBN to Infrastructure Australia to assess its economic impact. They have asked the Independents to sign confidentiality agreements before seeing the NBN business case. They have released only 240 of the 400 pages of the business case—only 60 per cent. They have exempted the NBN from freedom of information laws. They have also stopped the NBN project from being assessed by the Public Works Committee, despite the NBN project being the single largest public works in this country’s history. This is typical of this government. They went to the 2007 election promising a \$4.7 billion NBN project and it has now morphed into a \$43 billion project. There is nothing to see for it, and it will not be complete until 2021—10 years off. The government are going to extensive measures to avoid any scrutiny whatsoever of this project.

I also want to address what broadband means for an electorate like mine. We heard the previous speaker talk about the lack of broadband in her electorate. One of the issues in outer metropolitan seats is that there are black spots which affect possibly one million to 1.2 million households. At the last election the coalition had a plan to deal with these black spots. We had a \$750 million proposal for fixed broadband optimisation. This was a way of dealing with the issues immediately. The Labor Party proposal is something that is way off in the never never. It will be completed in 10 years time.

We have already heard about the OPEL contract, which was initiated by the Howard government. It relied on a mix of technologies. It was immediately cancelled by the Labor government on assuming office in 2007. Had that continued, more houses would have had broadband and more people would have had access to high-speed broadband. The plan the coalition took to the last election would have delivered high-speed

broadband using a combination of technologies. Part of our plan was to fill the gaps as quickly and efficiently as possible.

In my electorate there are currently a number of broadband black spots. The reason for this is that we have older exchanges. We have problems with the exchanges. We have pair gain lines and we have DSLAM exchanges. These issues can be dealt with very quickly. They will not be dealt with specifically under the NBN. Residents in these black spots are unable to access broadband internet—and, as I said, there are about one million to 1.2 million households that are affected. What we planned to do was to install DSLAMs in the exchanges that do not have them, to upgrade exchanges to ADSL 2+ if they have earlier generation DSLAMs, to remediate the pair gain lines, to redesign the network to permit delivery of broadband services in areas that are currently served by RIMs and to provide broadband services to premises that cannot receive DSL today. This would be practical action to deal immediately with the issues that affect outer suburban and outer metropolitan areas that have older exchanges and where the topography means that it will be very expensive to lay cable to those areas that are a long way from the exchange. So the coalition has a proposal. It is a proposal that would have seen immediate action. We would not have had to wait 10 years to see a result. The government have now been in for almost 3½ years and there is nothing to show for it.

The government's NBN project will cost \$43 billion and will not be complete until 2021—another 10 years away. The coalition plan would have delivered high-speed broadband to black spots in electorates like mine—and this would have occurred substantially quicker than under the current government's NBN plan.

**Mr HUSIC** (Chifley) (1.27 pm)—This is an extraordinary action by an opposition that will do and say whatever it takes to try to stop something that is overwhelmingly wanted by the Australian public. It is wanted by consumers; it is wanted by the regions; and it is supported by industry. The only ones who do not support it are those opposite, who are yet again demonstrating that they will put their own political interests above the needs of the Australian public and all those people who are crying out for super-fast internet access, who are quite stunned by the fact that the opposition would go to such extraordinary lengths to block it.

I can understand why the Liberal Party want to block it. They do not see the need for this because in their neck of the woods internet access is not an issue. If you go to east Sydney—for example, within the constituency of the member for Wentworth—you will not get the kinds of problems that are experienced in western Sydney or the regions. Editorials like those that appeared in the *Illawarra Mercury* rightly pointed out that the member for Wentworth is basically advocating second-class internet access. The *Illawarra Mercury* effectively said that the member for Wentworth was out of touch and was offering a second-class network option to the rest of Australia.

It is extraordinary to watch the Nationals. They are performing the greatest lemming-like manoeuvre in this parliament. They are strapping themselves to the Liberals' idea that they are okay with the access that they have at the moment but they will condemn the regions. National Party members come in here and say that they do not support the NBN and that they would rather have wireless. Then we had the member for Paterson come in here and say, 'We should support wireless, but I don't want the towers in my electorate'—as if this is going to be internet delivered by carrier pigeon. How do you de-

liver wireless without the towers? He is a Liberal representative within the regions. The Nationals are strapping themselves to the Liberals' vehement opposition. This is opposition for the sake of politics. It is not in the national interest. They tried 19 times to get this right and failed 19 times. We are trying to get this system in place and they refuse to support it.

It is worth going to some of the comment from the regions themselves. I want to take the House to some of the benefits that are recognised within the regions. Dr Jenny May, Chair of the National Rural Health Alliance, presented to the committee that I am a proud member of, the House of Representatives Standing Committee on Infrastructure and Communications. We are looking at the benefits that come from the NBN being rolled out in Australia. She said:

The introduction of universal high-speed broadband will make available everywhere a range of health services that are currently technically feasible but only available now where there is a point-to-point fibre. Currently, this excludes much of rural and remote Australia.

Real-time videoconferencing and transfer of digital images such as x-rays, CAT scans, zooming in on wounds or lesions and exchange of other information will make a tremendous difference in providing interactive emergency support, primary care and health care at home.

That is from the National Rural Health Alliance. National Party members say, 'We do not need it,' but the people in the know who are delivering health services in regions denied them, saying, 'We need this.' Who else? Charles Tym from Harbour IT Mudgee said, 'I think that Mudgee is a big enough town that it would be covered by the fibre rollout. Irrespective of how much the cost may or may not be, the NBN will be a truly revolutionary step forward in technology available to everyone.' In March this year, he said, 'Most people in Mudgee can get decent

broadband coverage at the moment of around 20 gig, but once you get out of town it starts to drop.'

Philip Lazenby, Bendigo Community Telco chief executive officer, welcoming the NBN business plan said,

We are proud of the part the Community Telco group has played in changing the competitive landscape of regional markets and look forward to working with NBN Co. to provide improved services to regional communities. The higher priced broadband in regional communities currently compared to the Metro area has long been a barrier for business growth and we are happy to see that barrier removed.

Delivered by this government and opposed by National Party members in the coalition.

**Ms Rowland**—Shame!

**Mr HUSIC**—Absolutely. It is a shame, as the member for Greenway rightly points out. Tim Williams, the author of *Connecting Communities*, said:

In the UK, rural areas stopped losing people, and are now attracting the successful back with high-speed broadband a key force in the comeback.

They are saying this in the UK, where the regions now do not lose their best and brightest. They are kept in the regions—decentralisation spurred by the provision of adequate high-quality, world-class infrastructure. We support it, the National Party oppose it. Why? It is because they are politically lock-step with the Liberal Party that already enjoys those benefits. National Party members, who are supposed to represent the interests of their own constituencies in this place, have failed, neglected and damned those communities because they remain committed to the Liberal Party plan, which is to deny people access to this infrastructure and to make them second-class citizens, as has been identified by media outlets in the regions.

The opposition have said that they need time to consult, that they have not had time, for example, to consider these amendments. They cannot use the weekend to read the amendments. They say, 'We haven't got the time and we need to consult.'

Let's turn to the industry view about the benefits of the NBN. Let us look at some of the quotes from industry about what the NBN will deliver for this country. I have mentioned the regional groups that see the benefit, but here we have Alan Noble, the Google engineering director, saying: 'We absolutely endorse the government's plans for NBN. It is the right move. We have the head of carrier relations at Internode saying, 'The entire DSL HFC ISP industry wants NBN to succeed. Malcolm Turnbull has a thankless task.'

In previous debates I have remarked that it is a pity to see people who can make a great contribution deliberately not doing so because they have been given the task 'to demolish something'. In his heart of hearts the member for Wentworth knows this is needed in this country not just in terms of the technology element but also in terms of delivering the competitive outcomes that were being denied as a result of previous policy where we had a public monopoly in Telstra basically created into a private gorilla laid out onto the streets of this nation able to do whatever it wanted or refuse to do what was required to upgrade the network.

Ziggy Switkowski, a former Telstra CEO, said back in 2009, 'The government decision to announce the creation of a fibre optic based National Broadband Network I think was an audacious and quite visionary commitment.' We have Intel's managing director, Philip Cronin, saying, 'This is the utility of the 21st century and it is as important to our future economy as transport infrastructure is

today.' Finally, we heard a quote from Optus earlier from Maha Krishnapillai, who said:

We hope that we can now move beyond the broadband debate and get on with the job of building a world class broadband network.

He also said:

... fibre is indisputably the best way to deliver high-speed broadband for the long term.

How many more industry quotes do you need? You have the regions wanting this. The regions have been let down by their National Party representatives, who fail to see the benefits of NBN because frankly those regional members from the coalition do not even understand the delivery platforms required for this.

You have industry saying they want the NBN and the opposition are still out there wanting to oppose it and coming in here amazingly saying, 'This has all been delayed, we should be getting on with the job, why has the government failed to do it?' The reason is simple. We are here now. If you want evidence, we have been called back to this parliament to debate this, when it should have been done last week. Why? Because the opposition in the Senate was trying to do everything it could to delay it. Today the opposition have sought to repeat that effort in the House.

Let me go on to some of the other red herrings the opposition have put out that I think need to be tackled. We have for instance the opposition asking the question—and they know the answer and refuse to state it publicly: why did we go from a \$5 billion network to a \$43 billion one? The answer is simple. As I have previously remarked in the House, they know that when we went out and called for industry to participate in this, the biggest component of the industry, Telstra, refused to play ball because Sol Trujillo figured that the best thing to do was to put in a five-page response to the government's call

for industry involvement in the biggest infrastructure plan we had for this country. When it became clear that Telstra was not going to meaningfully participate in this, we had to take it to another level to get the job done—the job that the opposition failed to complete, not once, not twice, but 19 times. They were unable to put in place in this country a plan that would work—so we had to go to that level. They always fail to mention that point.

We have had, for example, this call for a list of reports. The opposition frequently will call for a list of reports on justifying the NBN. Despite the fact that consumers, industry and the broader public want this, they fail to come up with it. This is not to do with the fact that there have not been enough reports. There have been ample reports—reports by McKinseys and reports that were tabled throughout the tail end of last year. This is not a case of their not having the reports; they do not have the one that they want. They want the answer that justifies their position and if they do not get it they will keep trying to undermine it and find some way to do it. Frankly, they undermined their own arguments, and the broader public's view of the credibility of those arguments, because people realise that the opposition oppose for the sake of opposing. They do not weigh up merit or all the other points. They will oppose this no matter what.

Regarding their other comments, I noted the defence of Campbell Newman, the outsourced leader of the coalition in Queensland. It is apparent that when the opposition cannot get policy at the federal level they outsource it to One Nation or any other fringe group that might have some hare-brained idea that might stand as policy. But, now, when they do not have the people within to do it, they outsource their leadership. I will be interested to see if the Queensland condition comes to Canberra for the coalition. I wonder who they would be able

to get to outsource their leadership—leadership by mobile telephone and SMS. They will be sitting in question time getting SMSs. Campbell Newman says, 'The buck stops with me.' He will be sitting outside the parliament directing the way that the coalition, or the L-NP in Queensland, should operate. I noted that one of my colleagues was trying to defend Campbell Newman by saying that he did not actually support this model of NBN. He wanted to push fibre through sewerage networks. And how is that plan going by the way? It does not seem to be going many places. But, again, this is what constitutes policy on their side. It is not legitimate policy or considered policy. This is politics. It is about blocking what is good for Australia, because their political interest is about trying to create a division between the Independents, who recognise the benefit of this policy because their own constituents tell them that. People I have quoted today have indicated that. This is simply about their trying to drive a wedge, regardless of what is required in the national interest, and waste our time here today and ignore the overwhelming majority of Australians who want this, all because it serves their interests and not the nation's interest.

**Mr OAKESHOTT** (Lyne) (1.41 pm)—I welcome the opportunity to talk on what is the most important policy area that this parliament will deal with over the next three years and, I suspect, in all our time in this parliament. I start with the following quote:

I look forward to working with the minister and members on communications. It is reprehensible that I visited a year 9 school student from Camden Haven High School during the election campaign, living in a relatively urbanised location, who was still on dial-up, technology that is 15 years off the pace; or the farmer five minutes from the centre of Taree who not only had to dial up but had to dial up over 50 times to download just four pages due to dropouts. I acknowledge that there are options to upgrade, but they are



currently offered at a cost that is out of the range of an area whose income levels are so low.

This is as much an issue of financial disadvantage as it is one of technology disadvantage. This disadvantage combination is lethal in locking out large groups within the community from services that people in metropolitan areas simply take for granted. Indeed, as I reflect on the importance of lifting education standards within our region and I reflect on the importance of our region starting to engage more heavily than ever before with the rest of Australia and the world, this is the single most important project the government can deliver to allow us to assist ourselves.

I said that in 2008, in my first speech to this parliament, and it was said in the context of NBN not even being a concept that was invented. The term at the time was ICT—information and communication technology. The point, however, is exactly the same. Despite on the weekend many changed circumstances in politics at a state level and despite the many changed circumstances in this parliament—a tight parliament where every vote now matters and there are lots of people now listening to what the crossbenchers do or think—my values are exactly the same. The issues that I am working on are exactly the same. Information and communication technology is in vital need of improvement in regional and rural Australia—if it is now branded by the term NBN, the National Broadband Network, then bring it on. That has not changed and should not change, and I would hope everyone in this chamber is supportive of that basic concept of seeing improvements.

This is an important part of the agreement reached with government over the last six months. I hope that they continue to deliver on this important rollout. There has been some debate over the last 48 hours that I will come to about uniform pricing. But it is important that this happens, and I am comfortable with the fact that we have recalled the parliament to get the job done. I note the ar-

guments about process that the member for Bradfield and the member for Sturt, who is the chamber, raised. But I also go back to the point that the member for Sturt used in his speech on this very legislation, and that is that when this first came through a deal was done between the two major parties to rush it through the lower house on commercial grounds. It does not cut it, therefore, that on the way back they want to use a process argument. If a lesson should be learnt from this it is that we should deal with things upfront with due process without deals being done behind the chair. That would allow us to work through the many issues involved in these kinds of things. A deal was done involving the coalition and that went wrong and we have all had to work hard over the weekend to make things happen.

I also pick up the comment by the member for Bradfield, who gave a ringing endorsement of the work of the Independent senator, Nick Xenophon, in working through the many issues involved in dealing with this legislation. In light of the weekend and in light of two months in which there has been enormous criticism from the coalition with regard to the worth of Independents in areas like mine, it was a pleasure—and it was certainly appreciated—to hear a Liberal member of parliament talking the truth. Every member of parliament, regardless of their political persuasion, can and should play a role in this chamber. Last week, Senator Xenophon was an example of that. I was pleased to see the courage shown in this chamber by the member for Bradfield in endorsing the work done by those members and senators not within the Liberal Party. We all need to look after each other in promoting the role that members of parliament play. While politics has its place in winning the ballot box, I hope that we do not go down the path in this country of dragging the profession down. We are at a point in time when

there is a great danger of division winning out over any particular outcomes that are in the national interest. So I thank the member for Bradfield for endorsing the role that all members of parliament and, in this case, Senator Nick Xenophon, can play.

I also want to acknowledge the contribution of the member for Cowper, who until now has been absolutely critical of everything to do with the National Broadband Network—even though Coffs Harbour, in his electorate, was one of the first roll-out sites. He has been merciless in kicking everything about the National Broadband Network. I was therefore thrilled today to hear his contribution—despite some of the inconsistencies, with the NBN still being called a white elephant—focus on the policy detail around uniform pricing and equity of pricing. He even went to the point of putting forward an amendment to try and lock in equity of pricing as a key principle for regional and rural Australia. Halleluiah! It is a breakthrough that we are now seeing members of the National Party coming to the party and recognising the importance of ICT and the National Broadband Network in improving the lives of all Australians. I welcome that and will consider his amendment on its merits. If nothing changes, I hope to support that amendment that has been put before the House.

Going to some of the many amendments put during last Thursday and the Friday in the Senate, I want to endorse the work of Senator Xenophon. Important changes have been put into the legislation, such as making sure that limited price discrimination takes place and that differential pricing to different carriers is handled. Points about interconnectedness were put forward and there has been a vetoing of that power throughout the legislation, with the referral of those issues to the ACCC. I note that Telstra has some concerns about that, which only says to me

that this is not just a dirty little backroom deal between Telstra and government and that there are amendments that have been picked up by the Senate that make sure that this rollout is in the community's best interests, not just Telstra's best interests. That is a sensible amendment that has been accepted by the Senate.

The overall review of NBN Co. generally to make sure that there is no abuse of power and giving the ACCC more power to do with the bundling of services are important oversight amendments that will work for the community and consumers. Bundling is a story that government has not sold as well as it should have. Bundling is a key component of what we are talking about with regard to why we are doing what we are doing. This has been lost in the wash of cost-of-living pressures and electricity prices and potentially more costs in terms of the use of computer and internet services. I ask the community to reflect on the concept of bundling and for people to start to look at all their bills together and start to roll them into the one bill. Hopefully, that will help make the point that an NBN rollout will allow you to bundle all of those services into the one bill that is substantially cheaper than the sum of all the individual bills. I ask people to reflect more on this concept of bundling, and I ask government to, in its own interests, sell the concept of bundling a lot better than it has done in the past.

I also am accepting of the amendment with regard to cross-subsidisation, so that it is only allowed for the purposes of achieving uniform national pricing across geography. This uniform pricing was a key element, and it remains a key element, of the agreement with government on behalf of the member for New England and me. This uniform pricing at a wholesale level, within technology, is an important commitment that has been made. I do note that the government has con-

sistently stated that its policy is for uniform national wholesale pricing for the services over the NBN, and that NBN Co. will be delivering a 12 megabits per second service to all Australians at the same wholesale price of \$24 regardless of location or technology. That is an important commitment that has been made by government. I know there have been some attempts over the last week or two to try and muddy that water, and try and imply that there has been a breach of an agreement. But, on all the evidence I have, on all the communication I have with government, that agreement sticks. I think for regional and rural Australia that is a significant result in how we deliver ICT improvements and how we as a country start to engage all Australians in innovation, entrepreneurship and opportunities for the better delivery of a whole range of government services, whether education, health or you name it.

So this policy of a uniform national wholesale price over the NBN is explicit in the government's commitment to regional Australia of 7 September last year. And it does put in place a cross-subsidy to achieve uniform national wholesale pricing, so people in regional areas can pay the same price as people in the city. As that statement said, for the first time wholesale broadband prices will be the same for households and businesses regardless of where they are located. That is a significant change for Australia. It does beg the political question: why on earth has it not happened before? No other government has made such a substantial commitment. No other agreement has ever been able to be reached in that regard to new telecommunications services to all Australians, as far as I am aware of, going back to the 1940s. So the government's policy on uniformity of wholesale prices is manifested in commercial decisions made by NBN Co. and is reflected in its corporate plan, by other

policy decisions made by government, by advice and regulatory decisions made by the ACCC to implement the policy—and in the NBN access bill before the parliament right now. It is explicit, it is now being codified, it is being delivered. I think that is a substantial outcome for regional Australia and one that I hope is acknowledged by all members in this chamber.

There is an issue of dispute about future technologies—I acknowledge that. I think there are going to be some amendments put forward, again by the coalition, that I will look at in that regard. But, currently, technology and practical constraints do mean that the wireless and satellite networks are limited to the entry-level point of 12 megabits per second downlink and one megabit uplink. The next generation wireless and satellite technologies used to deliver these services to the last seven per cent of Australians represent a step-change in broadband technology over what is presently available in regional and rural Australia and are at the threshold of what is operationally feasible for NBN Co. to deploy. However, the statement of expectations clearly sets out the agreement and the expectations for uniform pricing, that NBN Co. will upgrade services over time and demonstrate that the functionality and performance of its services are meeting demand and supporting innovation across all technology platforms. What that means in practice is that higher speeds are operationally feasible. It is intended that they will also be offered at uniform national wholesale prices. Again, that is a commitment that we now have in writing. I think it is going to be mentioned in speeches from government. Again, I will look very closely and hope to support, if there have been no changes, the member for Cowper's amendment. But I think we do need to make sure everyone sticks to that agreement. Again, I do not see any evidence to suggest there is

not; there is intent. I think we are all finding a different way to get there—and I would hope that that intent is honourable, and that the coalition amendment is honourable. If the government do need to accept that, I hope it is not the showstopper that they may argue it is, that we do start to lock down that uniform wholesale pricing, not only for today but into the future as well. (*Time expired*)

**Mr PYNE** (Sturt) (1.57 pm)—Mr Deputy Speaker, I wish to make a personal explanation.

**The DEPUTY SPEAKER (Mr KJ Thomson)**—Does the honourable member claim to have been misrepresented?

**Mr PYNE**—Yes, and I am sure quite inadvertently.

**The DEPUTY SPEAKER**—Please proceed.

**Mr PYNE**—The member for Lyne suggested that the coalition made a deal with the government to get these bills passed last Wednesday, and that therefore somehow we had joint culpability for having to be back here today to debate it. I simply make the point that, as I said in my speech, I was misled, and I have given the Leader of the House the benefit of the doubt that he was misled, about the controversial nature of these bills by the minister for communications. When the Leader of the House mentioned to me on Wednesday that these bills needed to be got through, he told me they were not controversial—and I assume he thought they were not controversial—but then the amendments were moved after that.

**Mr ALBANESE** (Grayndler—Leader of the House) (1.58 pm)—Mr Deputy Speaker, I wish to make a personal explanation.

**The DEPUTY SPEAKER (Mr KJ Thomson)**—Does the honourable member claim to have been misrepresented?

**Mr ALBANESE**—Yes, I do—

**The DEPUTY SPEAKER**—Please proceed.

**Mr ALBANESE**—by the Manager of Opposition Business, in his attempt to verbal me while I was outside the chamber. The fact is that it is normally the case that we receive bills back from the Senate. The judgment was made, correctly, to come back here on Monday because, as did occur, the Senate sat until late Friday evening. So, had we not made that decision, we would have been back here on the Saturday. With regard to the nature of these bills, what is not controversial, and what there is no dispute over, is that a majority of this House support the National Broadband Network. And we will see that again when the votes are held later today.

**The DEPUTY SPEAKER**—Order! I think it is time we returned to the bill. The question is that the amendments be considered immediately.

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (1.59 pm)—It is a great pleasure to speak to the National Broadband Network Companies Bill 2010 and to follow the member for Lyne. I often wonder how it is that members of the National Party in this chamber can claim to represent regional Australia and yet be opposed to important breakthroughs for regional Australia such as this NBN. It is great to see that the member for Lyne and the member for New England have stood up and been counted in this effort.

It really does disappoint me when I regularly hear comments on the other side such as: ‘Why would we spend this amount of money to enable people to download movies?’ I hear that time and time again. I hear it from Senator Barnaby Joyce, I have heard it from the member for Dawson, and of course we hear it also from the Leader of the Opposition. He is the man who presented new pol-

icy which was meant to clean up the 18 failed attempts from the coalition during those 12 lost years of the Howard government, the Rip Van Winkle years, of burying their heads in the sand on technology. The Leader of the Opposition was asked on *The 7.30 Report*, 'Can you explain this policy of yours?' He said, 'Well, Kerry, I'm not a tech head.' What kind of a comment is that from a Leader of the Opposition who is attempting to present a credible policy on communications to this country? That is completely unacceptable and it proves how little he understood the importance of this legislation and this plan. I have heard him say that he has seen people on the Manly ferry using laptops and mobile phones, so that must be okay. If you can send emails and ring people up from the Manly ferry, everything must be okay in the world.

I would love for Mr Abbott, the Leader of the Opposition, to come and visit some of my regional areas and tell them that everything is okay and that wireless would have solved their problems and met their needs. When the coalition put forward a proposal in relation to the famous OPEL plan, they put out their maps for the region of Eden-Monaro and it was highly amusing to see that they had to withdraw those maps within two days, because they had not taken into account things like mountains and vegetation. Funnily enough, the projections they made for the coverage of their wireless network in OPEL was completely fallacious and that was why they had to pull those maps in. They would not have served our region; they would not have done us the slightest bit of good—withstanding the other technological flaws such as the fact that the network would have been interfered with by garage door openers, child-minding devices et cetera. It was a totally failed policy initiative, and we have seen that failure continue as a tradition in the coalition, letting this

country down. There is no question that it lets regional Australia down.

In my own region, our farmers are keen to see a reliable national broadband network, because it will assist them in online sales and futures trading. A lot of them were already in the process of trying to work this through with Telstra before the coalition came up with their failed OPEL plan. This measure is very important for futures trading and online sales, because it also helps with biosecurity. If people on the land do not have to bring their cattle to saleyards, they avoid not only the expense of bringing their cattle but also the transfer of diseases that often happens in saleyards, such as the transfer of Ovine Johne's disease, and also the movement of weed seeds around Australia. All those possibilities are out there, but they need highly capable broadband speeds because it all revolves around being able to upload a lot of high-definition video to make that possible.

I met with people back in 2007 like a man who produced video files for advertising agencies. He wanted to live in Batlow, but the trouble was that he would have to phone up, hook up of a night and upload highly dense media files—which would take all night to get through, if that connection lasted all night. Normally business people will just not put up with that. They need more reliable connections to be able to operate. He was only living there because he was passionate, but it shows you the potential for businesses located in the regions if you have a reliable high-speed connection.

If we are talking about the potential for business in regions, I can cite an example that came to me just recently. A company was proposing to set up a call centre in the port of Eden, where there have been recent economic issues. We need to boost the opportunities in that town. They made it very clear to me that the number of people they

could employ in such a call centre was directly related to the speed of their connection. They presented to me a chart which showed connection speeds on one side and, on the other side, numbers of people that they could employ. At the top of the list it showed that if they could get 20 megabits per second they could employ 50 people, and it went down that list. The slower the connection speed, the fewer people they could employ. We cannot get that throughout my region, and wireless will not deliver that either. Only fibre to the premises, fibre to the business, will deliver that kind of speed—and speeds well beyond that, so that things that are not within our imagination will be possible.

The coalition want to put straitjackets on our business and straitjackets on our kids. When we talk about our kids, I think very much about education in my region. Throughout my region now it is very difficult for children to receive language education because of the dispersal of our education system in rural and regional Australia. They cannot get all the language training that they would like. But with the National Broadband Network, I can have a school in Jindabyne connected with a school in Moruya and being taught by a language teacher in Sydney. The kids will be able to take virtual field trips. They will have a whole world of educational possibilities opened up to them. That human resource in the bush is not being exploited now, because we do not have that sort of access. It is a crime that we do not enable our kids and our entrepreneurs and the people with all that potential in rural and regional Australia to benefit a nation with a small population, as we have. We cannot afford to waste that human potential.

Health is so critical to rural and regional Australia, and we have seen so many possibilities that can be achieved through the delivery of telemedicine. It forms the basis of

many proposals that are being put forward now by institutions from my region. It forms a critical element of the Jindabyne super-clinic that we are proposing and also the ANU's proposals for health services in our regions.

It also offers us huge potential in relation to agriculture practices. A survey conducted by Access Economics highlighted the benefits of smart systems irrigation which could be applied in the Murray-Darling Basin, reducing water use by 15 per cent and increasing the net present value of GDP by \$420 million to \$670 million over 10 years and the creation of 800 jobs just across the Murray-Darling Basin alone.

In order to make smart systems effective, you need the NBN underpinning that sort of technology. The NBN will allow the data from smart systems to be used more effectively. I notice Access Economics estimated that the benefits of a less ambitious NBN agenda in national fibre-to-the-node broadband would increase net present value by \$8 billion to \$23 billion in this country over 10 years and create 33,000 jobs by 2011. Imagine how much more we will achieve through the full capacity that this government is presenting.

People do not have to take my word for it. One of the important journals in this country which regularly analyses business information, productivity and investment is the *Australian Financial Review*. There has been a steady stream, a drum beat of reporting in the *Australian Financial Review* about the essential nature of this NBN. One headline says 'NBN stimulates investment in research'. This is not the Socialist Alliance; this is the *Australian Financial Review*. This analysis has pointed out that research staff in regional Queensland and New South Wales, following deals with local state government, would create about 300 new jobs from the invest-

ment of large companies like IBM and Hewlett-Packard taking advantage of the NBN spine. They have stated that it would be a big incentive for technology services companies to back the NBN and that it will give them access to skilled staff in regional areas where wage pressures are much lower than in Sydney and Melbourne amid a chronic shortage of skilled staff in major cities. There is also potential for new integrated development centres at the University of Wollongong creating 250 new positions with investment by Hewlett-Packard and their subsidiary MphasiS, and their investment in rural and regional Australia would be enormous, as highlighted in this article. The MphasiS Australia-New Zealand director Sudhir Mathur said:

What the NBN delivers to the country is obviously good because it enables organisations like us to have confidence in the backbone of the infrastructure that is provided in the country is something that will do us good.

IBM's expansion will lead to the creation of about 34 new jobs at the Gold Coast research labs in Queensland. The benefits for investment in research and development in this country are obvious. Then the *Australian Financial Review* followed up with another headline: 'Why business needs the NBN'. Raymond Garrand in this article of 29 November 2010 talked about the use that business is now making of e-learning, an incredibly important productivity tool. Fifty per cent of employers now use e-learning as part of their employee training—up from 40 per cent in 2009. There is more evidence that this is a huge benefit to the bottom line of companies. On a vocational education and training front its introduction is expected to deliver social and economic benefits and drive Australia's productivity and competitiveness on a global scale. For Australian business it represents an unprecedented opportunity for innovation and radical changes

to the way learning and training are conducted.

Another headline in the *Australian Financial Review* says, 'NBN's health benefits are clear'. There is absolutely no question about that. If we look at my own region and the distances people have to travel to obtain analysis, advice, support from specialists and diagnosis, all of this will be reduced if the NBN can be rolled out and plugged into our health facilities right around the region. Paul Smith talked to David Ryan, the Chief Information Officer with Grampians Rural Health Alliance—someone who should know something about this subject, unlike most members of the coalition. He just wants 'the arguing to stop and for the network to be built and built fast'. His region has already benefited from a \$20 million federal government investment in technology and has been an early adopter of the kind of widespread videoconferencing touted as a major advancement in health care in a post-NBN world. It has established a videoconference network linking clinicians and resources and more than 40 health facilities in western Victoria. Ryan says that the NBN will underpin much wider adoption of improved communication across the healthcare sector and needs to be introduced so that inequality in available health care can be averted. Ryan says:

It is so frustrating to hear the arguments about business returns on the NBN investment. The use case is there in health alone. Wireless caps out. Every technology other than fibre currently has a limit whereas fibre is the speed of light.

GRHA has worked with Unified Communications vendor iVision on its videoconferencing plans and says many of the questions being raised by those doubting the uptake of remote diagnosis have been answered in its operation.

So the case is very clear across the entire spectrum of the potential services that the NBN can deliver. I would argue, too, in relation to the investment in what might be a

technology capture—in other words, a freeze in the technology now and this investment will deny that application of future technologies.

Albert Einstein discovered long ago that there is nothing faster in this universe than the speed of light at 300,000 kilometres an hour. Where we will be insulated is in that basic technology spine for the delivery of the NBN. Where technology changes can happen is on the boxes that will strap onto the end of that fibre network. The technology itself will deliver for us speeds of 1,000 megabits per second, well beyond the current imagination of those who would use this technology, and that is the biggest thing. Einstein said:

Imagination is more important than knowledge. For knowledge is limited to all we now know and understand, while imagination embraces the entire world and all there ever will be to know and understand.

That is the essence of what we are talking about today—the unleashing of the potential of this nation and, in particular, rural and regional Australia. On the opposite side of this chamber we see people who would use straightjackets and shackles and deny our children and our people who want health services, and deny our entrepreneurs to take this country forward to achieve productivity benefits beyond the imagination of those opposite. I ask them to lead, follow, or just get out of the way.

**Mr ALBANESE** (Grayndler—Leader of the House) (2.14 pm)—I rise to close this debate on whether we can have a debate or not. I do so because of the actions of those opposite, who at 10 o'clock this morning, after four days to prepare any amendments or changes that they wanted to make to the legislation, were supposed to come in here and advance their arguments in favour of them. Normally what happens with legislation is that it returns from the Senate and is dealt with immediately. This is, in fact, a very long

period of time for amendments to be able to be considered by the opposition. Yet, in spite of that, not only did they not have their amendments ready here this morning; they filibustered and had a debate over whether indeed we would even consider legislation and the amendments from the Senate, which is what is before the House today.

We believe that this resolution should be carried and that the legislation should be considered. We believe that 12 years of delay, prevarication and the contradictory plans which the coalition had in government is delay enough when it comes to dealing with high-speed broadband for Australia. Indeed, the Competitive Carriers' Coalition put out a press release today calling on the House of Representatives to support the NBN bill. The Competitive Carriers' Coalition today announced that amendments to the NBN bills now address the issues of concern that it had raised, principally being the need to remove all access pricing discrimination opportunities, be they volume or efficiency based. According to a CCC spokesperson:

We are comfortable with the tightening of the 'cherry picking' prohibitions and understand that these are needed to support the NBN business case and the notion of regulated monopoly. In balancing the benefits to the competitive sector of moving the reform and NBN processes forward versus the risks of delay and a fundamental derailing of reform, it is our view that the Bill ought to be supported.

The fact is that those opposite have attempted every strategy there is to stop the nation-building infrastructure that the NBN represents going forward in an extraordinary fashion.

What they are trying to do here today as well is have some amendments carried so that then the Senate will have to be recalled, and then we, the House of Representatives, will have to be recalled to consider those decisions. They are determined to delay at



any point. What they have not been prepared to do is debate the substance of the amendments that have been moved to the legislation in the Senate. We have now been sitting for more than four hours—

*Honourable members interjecting—*

**The DEPUTY SPEAKER (Mr KJ Thomson)**—Order! Members will stop interjecting. The Leader of the House has the call.

**Mr ALBANESE**—without dealing with any of the substantial issues before the parliament today. Indeed, we had a motion for a suspension of standing orders this morning that was not even in order. That says it all about those opposite and their failure to deal with substance and their reliance upon opposition and rejection.

I assume that the opposition will not be dividing on this motion, given the rhetoric of the Manager of Opposition Business.

*Mr Pyne interjecting—*

**Mr ALBANESE**—He says that they are dividing on it, even though they say they want to get on with the debate. The contradiction is extraordinary. They want to keep going. My motion should be carried by this House and then we should debate the substance before the House, which is the legislation that has been amended by the Senate. It is important legislation. It should be carried. I commend the resolution to the House.

Question put:

That the motion (**Mr Albanese's**) be agreed to.

The House divided. [2.23 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	68
Noes.....	<u>65</u>
Majority.....	<u>3</u>

**AYES**

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bowen, C.	Bradbury, D.J.

Burke, A.E.  
 Byrne, A.M.  
 Cheeseman, D.L.  
 Collins, J.M.  
 Crean, S.F.  
 Danby, M.  
 Ellis, K.  
 Ferguson, L.D.T.  
 Fitzgibbon, J.A.  
 Georganas, S.  
 Gillard, J.E.  
 Griffin, A.P.  
 Hayes, C.P. \*  
 Jones, S.  
 Kelly, M.J.  
 Leigh, A.  
 Macklin, J.L.  
 Melham, D.  
 Murphy, J.  
 O'Connor, B.P.  
 Oakeshott, R.J.M.  
 Perrett, G.D.  
 Ripoll, B.F.  
 Rowland, M.  
 Rudd, K.M.  
 Shorten, W.R.  
 Smith, S.F.  
 Snowdon, W.E.  
 Symon, M.  
 Vamvakinou, M.  
 Windsor, A.H.C.

Butler, M.C.  
 Champion, N.  
 Clare, J.D.  
 Combet, G.  
 D'Ath, Y.M.  
 Elliot, J.  
 Emerson, C.A.  
 Ferguson, M.J.  
 Garrett, P.  
 Gibbons, S.W.  
 Grierson, S.J.  
 Hall, J.G. \*  
 Husic, E.  
 Katter, R.C.  
 King, C.F.  
 Lyons, G.  
 McClelland, R.B.  
 Mitchell, R.  
 Neumann, S.K.  
 O'Neill, D.  
 Owens, J.  
 Plibersek, T.  
 Rishworth, A.L.  
 Roxon, N.L.  
 Saffin, J.A.  
 Sidebottom, S.  
 Smyth, L.  
 Swan, W.M.  
 Thomson, K.J.  
 Wilkie, A.  
 Zappia, A.

**NOES**

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Briggs, J.E.
Broadbent, R.	Buchholz, S.
Chester, D.	Christensen, G.
Cobb, J.K.	Coulton, M. *
Crook, T.	Dutton, P.C.
Entsch, W.	Fletcher, P.
Forrest, J.A.	Frydenberg, J.
Gambaro, T.	Gash, J.
Griggs, N.	Hartsuyker, L.
Hawke, A.	Hockey, J.B.
Irons, S.J.	Jensen, D.
Jones, E.	Keenan, M.
Kelly, C.	Laming, A.
Ley, S.P.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
Matheson, R.	McCormack, M.

Mirabella, S.	Morrison, S.J.
Moylan, J.E.	Neville, P.C.
O'Dowd, K.	Prentice, J.
Pyne, C.	Ramsey, R.
Randall, D.J.	Robb, A.
Robert, S.R.	Roy, W.
Ruddock, P.M.	Scott, B.C.
Secker, P.D. *	Simpkins, L.
Smith, A.D.H.	Southcott, A.J.
Stone, S.N.	Tehan, D.
Truss, W.E.	Tudge, A.
Turnbull, M.	Van Manen, B.
Vasta, R.	Washer, M.J.
Wyatt, K.	

## PAIRS

Dreyfus, M.A.	Schultz, A.
Marles, R.D.	Baldwin, R.C.
Thomson, C.	Hunt, G.A.
Burke, A.S.	Somlyay, A.M.
Parke, M.	Ciobo, S.M.
Gray, G.	Slipper, P.N.
Livermore, K.F.	O'Dwyer, K.
Brodtmann, G.	Haase, B.W.

\* denotes teller

Question agreed to.

*Senate's amendments—*

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

2. Sections 3 to 98	The later of:
	(a) the start of the day after this Act receives the Royal Assent; and
	(b) immediately after the commencement of item 2 of Schedule 5 to the <i>Trade Practices Amendment (Australian Consumer Law) Act (No. 2) 2010</i> .

2A. Section 98A	22 March 2011.	22 March 2011
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2B. Sections 99 to 101	The later of:
	(a) the start of the day after this Act receives the Royal Assent; and
	(b) immediately after the commencement of item 2 of Schedule 5 to the <i>Trade Practices Amendment (Australian Consumer Law) Act (No. 2) 2010</i> .

- (2) Clause 10, page 15 (after line 17), after subclause (1), insert:

(1A) Paragraph (1)(a) does not apply to a carriage service supplied to Airservices Australia unless the carriage service is supplied on the basis that Airservices Australia must not re-supply the carriage service.

- (3) Clause 10, page 15 (after line 28), after subclause (2), insert:

(2A) Paragraph (2)(a) does not apply to a carriage service supplied to a State or Territory transport authority unless the carriage service is supplied on the basis that the State or Territory transport authority must not re-supply the carriage service.

- (4) Clause 10, page 16 (after line 5), at the end of the clause, add:

(4) Paragraph (3)(a) does not apply to a carriage service supplied to a rail corporation unless the carriage service is supplied on the basis that the rail corporation must not re-supply the carriage service.

- (5) Clause 11, page 16 (line 7), before “Section”, insert “(1)”.
- (6) Clause 11, page 16 (after line 15), at the end of the clause, add:
- (2) Paragraph (1)(a) does not apply to a carriage service supplied to an electricity supply body unless the carriage service is supplied on the basis that the electricity supply body must not re-supply the carriage service.
- (7) Clause 12, page 16 (line 17), before “Section”, insert “(1)”.
- (8) Clause 12, page 16 (after line 26), at the end of the clause, add:
- (2) Paragraph (1)(a) does not apply to a carriage service supplied to a gas supply body unless the carriage service is supplied on the basis that the gas supply body must not re-supply the carriage service.
- (9) Clause 13, page 16 (line 28), before “Section”, insert “(1)”.
- (10) Clause 13, page 17 (after line 4), at the end of the clause, add:
- (2) Paragraph (1)(a) does not apply to a carriage service supplied to a water supply body unless the carriage service is supplied on the basis that the water supply body must not re-supply the carriage service.
- (11) Clause 14, page 17 (line 6), before “Section”, insert “(1)”.
- (12) Clause 14, page 17 (after line 13), at the end of the clause, add:
- (2) Paragraph (1)(a) does not apply to a carriage service supplied to a sewerage services body unless the carriage service is supplied on the basis that the sewerage services body must not re-supply the carriage service.
- (13) Clause 15, page 17 (line 15), before “Section”, insert “(1)”.
- (14) Clause 15, page 17 (after line 24), at the end of the clause, add:
- (2) Paragraph (1)(a) does not apply to a carriage service supplied to a storm water drainage services body unless the carriage service is supplied on the basis that the storm water drainage services body must not re-supply the carriage service.
- (15) Clause 16, page 17 (line 26), before “Section”, insert “(1)”.
- (16) Clause 16, page 17 (after line 32), at the end of the clause, add:
- (2) Paragraph (1)(a) does not apply to a carriage service supplied to a State or Territory road authority unless the carriage service is supplied on the basis that the State or Territory road authority must not re-supply the carriage service.
- (17) Clause 24, page 21 (line 18), after “Communications Minister”, insert “and the Finance Minister”.
- (18) Clause 24, page 22 (lines 9 and 10), omit subclause (4).
- (19) Clause 48, page 39 (line 31), omit “30 June 2018”, substitute “31 December 2020”.
- (20) Page 79 (after line 22), after clause 98, insert:
- 98A Exemption from stamp duty—matters related to the creation, development or operation of the national broadband network**
- (1) In this section:
- category A designated matter* means any of the following matters:
- (a) an action taken by Telstra to cease to supply fixed-line carriage services to customers using a telecommunications network over which Telstra is in a position to exercise control, where:
- (i) under section 577BA of the *Telecommunications Act 1997*, the action is authorised for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010*; and

- (ii) the cessation relates to the creation, development or operation of the national broadband network;
- (b) an action taken by Telstra to commence to supply fixed-line carriage services to customers using the national broadband network, where, under section 577BA of the *Telecommunications Act 1997*, the action is authorised for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010*;
- (c) the receipt of money by a person in respect of a matter covered by paragraph (a) or (b);
- (d) an agreement that:
- (i) is between Telstra and an NBN corporation; and
- (ii) relates to a matter covered by paragraph (a) or (b);
- where, at the time when the agreement is entered into, an undertaking is in force under section 577A of the *Telecommunications Act 1997*;
- (e) an agreement that:
- (i) is between Telstra and an NBN corporation; and
- (ii) relates to a matter covered by paragraph (a) or (b);
- where the operative provisions of the agreement are subject to a condition precedent, namely, the coming into force of an undertaking under section 577A of the *Telecommunications Act 1997*.
- category B designated matter** means any of the following matters:
- (a) the transfer, from Telstra to an NBN corporation, of:
- (i) a conduit, wire or cable; or
- (ii) any equipment, apparatus or other thing used, or for use, in or in connection with a conduit, wire or cable;
- where:
- (iii) under section 577BA of the *Telecommunications Act 1997*, the transfer is authorised for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010*; and
- (iv) the transfer relates to the creation, development or operation of the national broadband network;
- (b) the giving to an NBN corporation, by Telstra, of access to a facility owned or operated by Telstra, where:
- (i) under section 577BA of the *Telecommunications Act 1997*, the giving of the access is authorised for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010*; and
- (ii) the access relates to the creation, development or operation of the national broadband network;
- (c) the giving to an NBN corporation, by Telstra, of access to a site:
- (i) owned, occupied or controlled by Telstra; and
- (ii) on which there is, or is proposed to be, situated a facility;
- where:
- (iii) under section 577BA of the *Telecommunications Act 1997*, the giving of the access is authorised for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010*; and
- (iv) the access relates to the creation, development or operation of the national broadband network;
- (d) the supply to an NBN corporation, by Telstra, of an eligible service, where:
- (i) under section 577BA of the *Telecommunications Act 1997*, the supply of the service is authorised for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010*; and

- (ii) the supply of the service relates to the creation, development or operation of the national broadband network;
- (e) the receipt of money by a person in respect of a matter covered by paragraph (a), (b), (c) or (d);
- (f) an agreement that:
- (i) is between Telstra and an NBN corporation; and
- (ii) relates to a matter covered by paragraph (a), (b), (c) or (d);  
where, at the time when the agreement is entered into, an undertaking is in force under section 577A of the *Telecommunications Act 1997*;
- (g) an agreement that:
- (i) is between Telstra and an NBN corporation; and
- (ii) relates to a matter covered by paragraph (a), (b), (c) or (d);  
where the operative provisions of the agreement are subject to a condition precedent, namely, the coming into force of an undertaking under section 577A of the *Telecommunications Act 1997*.
- facility** has the same meaning as in the *Telecommunications Act 1997*.
- fixed-line carriage service** has the same meaning as in section 577BC of the *Telecommunications Act 1997*.
- Telstra** has the same meaning as in the *Telstra Corporation Act 1991*.
- Category A designated matters*
- (2) Stamp duty or other tax is not payable under a law of a State or Territory in respect of:
- (a) a category A designated matter; or
- (b) anything done (including a transaction entered into or an instrument or document made, executed, lodged or given) because of, or for a purpose connected with or arising out of, a category A designated matter.
- (3) Subsection (2) ceases to have effect 24 months after the day on which the Communications Minister makes a declaration under section 48 that, in the Communications Minister's opinion, the national broadband network should be treated as built and fully operational.
- Category B designated matters*
- (4) Stamp duty or other tax is not payable under a law of a State or Territory in respect of:
- (a) a category B designated matter; or
- (b) anything done (including a transaction entered into or an instrument or document made, executed, lodged or given) because of, or for a purpose connected with or arising out of, a category B designated matter.
- (5) Subsection (4) ceases to have effect when the Communications Minister makes a declaration under section 48 that, in the Communications Minister's opinion, the national broadband network should be treated as built and fully operational.
- Position to exercise control of a telecommunications network*
- (6) For the purposes of this section, the question of whether Telstra is in a position to exercise control of a telecommunications network is to be determined under Division 7 of Part 33 of the *Telecommunications Act 1997*.
- Transitional—definitions etc.*
- (7) For the purposes of this section, assume that:
- (a) sections 5 to 7; and
- (b) section 93; and
- (c) Schedule 1;  
had been in force throughout the period:
- (d) beginning at the commencement of this section; and
- (e) ending at the commencement of section 5.

(21) Page 81 (after line 2), after clause 100, insert:

**100A Review of operation of the Freedom of Information Act 1982 so far as that Act relates to documents of NBN Co**

- (1) Before the first anniversary of the commencement of this section, the FOI Minister must cause to be conducted a review of the operation of the *Freedom of Information Act 1982* so far as that Act relates to documents of NBN Co.
- (2) The FOI Minister must cause to be prepared a report of a review under subsection (1).
- (3) The FOI Minister must cause copies of the report to be tabled in each House of the Parliament.
- (4) For the purposes of this section, the question of whether a document is a document of NBN Co is to be determined in the same manner as that question is determined under the *Freedom of Information Act 1982*.
- (5) In this section:

*document* has the same meaning as in the *Freedom of Information Act 1982*.

*FOI Minister* means the Minister administering the *Freedom of Information Act 1982*.

Ordered that the amendments be considered together.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (2.28 pm)—I move:

That the amendments be agreed to.

The National Broadband Network Companies Bill 2010, together with the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011, build upon the government's historic announcement of 7 April 2009 that it would establish a company, NBN Co. Ltd, to build and operate a new, superfast National Broadband Network. These bills enshrine in legislation the policy

commitments the government made in its NBN announcement that the NBN will operate on a wholesale only, open and equivalent access basis and, by doing so, provide a platform for robust retail competition in Australian telecommunications. The bills provide clarity and certainty on these matters to NBN Co. Ltd, industry and the wider community.

The NBN will connect up to 93 per cent of all Australian homes, schools and workplaces with fibre based broadband services and connect other premises in Australia with next generation wireless and satellite broadband services. The NBN will better position us, in an increasingly digital world, to prosper and compete and better enable Australian businesses to compete on a global scale. In 2009 the government also indicated that it would legislate to establish operating, ownership and governance arrangements for NBN Co. Ltd and the regime to facilitate access to the NBN for retail service providers.

The National Broadband Network Companies Bill was introduced in the House on 25 November 2010. It was passed by the House on 1 March together with the NBN access bill, which was amended to subject NBN Co. to the FOI Act, with appropriate protections for documents relating to its commercial activities. The bill was debated in the Senate last Thursday and Friday and passed with a number of government and other amendments. The most significant of these amendments were to ensure that the transactions and conduct involved in the definitive agreements between Telstra and NBN Co., which are fundamental to the cost-effective rollout of the NBN, are not subject to any state or territory stamp duty or other state or territory tax.

As part of the process of implementing structural separation, in accordance with part 33 of the Telecommunications Act 1997 Tel-

stra is expected to enter into certain agreements with NBN Co. Those agreements are known as the definitive agreements. The definitive agreements are expected to provide for three transactions: the migration of Telstra's subscribers, called category A designated matters, and the acquisition by NBN Co. of Telstra conduits and access by NBN Co. to Telstra infrastructure, both called category B designated matters. The purpose of new clause 98A, inserted by the Senate, is to ensure that the transactions and conduct involved in the definitive agreements between Telstra and NBN Co. are not subject to any state or territory stamp duty or other state or territory tax. The definitive agreements will give effect to the structural separation of Telstra, underpinning the government's reform of the telecommunications industry. Given this, it is not appropriate for states and territories to be granted a windfall tax bonus which could add to the cost of and time required for implementing this important policy. The agreements are not part of normal business operations. The exemption offered by proposed clause 98A is closely linked to the operation of section 577BA of the Telecommunications Act to ensure that the proposed exemption only covers transactions and conduct relating to structural reform of the telecommunications industry. NBN Co. and Telstra would continue to be subject to Commonwealth and state and territory duties and taxes in the usual manner in respect of dutiable taxable transactions arising from their ordinary day-to-day business operations.

Statutory exemptions from stamp duty and other state and territory taxes have previously been granted under Commonwealth legislation in analogous circumstances. For example, the Australian Energy Market Act 2004 provided stamp duty exemptions for internal separation of activities required because of the structural reform of energy mar-

kets, and the National Transmission Network Sale Act 1998 provided stamp duty exemptions for the transfers of assets from one corporation to another. Similar exemptions are often given under state and territory law as well for comparable transactions. The exemptions are sunsetted. Category A matters cease to be exempt 24 months from the date that the communications minister declares, under proposed section 48 of the National Broadband Network Companies Act, that the NBN is built and fully operational. Category B matters cease to be exempt on the day that the communications minister declares that the NBN is built and fully operational. The exemptions are to take effect from 22 March 2011. (*Extension of time granted*) These amendments were passed with the support of all senators.

In both the public and parliamentary debate on the NBN legislation, questions have been asked about whether it is appropriate for NBN Co. to be able to provide services directly to utilities, including transport authorities. The government's position is that this is undoubtedly the case, in particular because the NBN may be best positioned to provide these entities with the basic communications services they need to make their infrastructure smart, with attendant efficiency and operational benefits. The supply of services by NBN Co. to such entities has always been on the basis that it would be solely for their own internal use in managing and conducting their own activities. However, in light of industry concerns that utilities could go beyond this, the bill was amended in the Senate to further confirm, for the avoidance of doubt, that a utility or transport authority may not resupply a service supplied to it by an NBN corporation. In this context, it is also worth noting that, as a result of amendments to the NBN access bill moved by senators Ludlam and Xenophon, a statutory part XIC of the Competition and

Consumer Act already provided for in section 152EOA of that act will be extended to cover NBN Co.'s supply to carriers, service providers and utilities. The minister must cause this review to be conducted by 30 June 2014.

In addition, at the request of the government, the companies bill was also amended by the Senate to provide for functional separation principles under clause 24 to be made jointly by the communications minister and the finance minister, not simply by the communications minister. This corrects a drafting oversight and reflects the ministers' joint shareholder roles in relation to NBN Co. The bill was also amended to change the date by which the National Broadband Network is to be declared built and fully operational, under subclause 48(1), to 31 December 2020 rather than from 30 June 2018. This makes the date consistent with NBN Co. Ltd's corporate plan, which indicates that the rollout of the NBN will be complete by 31 December 2020. The longer completion date reflects the government's decisions that fibre should be rolled out to 93 rather than 90 per cent of premises and that the NBN Co. should be the fibre provider of last resort in new developments.

The government amendments in the Senate are explained in further detail in a supplementary explanatory memorandum tabled in the Senate. When the related Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011 was previously before the House, it was amended, at the initiative of the member for Melbourne, to apply the FOI Act to NBN Co. subject to appropriate protections for its commercial activities. Some questions were raised as to the efficacy of these arrangements. To address these concerns, the NBN Companies Bill has been amended, at the initiative of Senator Ludlam.

The amendment inserts a new section 100A, which provides that:

Before the first anniversary of the commencement of this section, the FOI Minister must cause to be conducted a review of the operation of the *Freedom of Information Act 1982* so far as that Act relates to documents of NBN Co.

And that the report must be tabled before each house of the parliament. The government supports this amendment.

In conclusion: together with the NBN access bill, the NBN Companies Bill delivers on the government's commitment that NBN Co. Ltd will operate on a wholesale-only, open and equivalent access basis, delivering long-term benefits for competition and for consumers. The bill should be passed, to provide NBN Co. and other stakeholders with a clear legislative framework for the company's operation. I commend the amendments and the bill to the House.

**Mr TURNBULL** (Wentworth) (2.38 pm)—For the convenience of the House, I will describe the approach we propose to take to the National Broadband Network Companies Bill 2010. I will also refer to the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011, which is the next one. The amendments to this National Broadband Network Companies Bill were almost entirely agreed to—or at least not opposed—by the coalition in the Senate, so we do not propose that there be any division on that. We have three amendments to move, numbered (1), (2) and (3). We propose to deal with (1) and (2) together. They relate to the wholesale basis upon which the NBN should proceed. The third one relates to the Freedom of Information Act, which I will return to in a moment.

As far as the NBN access bill is concerned, it was very substantially—indeed dramatically—amended in the Senate. We



have an amendment, which the member for Cowper will be moving, which will have the effect of ensuring that there is uniform pricing of NBN services across all technologies—that is to say, the NBN will not be able to charge more on a megabit-per-second basis because it is being delivered over wireless or delivered over satellite. That will genuinely hold the NBN to its promise that there will be absolutely uniform pricing on a megabit-per-second basis, because the mode of delivery of course is irrelevant to the user; they are only concerned about the service that they get. I will come back to the amendments to the access bill when we get to that bill, but we will propose that a number of them be divided on and a number of them not be divided on because they are ones that we did not oppose in the Senate.

I will not speak to our amendments right at the moment; I will simply make some observations about further claims that have been made by the government about the NBN, in particular by the member for Eden-Monaro and the member for Greenway. There have been a lot of claims made today about the benefits of broadband. We do not disagree that broadband is a great thing. We agree that there should be fast broadband throughout Australia. All the examples given by members of the government apply to broadband regardless of the technology by which it is delivered. There are two big issues in this debate: cost-effectiveness, which relates to technology; and industry structure, which relates to competition. There is simply no possible technological basis on which to claim that the benefits of broadband can only be delivered by fibre to the home—the most expensive way of delivering broadband services.

As I pointed out this morning, in South Korea, which is often cited as the most technologically advanced country in terms of broadband, there is not broadband to the

home—or to the apartment, as it is in most cases there. It is effectively broadband or fibre—it is not always delivered on fibre—to the node, and the actual reticulation into the apartments is through different wireline technologies. Honourable members may be surprised, as I was, to learn that even in new developments in South Korea they are not running fibre into particular apartments. In fact, I inspected some very large developments in Inchon where they have run ethernet, which is then connected into a fibre link through a switch, effectively a fibre node, in the basement. The government keeps on missing the point here. This is not a question of: broadband, good or bad? We say: 'Broadband good. Hooray for broadband!'

**Mr Pyne**—Three cheers for broadband!

**Mr TURNBULL**—'Three cheers for broadband,' the member for Sturt helpfully says. The question is: how do we deliver it in the most cost-effective way? The bottom line is, as Robert Kenny—the expert who has been in the House here today talking to us—notes, that this government is doing it in the most expensive way, the least cost-effective way possible.

**Mr HARTSUYKER** (Cowper) (2.44 pm)—I am pleased to rise and speak in relation to these amendments, because it is a very important issue with regard to regional and rural Australia that we have high-quality broadband services, and there is certainly great concern as to whether this project is being delivered in the most effective way. As the previous speaker has said, we are agreed that high-speed broadband is very much an objective that we should be attempting to deliver. Where we differ is on the way that is to occur. The coalition certainly believe that there are more efficient and effective ways that we can deliver high-speed broadband, that it is vital that we attempt to maximise

the return on funds for the taxpayer and that it is right for government to get involved in the area where there is market failure. The problem that we have as an opposition is that, at \$50 billion, this project is the largest project in Australia of its type. It is the largest project undertaken by government. As such, we believe that funds can be more effectively and efficiently expended than is currently being done through the proposals put forward by the government.

I think it is absolutely essential, given the many priorities in regional and rural Australia, that we ensure that we get value for money from taxpayers' funds. And certainly the huge scale of this project and the large amount of duplication of existing services are of great concern from the perspective that taxpayers' funds are being used to provide competition to such things as the HFC network, which could deliver the objective of 100 megabits a second without the need for replacement by fibre—that we are actually duplicating an existing technology.

We are also concerned particularly in relation to the creation of a statutory monopoly. We believe that competition is the way to deliver the best quality services at the lowest price. The dependence of this project on intervention by the government in contravention of the principles of competition law is certainly very concerning. Who is going to pay for this? Certainly the taxpayer is going to pay by virtue of the fact that this project is a very expensive way to deliver high-speed broadband, but also the consumer will pay because we are not maximising competition in the marketplace. There will be competition at a retail level, quite certainly—of that we are sure—but the issue is that there will not be competition from a range of different technologies.

When you look around the world at other countries such as Singapore and South Ko-

rea—South Korea being a country which is oft cited by the Minister for Broadband, Communications and the Digital Economy—they have in their plans for their communications nationally the extensive use of competition and the extensive use of alternative types of service delivery to achieve the best outcomes for consumers. We believe that the massive expense of this project cannot be justified.

The coalition had a plan through the OPEL network to deliver high-speed broadband to regional and rural areas. That would have been completed by 30 June 2009. That would have basically filled the gaps. It is the appropriate role for government to allow the market to provide for communications needs where markets are working, but where there is market failure it is appropriate for the government to step in. That was the coalition's approach: to use a range of technologies and to step in where there was market failure, as opposed to creating a \$50 billion white elephant, massively taxpayer funded, massively supported, but also supported through a restraint on competition—and that is a great concern. At what cost to Australians? Not only are they subsidising this through their tax dollars but they will be paying more for broadband as result of a reduction in competition.

I will be moving an amendment shortly to ensure uniform wholesale pricing across technologies, to ensure that the wholesale price that will be operating no matter where you are will be the same regardless of what technology you use, whether that be satellite, wireless or the fibre-optic system. Still, I reiterate that I have concerns in relation to the massive costs. I have concerns in relation to the fact that we are effectively impeding competition, which goes against the grain of competition law in this country. These are very important amendments before the

House this afternoon, and I certainly welcome the ongoing debate.

**Ms ROWLAND** (Greenway) (2.49 pm)—I was very interested to hear the words of the member for Cowper. They say that plagiarism is one of the big forms of flattery. Now we have the member for Cowper coming in here and using my words: ‘Where markets have failed, it is time for government to step in.’ What we disagree on is where the market has failed. He thinks the market has failed for regional Australia and the way to fix that is to fill in the gaps. Yet again, I ask: after how many years of saying they were going to do it—including in your electorate in Tasmania, Mr Deputy Speaker Sidebottom? How many years did they say they were going to do it? It has taken this government to actually do it.

I said this previously. When we talk about the market failing, the market has failed when it comes to facilities based competition in this country. We see the results not only in wholesale pricing, where we have had how many countless years of arguments before the Australian Competition Tribunal? How many times have we seen consumers forced to pay more at a retail level? What the NBN is doing is disinfecting the retail level, the services level, by getting a proper wholesale structure for broadband in this country. Never before has there been such a transformational change in the regulatory economics of telecommunications in this country—until now. The reason for that is that the market has failed to deliver.

On this side of the House, we say that when the market fails we have a look at that failure and we have a look at the end users, and the long-term interests of end users have been a cornerstone of telecommunications regulatory economics in this country. It is only this side of the House that is taking into account the long-term interests of end users

and how to ensure that they are upheld in this new regulatory environment.

I was again interested to hear the member for Wentworth talk about Korea. He interjected earlier and said that he had never bagged Korea. In fact, he came back with his ‘I love Incheon’ T-shirt. But it was only a few weeks ago that he was in this place and he had written an article titled ‘Let a hundred flowers bloom in broadband field’ and he questioned Korea. He said, ‘I’m sick of Korea being held up as some sort of utopian broadband state when no-one has been able to point to the productivity benefits that have actually been experienced.’ It took me to stand up here and defend by pointing to the countless studies that have been done by the International Telecommunications Union, which calls Korea ‘a miracle’ in broadband development. There is no objective reason—

**Mr Turnbull**—But they don’t have fibre to the home! How have they done it?

**Ms ROWLAND**—It is really interesting to hear the member for Wentworth talk about there being no fibre to the home. When I have got a bit more time I will draw a picture to show him how an MDU works. For now, I cannot actually take the member’s understanding of this technology with any level of veracity. Here is a person who wants to be the minister for communications and he does not even know how wi-fi works! He goes around with his little iPad saying, ‘I’ve been freed from wire line!’ But do you know where the signal goes? Every time he uses that iPad—as he is now—the signal goes into a short-range wireless router and then into a fixed line. So, when we have got a bit of time, we will have a cup of tea and I will draw him a diagram of an MDU and he can see why Korea is nothing special when it comes to putting fibre into the basement of apartment blocks.

Those opposite have come in here again and said, 'I don't know why we need fibre when we've got wireless that works so well.' But when we were here a couple of weeks ago I moved a motion about this that went through unanimously. It was about a UN declaration that said, when you are developing broadband infrastructure, the only way you can ensure there are long-term benefits is to have a fibre backbone. This is a technology-neutral approach. Regardless of the technology, you need a fibre backbone to ensure that wireless, satellite and any other technology is actually able to operate in the future. The reason for this is simple: it is because nothing is faster than the speed of light. When those opposite, or anyone else in this place, can find me something that is faster than the speed of light, then we will be able to have a discussion about whether or not fibre is the way this country should be going. This is the only option we should be pursuing.

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (2.54 pm)—We have heard further contributions from the opposition today. We have tried to convey to these people on the opposition benches exactly what the technological aspects of what we are talking about are. But it seems to me that, no matter how much you try to educate these people, they do not seem to understand what this is all about. They say that the technology of wireless networks would be adequate for regions like mine, but that is simply not true. We know that a wireless-only network would be greatly encumbered, greatly slowed down, by the volume of traffic that would be put on it. Not only would it be greatly slowed down by the volume of traffic, but the further you move away from the tower the worse it would get.

If you do not have an optical-fibre spine supporting a wireless network—where wire-

less is required—then it is just completely fallacious that you can get the sorts of speeds that would be necessary for the businesses that would like to use it. Under our scheme, 12 megabits a second will be available for the wireless network. But you would not be able to employ the level of staff that would be required by, for example, the call centre I mentioned that wanted to set up in Eden without speeds approaching 20 megabits a second, which are simply not possible with a wireless network. There are basic physical limitations to what can be obtained through a wireless network; that is just the state of the science.

*Opposition members interjecting—*

**Dr MIKE KELLY**—I know these members of the opposition would like to invent some fantasies about that, but, as I mentioned, the truth of it is that there is nothing faster in the universe than the speed of light. That is one of the first principles of physics. Unless we recognise the fact that this underlying principle of physics underlies the governments proposals, we cannot move on in this debate. When we have that underlying spine that delivers that speed—

*Dr Jensen interjecting—*

**Dr MIKE KELLY**—The speed of light is 300,000 kilometres per second. I would like to educate you in some of the physics that apply in this universe, because you seem unable to accept these basic principles. Once we have that underlying spine, we know that, over time, technology improvements can be made to the sorts of service arrangements that would apply at either end of it. The boxes at either end will improve over time. There will be all sorts of improvements in technology to take advantage of what we cannot now imagine. We cannot imagine how we could use the full expanse of 1,000 megabits per second, but it would open up all sorts of possibilities for our people.

I did not have time to go into some more detail about the e-health arrangements in the regions. The government has stepped forward on making provision under Medicare so that joint consultations could be made with GPs and specialists. This is a tremendous breakthrough for people in my region, who would have to travel hours in cars, over roads covered in snow and ice, to get that sort of consultation. To be able to, for example, go down the road to the GP superclinic that will be built in Jindabyne will mean that they will not have to take those risks. They will not have to confront kangaroos, deer, wombats and all the rest of it—even if they were up for that sort of trip. Most of them are ageing and frail in health and find it really hard to make those journeys. If you can have that consultation in the GP's clinic in Jindabyne, all of that goes away.

Through our e-health system we will also be able to eliminate mistakes. We know that up to 80 per cent of mistakes in the treatment of patients are made through poor record-keeping. Duplication of services in the system is massive because of poor record-keeping. We could save an enormous amount of money in our system through the rollout and implementation of an e-health system. Citizens will be able to plug in anywhere throughout the nation with their health data—a massive amount of data can be stored, including high-definition visual images—and get support and advice from medical practitioners, wherever they are in the country, based on that data. No mistakes are made when you are able to do that. We will certainly see a huge reduction in the number of mistakes that are made in the treatment of patients and great savings in the health system. Wireless will not be able to deliver that, so we have to go down this road.

**Dr JENSEN** (Tangney) (2.59 pm)—There are a few aspects that I think those opposite spouting technology need to understand here.

First of all, I have heard a lot of chatter about the speed of light. They say, 'The speed of light is the fastest thing in the universe.' The inference seems to be that the only thing that travels at the speed of light is light itself. I would like to let the members opposite know that electricity travels down electricity wires at the speed of light. Radio waves travel at the speed of light. The speed of light is an absolute furphy in this.

The amazing thing is that this shows their level of technical ineptitude. Those opposite talk about the fundamental physics but they do not even understand the fundamental physics. They think that somehow only light is this magical process that actually travels at the speed of light. They just do not have a clue that any form of electromagnetic radiation, of which light is a very small subset, travels at the speed of light—so much for these furchies.

They have made major errors with the NBN. The NBN actually specified in its tender documents that any of the cable that went inside houses or inside buildings had to be low smoke zero halogen. I do not know whether anyone remembers the fires that occurred at King's Cross station in 1987 where dozens of people died and which resulted in a specification that all wiring to be used in the underground had to be low smoke zero halogen. Reasonably enough, the NBN in its tender documents stated that the wiring inside houses and buildings had to be low smoke zero halogen. The halogen we are talking about here is chlorine gas—a gas that was used to fatal effect in World War I.

The problem is that the NBN have specified only one supplier for their fibre and that is Corning. Corning does not make low smoke zero halogen fibre. It may have recently started doing so, but certainly in the rollout in Tasmania—this is one for you, Deputy Speaker Sidebottom, to consider—

they did not have low smoke zero halogen fibre. So what did they roll out into the homes? Cable that was not low smoke zero halogen. This is a potentially dangerous to deadly situation for homeowners where, in the case of fire, there will be plenty of smoke plus chlorine gas.

We spoke to the Western Australian supplier of Corning. When asked about the consequences of using normal cable that was not low smoke zero halogen in homes Corning actually stated to my staffers, 'No, don't touch that stuff it could kill you.' This is the sort of nonsense that we are getting from the proponents of the NBN.

The NBN is supposed to be about more than just high-speed broadband. It is supposed to be about smart metering. The problem is that they have put the so-called optical network terminator inside homes not outside. The smart meters people say that they will not do smart metering with the ONT inside homes. There is a whole lot of botched stuff at a very fundamental level and we are getting ridiculous discussion from members opposite who have no clue about the technology involved and say, 'But it is at the speed of light and nothing is faster than light.'

Another thing that they have in the system which is problematic is way too much fibre. The network architecture is not good. What they have is three fibres effectively to each home. They are talking about future proofing but think about this future proofing for a minute. If we have no Australians going into new developments, all of them simply subdividing existing homes, it means we would have to have a population of 60 million people— (*Time expired*)

**Mr HUSIC** (Chifley) (3.04 pm)—If there were anything that could travel at the speed of light, I wish the conclusion of that speech could have. It is par for the course from the

other side. They have all come forward with these contributions merely to keep talking, to drag it out and to avoid the inevitable. The inevitable is wanted by the majority of the public, by industry which sees the value in this and by the regions which see the value. We cannot help the fact that the Nationals have strapped themselves into this car crash of an argument led by the Liberal Party that enjoys this technology within Sydney or Melbourne while in the regions you cannot.

I noticed the member for Cowper in here. I do not know if he actually goes into his own electorate and asks people whether or not they would, if they had an option, choose between wireless or fibre to the home. He has the courage in here to put forward those arguments, but I bet out where it counts with the people who depend on it he says something else. If he does not say something else, it is insane that he is not better representing his constituency because we had a number of these options put forward. We had wireless.

When the member for Sturt was chair of an inquiry that looked into this he actually said that fibre was the best method and that wireless would suit in certain circumstances, and I agree with him. Wireless does suit where we cannot get fibre to the home because geography or other limitations prevent us from doing so. Here we have a chance to roll out the best possible option, fibre, and they keep harping on about wireless or HFC. As we have previously pointed out, HFC is basically the platform that delivers pay TV and the minute you have multiple connections in a home the signal strength or the ability of that to deliver is compromised. Those opposite are continually arguing that we should embrace, as has been identified by other people, second-rate options when it comes to broadband in this country. People are not putting up with it.

The opposition continues to come in here to try to stymie this, but the fact of the matter is that the bulk of people outside see that there are huge benefits that will flow from getting this bill through. I note that the member for Greenway picked up on the member for Wentworth's belief that he could not find the productivity benefits that would flow from such a development. He was arguing, according to the member for Greenway, that he could not find those productivity benefits in South Korea. You do not necessarily need to go to South Korea, even though the quote has been pointed out. Come back here and talk to people such as Marco Marcou, MAP Venture Capital partner, who stated last year:

The facts are that broadband penetration and economic growth go hand in hand, so what's the argument about? Let's just do it and get on with it.

Indeed. And I think that if he were here today he would be stunned that we have an alternative government that is stepping forward here but cannot see the benefits of getting this critical piece of infrastructure in place to unleash further economic growth.

I have seen other reports that for instance talk about the impact of traffic congestion in Sydney and Melbourne. They have put an economic value on it of \$8 billion being lost through traffic congestion in Sydney. In Melbourne it is \$3 billion. There are moves to try to improve it. The NBN allows more home based work for people, where it is permissible, which will take traffic off the roads. People, particularly those I represent in Western Sydney, who do not want to commute from the west of Sydney to the east of Sydney, or those who are stuck in traffic jams in Melbourne, can find other ways to work. Which other governments recognise this? In the US, President Obama and his administration are looking at ways of encouraging public servants to take advantage of home based work, again, to reduce the pressure on infrastructure in cities. These are

the types of opportunities unleashed by having a national broadband network in place that allows for this type of thing to occur. Yet again it is being stopped by the other side. Again, we are forced to sit here arguing back and forth on this instead of getting on with the job of delivering exactly what the community, the nation and industry want.

**The DEPUTY SPEAKER (Mr S Sidebottom)**—Are there other speakers? The member for Greenway.

**Mr Pyne**—You are hopeless.

**The DEPUTY SPEAKER**—I ask you to retract that statement. Come to the dispatch box and retract the statement. It was unparliamentary, so I am asking you to withdraw it.

**Mr Pyne**—I withdraw the word 'hopeless'.

**The DEPUTY SPEAKER**—I ask you to withdraw without qualification.

**Mr Pyne**—I withdraw, Mr Deputy Speaker.

**Mr STEPHEN JONES (Throsby) (3.10 pm)**—It is a pleasure to be speaking on this important matter before the House today. It matters a lot to the people of my electorate of Throsby in outer regional New South Wales. It was noted earlier by speakers in this debate that the NBN will be a transformative technology. In no other region in Australia will it have a greater impact than on the over 20,000 people in my electorate of Throsby who commute between the Illawarra and Sydney daily in search of or for employment. Quite simply, it has the capacity to ensure that a significant proportion of those people will be able to spend more time in their communities, more time working from home and more time with their families than they spend on train platforms or in crowded train carriages. The NBN will allow them to work from home. It will stimulate businesses in

the Illawarra and assist us further in broadening the economic basis of the Illawarra region.

It has been a great surprise to me that there has been speaker after speaker get up from regional Australia and fail to support the NBN proposal and all of its associated legislation. We have seen that in this debate again today. It beggars belief that you could have speakers stand in this debate and oppose the proposition that the NBN be required to provide uniform pricing for all retailers, because we know that if we want to provide uniform reasonable access broadband services to all people throughout Australia without discrimination as to where they live, the first step in that process is to ensure that we have uniform wholesale prices between NBN, as the wholesaler, and the various retailers in the market.

I see that there are some speakers from regional Australia on the other side of the chamber, including some speakers from the National Party. Perhaps they will get up and speak in favour of that proposal. I will be listening very carefully to them when they get up and voice their support for uniform pricing for the consumers in their regions. I know that their electors back home also will be very keen to hear them speak in favour of that proposition.

I have already spoken in previous debates on the importance of NBN for local household consumers in my electorate, but it has also been widely acknowledged to be a boon for businesses, particularly small businesses. The vast majority of small businesses in the electorate of Throsby—over 56 per cent—are home based businesses, and they know that if they are to compete and open up their products and services to not only national but international markets it will be through the provision of fast, reliable broadband services.

It was said earlier in these debates that there is no need for broadband and there is no need for the government to intervene to assist in the provision of fibre-optic cable and fast and reliable broadband to people in electorates such as mine, because the market will provide sufficient services business and residential services for consumers. If the market were going to do it it would have surely done it at some stage over the last 10 years, but it remains the case that many households within my electorate in the Illawarra and on the Southern Highlands of New South Wales are still labouring with broadband speeds that are no faster than they were when we came to office in 2007 and no faster than they were when the failed 19 broadband plans that were proposed by those opposite were put to the electorate.

The NBN will be of enormous benefit to people in my electorate. I see the member for Cunningham nodding in agreement on this one. We know that the people of the Illawarra are relying on the Labor government to intervene to ensure that we have this technology available to us. I commend the resolution to the House. I commend the legislation to the House. I hope that the National Party do what is in the interests of their electorates.

**Mr PYNE** (Sturt) (3.15 pm)—Very briefly, I think it is worth putting on the record why it is that government members are coming into the House to filibuster this debate on the Senate amendments. It is because the Independents are currently in the members lobby straight outside those two glass doors with the Minister for Broadband, Communications and the Digital Economy and other members of the Labor Party. They are having their arms twisted to change their positions regarding their support for the amendments put by the member for Wentworth and the member for Cowper. The government, in a disgraceful move because



they realise that they are losing on the amendments, have decided to filibuster this debate for as long as they possibly can until they offer whatever inducements are necessary to get the Independents to change their position and vote with the government.

**The DEPUTY SPEAKER (Mr S Sidebottom)**—Order!

**Mr PYNE**—That is why we are in a filibuster.

**The DEPUTY SPEAKER**—Member for Sturt, I should not need to shout from the chair. The only reason that I did is because you are shouting. Please stop. That goes for everyone. The member for Sturt will take his seat. Member for Fraser, are you raising a point of order?

**Dr Leigh**—Yes, Mr Deputy Speaker. Standing Order 19 says that all imputations of improper motives to a member and all personal reflections on other members shall be considered highly disorderly.

**The DEPUTY SPEAKER**—I have listened carefully and, given the robustness of this debate and many others, while the member for Sturt may have been bordering on that he may continue—unless he has already finished.

**Mr PYNE**—I have almost finished. I simply placed on the record so that everybody knows why it is that the cannon fodder of the Labor Party backbench have been brought in to filibuster this debate. They have been brought in in order to give the Leader of the House and the Minister for Broadband, Communications and the Digital Economy time to twist the arms of the member for Windsor and the member for Lyne to ensure that they do not support the opposition's amendments.

**Mr ALBANESE** (Grayndler—Leader of the House) (3.18 pm)—I am pleased to make another contribution to this debate. The

comments from the member for Sturt just then were quite unparliamentary. They did nothing to support the dignity of the House, are against standing orders and against the *House of Representatives Practice*. There are a bunch of people who sit on that side of the House in opposition who think that the way to get people on side is to abuse them, denigrate them and run them down. It is just extraordinary. The regional representatives in seats such as Kennedy, Lyne and New England, as well as regional government members such as the member for Lingiari, have been consistent in their support for high-speed broadband throughout the times in which they have had the privilege of occupying a seat in the House of Representatives.

Some might recall some history here. When Telstra was privatised, those opposite chose to go down a path that led to a two-speed system, with one speed for constituents in electorates like mine in inner Sydney or electorates like that of the member for Wentworth and another speed for constituents in regional Queensland, regional New South Wales, regional Western Australia, the outer suburbs or growth areas such as the Illawarra, Newcastle and Western Sydney. All in that last group got a second-rate service.

We have heard today some of those opposite talk about OPEL. That is fine if you live in a flat desert where there is no rain, no hills and no structures. These people are absolute hypocrites. There was no cost-benefit analysis of OPEL. In fact, there was no cost-benefit analysis of any of the 20 plans that they had. The fact is that those opposite have been completely inconsistent when it comes to national broadband. The only thing that they have been consistent on is that they are completely opposed to the government's agenda.

Today, indeed, we had a debate for more than three hours about whether we would have a debate or not. Now those opposite say, 'Bring on the vote!' That is an extraordinary position. The member for Sturt—who was, I remind him, the last speaker in this debate—is accusing people of filibustering. That says it all about the Manager of Opposition Business. So enamoured is he with the sound of his own voice that he speaks about the need for no-one to speak. No wonder he gets the publicity he does. My comments in his *Good Weekend* article were the most positive in there.

**Ms Rowland**—The answer to the question on the cover is yes.

**Mr ALBANESE**—The member for Greenway, who is not as generous of spirit as I am, clearly, was not asked about the member for Sturt. She says that the answer to the question on the cover is yes. I was more generous to the member for Sturt, because I know that there are people sitting behind him who are a lot worse and people sitting on the front bench alongside him who are a lot worse. The fact is that this legislation needs to be carried. The amendments that have been supported in the Senate are worthy of support. They provide a way forward to advance the National Broadband Network.

**Ms BIRD** (Cunningham) (3.23 pm)—I have been following the debate in the House today on this legislation and the amendments with great interest. I want to put on the record that I was quite astounded and moved to participate today by the contribution of the member for Tangney. That was an astounding contribution to the debate. I do not think that it progressed the case of those opposite at all. The interesting thing about the progress of the debate about the rollout of fast and ubiquitous broadband in this nation over many years now is the increasingly smaller circle that those opposite have debated them-

selves into. There is no doubt that this nation needs to take the next step to fast and ubiquitous broadband to increase our productivity and our participation and also provide social benefits of inclusion and equity.

**Mr McCormack**—This could be a speech on the carbon tax.

**Ms BIRD**—I would have thought that that would have been a fairly uncontested statement, but obviously those opposite cannot even agree with that. They cannot even agree that fast broadband being rolled out across the nation is an important step for the economic and social development of the nation. I must say that I am quite astounded that there would be an argument with that statement.

If you take the view that this is what is needed to progress our nation both economically and socially then the next question becomes how you best achieve that. Over the 11 years that those opposite were in government, they made 19 failed attempts to find a resolution to that question in the national interest. After those 19 failed attempts, they took another one to the election. The reality is that we are now in an international circumstance in which to compete as a nation that is faced with the tyranny of distance not only within our nation but in connecting to our export markets internationally it is time to bite the bullet and roll out the best quality national broadband that we can, and that is fibre to the home. And that is what we have committed to.

In the time since the 2007 election as we have been progressing that agenda in order to deliver this outcome, those opposite have found excuse after excuse to delay and to slow down the process. I do not quite know what for. I sincerely believe, as I have said on other occasions in this place, that even those sitting opposite, including the shadow minister for communications, know that this

is one of those debates in this place that those opposite will not want their grandchildren to go back and read in the *Hansard*. I believe that they know that to be the case. The member for Greenway has put some wonderful quotes from history on the record in this place. We well know the history of important and significant infrastructure developments. We know how we look back on those who attempted to obstruct and oppose them in the past. We look back with fond mirth at their claims about the problems with those particular rollouts. I suggest that many of our grandchildren will look back at some of the contributions from the other side in this debate in disbelief. They will not believe that this could have been an issue that we were debating. Sincerely, they will not.

Members from regional areas on the other side understand that and understand how important to their regional economies and communities the rollout of fast broadband will be. In particular, when you go round regional communities you hear of many examples of new types of industries developing. Professionals—for example, engineers, designers, employment coordinators and all sorts of other people who are delivering services—are able to provide services from their homes and not leave their regional communities. The one thing that you hear all the time—such as from the gentleman in my electorate who runs an international stock exchange from home—is that they need safe, fast and symmetric broadband to be able to continue to expand and take further opportunities. This is critical national infrastructure. It is time to stop mucking around for political purposes. The filibustering, the delay and the tactics to destroy this employed by the other side are not in the national interest. We need to get on with the task.

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (3.28 pm)—It is great

to speak again on this legislation, particularly now that the focus is on its benefits to consumers. This legislation will open up the access that companies will need to compete. The NBN will be a wholesale platform upon which retailers will be able to compete. This will make sure that consumers get the best result. Why would you listen to anybody on the other side in relation to this commercial and consumer aspect? We remember the proposal that they put forward in the campaign of 2010. I earlier cited the coverage by the *Australian Financial Review* of the benefits of the broadband network. But let us now look at the coverage by the *Australian Financial Review* of the coalition's proposal back in 2010. Famously, they had a cartoon in Chanticleer of Tony Smith with tin cans through his ears. That was their view of the coalition's technological proposal, which—as they highlighted in that article—would have 'put Telstra back in the driver's seat of Australian telecommunications' if they had won that election. The article said:

That means Australia will go back to the days when Telstra was able to delay higher speed broadband because it suited the company to keep people on older technologies and milk them while capital investment was kept to a minimum

Under the policy announced by the opposition telecommunications spokesman Tony Smith Telstra will once again to be able to frustrate competition ...

Why would you listen to these people about competition and consumer benefits? The member for Bradfield was highlighting this of course when he wrote his famous opus, *Wired Brown Land? Telstra's Battle for Broadband*. Why the hell he would have been on the opposite side of that debate within the party room is beyond me.

But, very importantly, it was highlighted in this article that the opposition wants to remove bottlenecks in rural areas but instead it is forcing Telstra to split its wholesale net-

work and to provide equal access to its fibre backhaul, and it plans to spend government funds duplicating the fibre infrastructure. Once again, this is wasted money that we saw in certain other examples like the pay TV discussion.

This article highlighted that the digital divide would be most heavily felt in rural areas under the coalition's policy. It said that the assumption is that internet service providers will be encouraged to offer their services in rural and regional areas and take customers from Telstra. But past experience has shown that as soon as Telstra competitors try to install equipment in a Telstra exchange, Telstra starts to offer the service and kills the competitor's ambitions.

The author of this article, Tony Boyd, went on to point out that the digital divide that the coalition sought to create between the city and the country is inherent in the choices of broadband technologies. Both HFC cable and wireless suffer from the problem that the more users who are on the network, the lower the speeds that are delivered to all users. That does not happen with fibre networks. As well, fibre networks use a technology that is scalable beyond the imagination of current users. Broadband data on fibre is not only carried on different colours in the spectrum, there are commercial trials at speeds many times faster than the 100 megabits per second promised by the NBN.

Mr Boyd concluded on that comparison by saying:

The choice is now clear between a technology that will serve Australia for 20 to 30 years and a patchwork of solutions that leave those in rural areas at a permanent disadvantage to those living in the cities.

Worst of all, it will revive the Telstra dominance of the sector.

This is the party that is supposed to be about the free market, the party that is supposed to

be about strengthening and empowering consumers and the party that is supposed to be about competition. Where is the evidence of that? We have not seen it and we did not see it over 12 years when they were in power—when they could have done something about the structural problem posed by Telstra. Not to mention, of course, all those failed proposals for broadband, compiling their negligence that has impacted so badly on rural and regional Australia. It has held rural and regional Australia back so heavily.

We know that the private sector could not deliver those answers. They can do it in Singapore, for sure, and they can do it in Holland. They can do it there because they are small countries. You cannot do it in Australia; that is why the government has to step in with visionary projects like the Adelaide to Darwin telegraph. The Adelaide to Darwin telegraph opened up this nation to international trade and communications, but no private sector investment could have delivered that, and there was no Productivity Commission to study it. They knew that it was what was needed to open up this country to international trade and development.

That is what we need now in this new economy: the new technology that will do the same thing and have the same impact for this country.

**Dr LEIGH** (Fraser) (3.33 pm)—We often regard the debate over broadband as one driven by young people, excited by fresh technologies and keen to log on to YouTube and Myspace and Facebook. But the value of the National Broadband Network was most powerfully brought home to me when I was holding a mobile office at Kippax in my electorate. A woman approached me and said that she had two issues she wanted to discuss with me. The first was public transport; she felt that public transport in the electorate should be better, because she was in her 80s

and was struggling to get around. She relied very heavily on the Canberra bus network, and we talked for a while about the way in which the Canberra bus network could better serve her needs. And then she said, 'And my second issue is the National Broadband Network. I love being able to use Skype to talk with my daughters, but I just cannot get that speed that allows me to have a good conversation with my daughters in other parts of Australia'.

So the National Broadband Network is not just some fancy technology that is going to work for one particular portion of society; it is technology that is going to serve all Australians. It is technology that is going to serve young families in Gungahlin, the part of my electorate that is going to be Canberra's test bed for the National Broadband Network. Three thousand households in Gungahlin will be the first people in the ACT to receive superfast broadband under the National Broadband Network, and those sites are already being determined. Whenever I doorknock in Gungahlin, the residents there do not tell me what members of the opposition are saying: 'Hold back the National Broadband Network. It's good enough already. Other technologies will do it.' What those members of my electorate tell me is that they want superfast broadband. They want the applications—the e-health, the e-education.

In my former field of academia, superfast broadband could well transform the sort of work we do. At the moment, the Australian National University run seminar series where we fly people in from around Australia. However, with access to high-definition video conferencing, there is no reason why the ANU seminar series could not involve video links with the best academics in Beijing or Boston. That will improve the quality of the work that academics at the ANU do and, therefore, improve the research output.

The National Broadband Network is also critical to improving access to medical specialists. Many towns in Australia will never be of a size to be able to have at their fingertips all the medical specialists that the people in those towns might need. But we can get them superfast broadband. We can give them video access to e-health, which will allow them to tap into the best specialists, wherever those specialists are in the country.

So these reforms are going to be critical to driving innovation throughout our economy. They will allow small business people to link up to one another without the time and expense of getting on a plane and flying to the other side of the world.

**Mr Frydenberg**—You can do that now!

**Dr LEIGH**—Opposition members say, 'You can do that now,' and that is exactly what you would expect from someone who has never tried to use a video link. If you have tried, you would be aware that current technologies are not that good. The picture is, typically, jumpy. You simply do not get the real-time, high-def experience that superfast broadband will provide. It is not like having the person in your lounge room.

**Mr Turnbull**—Mr Deputy Speaker Scott, on a point of order: the honourable member's passionate submissions about the virtues of broadband are all very interesting, but they are not relevant to the particular amendments that we are discussing. They are obviously buying the government time while the government continue to pressure the member for Lyne to roll over and not support the coalition's amendment. But, really, if government members want to filibuster, they should at least be relevant.

**The DEPUTY SPEAKER (Hon. BC Scott)**—The member for Wentworth will resume his seat. The member for Fraser has the call.

**Dr LEIGH**—The benefit of the National Broadband Network is that it will drive competition in the broadband sector. Through a monopoly controlling the network, we will ensure that it is possible to have competition throughout the sector. This is the critical difference that those opposite do not seem to understand: if you privatise everything, you get less competition. The British government showed this when they privatised rail tracks as well as trains, and the same thing will hold true in this debate. (*Time expired*)

**Mr SYMON** (Deakin) (3.38 pm)—It is a pleasure to speak in this rather long debate, especially after all those hours this morning of debating whether or not we should have a debate. From a local perspective, the electorate that I represent, Deakin, in the eastern suburbs of Melbourne, still does not have a ubiquitous, fast broadband service. Depending on which suburb you live in and, in fact, depending on which street you live in a particular suburb, you may or may not have ADSL2. (*Quorum formed*) It is good to see so many people with an interest in this debate! As I was going to say before the call for a quorum, you do not have to go out to the backblocks of Australia to find a gap in broadband coverage; you just need to go to the outer suburbs of our capital cities. Although such services may be offered, what you actually receive at your house is, on many occasions, not what was advertised. You get a much reduced speed and unreliable service. The ADSL—

**Mr Fletcher**—Mr Deputy Speaker Scott, on a point of order: the procedure we are going through at the moment is debating the amendments moved in the Senate in relation to the National Broadband Network Companies Bill, and therefore the member for Deakin ought to be addressing his comments to those specific amendments. I have not heard him do that. I have not heard him address, for example—

**The DEPUTY SPEAKER (Hon. BC Scott)**—Order!

**Mr Fletcher**—the provisions in relation to stamp duty.

**The DEPUTY SPEAKER**—Order! The member for Bradfield has made his point of order. I think this has been a very broad-ranging debate all morning, from both sides of the House.

**Mr Pyne**—We are taking up his time. It is not making the slightest difference, in fact, to the overall time. Mr Deputy Speaker, on the point of order: the debate we held earlier today was on the question of whether or not the amendments should be debated immediately. That led to a very broad-ranging debate about whether or not the amendments from the Senate should be debated immediately. We are now—the member for Bradfield is quite correct—debating the specific amendments that have come back from the Senate and, therefore, it is not time for filibustering or broad debate; it is time to debate the actual amendments.

**The DEPUTY SPEAKER**—The member for Sturt has made his point of order. The member for Deakin has the call, and he will draw his remarks to the amendments before the House.

**Mr SYMON**—It is quite clear that those on the other side are not only climate change deniers; they are NBN deniers as well.

**The DEPUTY SPEAKER**—The question is that the House agree to the Senate's amendments.

Question agreed to.

**Mr TURNBULL** (Wentworth) (3.44 pm)—by leave—I move opposition amendments (1) and (2):

- (1) Clause 9, page 15 (lines 4 to 8), omit the clause, substitute:

**9 Supply of eligible services to be on wholesale basis**

- (1) An NBN corporation must not supply an eligible service to another person unless the other person:
  - (a) is a carrier or a service provider; and
  - (b) will use the eligible service to supply a carriage service or a content service to the public.
- (2) For this section, a service is supplied to the public if:
  - (a) it is used for the carriage of communications between 2 end-users, each of which is outside the immediate circle of the supplier of the service; or
  - (b) it is used for point-to-multipoint services to end users, at least one of which is outside the immediate circle of the supplier of the service.
- (3) In this section:
 

*immediate circle* has the meaning given by section 23 of the *Telecommunications Act 1997*.
- (2) Clause 41, page 35 (after line 30), insert:
  - (3A) An NBN corporation must not supply an eligible service that is higher than Layer 2 in the Open System Interconnection (OSI) Reference Model.

The first amendment, which is consequent upon the Senate amendments, will provide, if accepted by the House, that an NBN corporation must not supply an eligible service to another person unless that other person is a carrier or service provider—getting a carrier's licence is the easiest thing in the world; it is pretty straightforward—and will use the eligible service to supply a carriage service or a content service to the public. The reason for that amendment is that the government has danced around the issue in the legislation and in the amendments of the wholesale character of the NBN. But what it has not done is come to the real crux of the issue. If the NBN is to be a wholesaler in any mean-

ingful sense of the world, it should not be dealing directly with end users. That is to say, it should only be selling bandwidth to parties, people or companies that are going to onsell it to the public. Members of the public may be individuals at their residences, small businesses, big companies or government departments.

If this amendment is resisted by the government, as I imagine it will be, it will underline the point that we have made again and again—that we are seeing very disturbing mission creep with the NBN. The so-called wholesale entity which was meant to be, so it was said, a superhighway upon which all parties could freely travel and which would provide this open access field of competition is in fact going to be a major player dealing directly with end users and in so doing competing directly with the private sector telecommunications companies.

The second amendment that I am moving at the same time—opposition amendment (2)—would amend clause 41 on page 35 of the bill. It would provide that an NBN corporation must not supply a service that is higher than layer 2 in the OSI reference model. Again, this is simply an objective designed to hold the NBN to its charter. It was held out to be a business that would provide just a layer 2 bit stream service and that other parties, telcos and retail service providers would have to provide the other additional services that would enable them to deliver a telecommunications service to end users. But, instead, we see now that the NBN is going to provide higher than layer 2 services and is going to be able to deal directly with end users. So we are going to have a monopoly provider of fixed line broadband services—the NBN. We have cherry-picking provisions to make it almost impossible for other parties to compete with it. We have a broadband enabled HFC network owned by Telstra which will be contractually prevented

from competing with the NBN, reinforcing its monopoly.

The rationale for the NBN that was put by the government was, 'It is a natural monopoly. There should just be one fixed line information channel. But don't worry—there will be competition at the services layer.' Now we discover that the NBN itself will be operating at the services layer. So we are going right back to where we started with a big, government owned telecommunications infrastructure that will be providing telecommunications services to end users. This is a shocking deformation of everything that competition policy for the last 20 years has stood for. It is going back to the past in a way that has been rejected in every other comparable economy and, indeed, is rejected, as I said earlier today, even in the People's Republic of China where there is a commitment, so I am told, to facilities based competition. The fundamental objective of these amendments is to keep the NBN honest as a strict wholesale entity and I commend them to the House.

**Mr ALBANESE** (Grayndler—Leader of the House) (3.49 pm)—It is a bit rich for a mob who sat there for 12 years in government and created a private monopoly from what was a public monopoly and did not undertake reform, including structural separation—that required legislation from this government to achieve at the end of last year—to come in here and talk about competition. The government do not support these amendments. We do not support the view that carriers to which NBN Co. supplies services should then be compelled to resupply them to the public. The bill as drafted makes NBN Co. a wholesale-only provider. The mechanism it uses is a restriction on selling to any party other than a carrier, carriage service provider or specified utility—that is, NBN Co. cannot sell to the mass market. The coalition has proposed a further restriction in

its amendment (1) on the parties that NBN Co. can supply. It leaves the requirement that NBN Co. supply only carriers or service providers who supply a service to the public.

A couple of points could be made in response to this. Firstly, NBN Co. will supply only a service that is by its nature a wholesale service—for example, a layer 2 service on the fibre network. This is not a service that can be used by an end user as considerable resources and capability is required in order to turn a layer 2 service into an end user or retail service. Secondly, the restriction proposed by the opposition will prevent an arrangement that has been permitted by the legislation since 1997, which is that a person can become a carrier even if that person wishes to supply services primarily to his or her own operations. The coalition's approach may prevent carriers or service providers from using NBN Co.'s services for their own internal communications or from resupplying services to other service providers. This would be on the basis that a carrier could only buy a service to supply to the public and not to itself or other providers. For these reasons, the government do not support the first amendment moved by the opposition.

**Mr HARTSUYKER** (Cowper) (3.52 pm)—The opposition has a great deal of concern about mission creep on behalf of the NBN and the potential for the NBN to expand its provision of services. That is certainly an issue which we consider very carefully. There is certainly a great deal of concern amongst those in the telecommunications community about the issue of mission creep. We have great difficulty with that notion and the fact that the returns to other carriers who have made substantial investments in telecommunications can be diminished by virtue of the NBN effectively increasing its charter. These amendments are intended to reduce that possibility and ultimately result



in a more highly competitive telecommunications market.

I have to take objection to the comments of the Leader of the House in relation to the coalition's record in telecommunications, because it is clear that they want to create their very own personal monopoly at this point in time. We see the benefits of competition in the industry, even though the government is absolutely convinced of the need to create a monopoly to prop up its project. We see the impact of competition on the business plan, which basically means that the IRR on the project, based on a whole host of optimistic assumptions, was going to be seven per cent. They struggled and they struggled to get the IRR up to a princely 7.04 per cent on a project of this scale and magnitude. But, when you introduce competition into the equation, what is the return? Is it seven per cent? No, it is not seven per cent. Is it six per cent? It is not six per cent. It is barely five per cent. The Labor government is going to rip up 10.9 million backyards, spending a vast amount of money, for a return of a measly five per cent. It barely pays the interest on the bond issue. That is how appalling the rate of return on this project is. It is an absolute outrage that the taxpayers of this country are going to have to subsidise this project to the extent that they do. It is absolutely outrageous that they are going to have to subsidise this project through their tax dollars and through restraint on competition. I commend these amendments to the House.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (3.55 pm)—I now wish to address amendment (2), which is before the House. The previous speaker was the shadow minister for regional communications. It is no substitute. They did not have a policy for 12 years, but now they have a shadow minister for regional communications. Who said they do not have a sense

of humour? They did not do anything to deliver regional communications for 12 years, but now they have a shadow minister. The shadow minister for regional communications said in the speech that he just gave to these amendments that we should not have any interference with the market. We should leave it to the market and the market will just deliver.

The government does not support amendment (2), which would lock in the supply of layer 2 services by NBN Co. at this stage. NBN Co.'s corporate plan and the government's statement of expectations very clearly set out that NBN Co. will operate at layer 2 of the network stack, but for good reason the bill does not include that restriction. The government is reluctant to include technology-specific limitations on NBN Co. unless and until there is a demonstrated need to do so. A simple black-and-white layer 2 rule is inflexible and could be counterproductive in terms of the services provided to customers. This was even recognised by Telstra in its submission to the Senate committee that is examining the bills. Once the market situation is clearer, and should such certainty be required, clause 41 of the bill provides for the minister to make licence conditions on what services NBN Co. must and must not supply. With suitable carve-outs, a restriction of the type contemplated by this amendment would most appropriately be dealt with by a carrier licence condition if the need arises.

The minister has indicated in the Senate that during the next four months the government will consider placing a condition on NBN Co.'s carrier licence to restrict it to layer 2. The coalition's approach does not address these fundamental issues. The amendment proposed here today is less intellectually rigorous than that moved by the opposition in the Senate on this issue at the end of last week, and the matter can already

be effectively addressed under clause 41 of the bill. Therefore, the government will not be supporting this amendment.

**Mr FLETCHER** (Bradfield) (3.58 pm)—The amendment in relation to the requirement that the supply of eligible services must be on a wholesale basis was moved in recognition of the fact that the legislation put forward by this government does not give adequate effect to its own commitment that NBN Co. would operate on wholesale-only basis. This is a very complex issue, but it is also an issue of the first importance in the policy bargain that is being put forward by this government. It is not, I might say, a policy bargain we agree with. But, in their own terms, the bargain that they have put is this: that competition will be restricted, indeed effectively barred, in facilities based competition by any network wishing to operate in competition with the NBN Co. In exchange for that unprecedented restriction on competition, the assurance that has been given by this government in policy terms is that NBN Co., this enormously powerful entity, will only operate as a wholesaler.

The implementation study notes the importance of this issue. I quote from page 28: Defining wholesale-only is simple in theory but complex in practice.

Later on the same page, in discussing the possibility of a bank or another large corporate effectively being directly sold services by the NBN, the implementation study notes:

The risk is that relaxing the wholesale definition in this or other similar ways could provide an opportunity for NBN Co to expand its scope beyond what was originally intended by Government.

This is a very sage warning provided by the authors of the implementation study, who received \$25 million from this government for the provision of that advice. The point they highlight is that the regulatory scheme

this government has put forward, if it is to be delivered upon, depends upon the most rigorous restrictions on the capacity of NBN Co. to sell in only the wholesale market. If there is any doubt that NBN Co. also has the capacity to compete in the retail market then what this government is putting forward is a very bad bargain indeed. It is because of our fear that a very bad bargain is being put forward that we have moved these amendments.

Our fear as to the scope creep or the mission creep that NBN Co. is likely to engage in was enhanced when we saw the broad range of utilities which NBN Co. is to be permitted to sell to directly. These include transport authorities, electricity supply bodies, gas supply bodies, water supply bodies, sewer service bodies, stormwater drainage service bodies and state and territory road authorities. I cannot understand why the government did not include the Dust Diseases Tribunal and many other bodies, because it is very hard to draw any intellectually coherent basis for the range of categories of organisations which are to be permitted to be sold services directly and in clear violation of the stated policy principle which this government articulated when it first announced its policy on the National Broadband Network.

If this government is genuine about delivering on its policy commitments, we do not think it is sufficient to rely upon the mechanism contained in the bill as it was put to this House. The mechanism is a restriction on selling to anybody who is not a carrier or a carriage service provider. We say that mechanism may have been appropriate under the 1997 legislation but it is not appropriate now, when it is being pursued in the context of dramatic restrictions on competition barriers to any player wanting to come into the market to compete with the NBN Company. This is the vital new element, which is why it is not sufficient to rely upon the restriction

that NBN Co. is only permitted to sell to a carrier or a carriage service provider. Additional safeguards are required if this government’s policy commitments are to be delivered on. That is why we have moved the amendments.

**The DEPUTY SPEAKER (Hon. BC Scott)**—The question is that amendments (1) and (2) as moved by the member for Wentworth be agreed to.

Question put.

The House divided. [4.07 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	63
Noes.....	<u>66</u>
Majority.....	<u>3</u>

AYES

- |                |                  |
|----------------|------------------|
| Abbott, A.J.   | Alexander, J.    |
| Andrews, K.    | Andrews, K.J.    |
| Billson, B.F.  | Bishop, B.K.     |
| Bishop, J.I.   | Briggs, J.E.     |
| Broadbent, R.  | Buchholz, S.     |
| Chester, D.    | Christensen, G.  |
| Cobb, J.K.     | Coulton, M. *    |
| Crook, T.      | Dutton, P.C.     |
| Entsch, W.     | Fletcher, P.     |
| Forrest, J.A.  | Frydenberg, J.   |
| Gambaro, T.    | Griggs, N.       |
| Hartsuyker, L. | Hawke, A.        |
| Irons, S.J.    | Jensen, D.       |
| Jones, E.      | Keenan, M.       |
| Kelly, C.      | Laming, A.       |
| Ley, S.P.      | Macfarlane, I.E. |
| Marino, N.B.   | Markus, L.E.     |
| Matheson, R.   | McCormack, M.    |
| Mirabella, S.  | Morrison, S.J.   |
| Moylan, J.E.   | Neville, P.C.    |
| O’Dowd, K.     | Prentice, J.     |
| Pyne, C.       | Ramsey, R.       |
| Randall, D.J.  | Robb, A.         |
| Robert, S.R.   | Roy, W.          |
| Ruddock, P.M.  | Scott, B.C.      |
| Secker, P.D. * | Simpkins, L.     |
| Smith, A.D.H.  | Southcott, A.J.  |
| Stone, S.N.    | Tehan, D.        |
| Truss, W.E.    | Tudge, A.        |
| Turnbull, M.   | Van Manen, B.    |

- Vasta, R.
- Wyatt, K.

Washer, M.J.

NOES

- |                   |                 |
|-------------------|-----------------|
| Adams, D.G.H.     | Albanese, A.N.  |
| Bandt, A.         | Bird, S.        |
| Bowen, C.         | Bradbury, D.J.  |
| Brodtmann, G.     | Burke, A.E.     |
| Butler, M.C.      | Byrne, A.M.     |
| Champion, N.      | Cheeseman, D.L. |
| Clare, J.D.       | Collins, J.M.   |
| Combet, G.        | Crean, S.F.     |
| D’Ath, Y.M.       | Danby, M.       |
| Dreyfus, M.A.     | Elliot, J.      |
| Ellis, K.         | Emerson, C.A.   |
| Ferguson, L.D.T.  | Ferguson, M.J.  |
| Fitzgibbon, J.A.  | Garrett, P.     |
| Georganas, S.     | Gibbons, S.W.   |
| Grierson, S.J.    | Griffin, A.P.   |
| Hall, J.G. *      | Hayes, C.P. *   |
| Husic, E.         | Jones, S.       |
| Katter, R.C.      | Kelly, M.J.     |
| King, C.F.        | Livermore, K.F. |
| Lyons, G.         | Macklin, J.L.   |
| McClelland, R.B.  | Melham, D.      |
| Mitchell, R.      | Neumann, S.K.   |
| O’Connor, B.P.    | O’Neill, D.     |
| Oakeshott, R.J.M. | Owens, J.       |
| Perrett, G.D.     | Ripoll, B.F.    |
| Rishworth, A.L.   | Rowland, M.     |
| Roxon, N.L.       | Rudd, K.M.      |
| Saffin, J.A.      | Sidebottom, S.  |
| Smith, S.F.       | Smyth, L.       |
| Snowdon, W.E.     | Swan, W.M.      |
| Symon, M.         | Thomson, K.J.   |
| Vamvakinou, M.    | Wilkie, A.      |
| Windsor, A.H.C.   | Zappia, A.      |

PAIRS

- |               |               |
|---------------|---------------|
| Schultz, A.   | Plibersek, T. |
| Baldwin, R.C. | Marles, R.D.  |
| Hunt, G.A.    | Thomson, C.   |
| Somlyay, A.M. | Burke, A.S.   |
| Ciobo, S.M.   | Parke, M.     |
| Slipper, P.N. | Leigh, A.     |
| O’Dwyer, K.   | Gray, G.      |
| Haase, B.W.   | Shorten, W.R. |
| Gash, J.      | Gillard, J.E. |
| Hockey, J.B.  | Murphy, J.    |

\* denotes teller

Question negatived.

**Mr TURNBULL** (Wentworth) (4.14 pm)—I move amendment (3):

- (3) After clause 96, page 79 (after line 15), insert:

**96A Freedom of Information Act**

NBN Co is taken to be a prescribed authority for the purposes of the *Freedom of Information Act 1982*.

The purpose of this amendment is to make the NBN genuinely subject to the Freedom of Information Act. The government very skilfully was able to persuade the Greens in the previous debate in the House and indeed in the Senate to accept an FOI amendment to apply to the NBN which says that the NBN is subject to the Freedom of Information Act but that documents which relate to its commercial activities are exempt. Given that it does not have any activities which are not commercial, that means that, all other things being equal, the entirety of its documentary material is exempt.

This is a monopoly. It is a government owned monopoly. It represents the largest investment in any one infrastructure project in our country's history and it should be properly scrutinised. One of the many paradoxes is that the entities that are least open to public scrutiny are those that belong to the government. A public company—Telstra or SingTel, for example—that is listed on the stock market has to publish any material information that is price sensitive. It has an obligation of continuous disclosure. It is being scrutinised by dozens of brokers' analysts, and of course it has thousands, if not more, shareholders with an interest in it. Government corporations suffer from the tragedy of the commons because they belong to everybody but no individuals have a strong enough interest to follow them. That is why it is so important that freedom of information provisions apply and so important that there is proper parliamentary scrutiny.

If this amendment is accepted, the NBN will be subject to the act. It will still have the benefit of the exemptions in the Freedom of Information Act in sections 45, 46 and 47. Information received in confidence can be exempt. Information which relates to trade secrets can be exempt. Commercial information the disclosure of which would destroy the value of that information is exempt, and of course documents relating that are subject to legal professional privilege are exempt.

The Greens and the crossbenchers, sadly—not all of them but a number of them—were taken for a ride with that Clayton's amendment in the previous debate. This is an opportunity to subject the NBN to full and proper scrutiny. It will be said—I can sense that the member for Greenway is keen to say this—that the government's amendment is comparable to the provisions that apply to Australia Post. That is simply not correct. The provisions that apply to Australia Post only exempt from production documents which relate to its commercial activities where it is in competition with other companies, other businesses. For the bulk of Australia Post's operations, it is a monopoly and a utility. The NBN will not be in competition with anybody in its fundamental purpose of providing the monopoly fixed line operation, and that is why they tweaked the provisions, the language, that had been used for Australia Post. But the consequence is that, because documents relating to its commercial activities are exempt, as it does not have any charitable or philanthropic activities that I am aware of, all of its documents would be subject to disclosure. For that reason we need to have a thorough application of the FOI Act to the NBN, and this amendment—very brief and very straightforward—would do just that.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (4.18 pm)—It really is a bit rich for this opposition to

come into this place talking about openness and transparency. This is the party that watered down freedom of information laws at every opportunity, introduced more exemptions to the FOI Act, blocked access to documents by issuing conclusive certificates and generally embraced a culture of secrecy during its 12 years in government. Indeed, one article from news.com.au, 'Garrett's \$12K FOI bid blocked', makes interesting reading. It says this:

FEDERAL Opposition environment spokesman Peter Garrett has failed with an FOI application after being told the information would assist his election campaign.

On October 18, the Great Barrier Reef Marine Park Authority ... knocked back Mr Garrett's freedom of information ... requests for documents on the effect of global warming on the reef and refused to waive an administration charge of more than \$12,000.

It says:

The request for the \$12,718.80 charge to be waived was dismissed as it would not cause financial hardship to the applicant ...

Part of the \$12,718.80 costs included charges for 107.6 hours of search and retrieval time, 539 hours of decision-making time and photocopying of more than 3250 pages at 10 cents per page.

As Mr Garrett said at the time:

Here we are, trying to find out information from scientific reports about the reef, and they're blocking us ...

Who was the environment minister at the time who was blocking the FOI request about climate change and its impact on the reef? The member for Wentworth!

The hypocrisy here is just absurd. The government does not support this amendment. The government is committed to a high level of transparency and accountability regarding NBN Co. activity. The establishment of a joint committee on the rollout of NBN with very wide terms of reference and a balanced membership demonstrates the

government's commitment to openness and transparency for the NBN.

The government supported the amendment to the NBN access bill in the House of Representatives to add NBN Co. as a prescribed authority under the FOI Act with an exemption for documents in relation to its commercial activities. NBN Co. is able to demonstrate that a wide range of information is likely to be accessible under the proposed FOI amendments agreed in the House. To provide additional certainty, the government supported further amendment in the Senate to establish a statutory review of NBN Co.'s FOI arrangements within 12 months of its commencement, based on the current FOI amendments originally passed in the House of Representatives.

The FOI minister will be responsible for initiating the review and will provide a report for tabling in both houses of the parliament. This review will assist to ensure that the amendments negotiated for NBN Co. have achieved the correct balance, in practice, between the pro-disclosure requirements of the FOI Act and the protection of commercially sensitive information that NBN Co. may hold. It is necessary to understand that the amendments already agreed in respect of NBN Co.'s FOI decisions regarding the commercial activities exemption will take account of current dealings they may have with third parties, as well as enabling NBN Co. to take into account any dealings which may arise in the foreseeable future. Given the importance of the NBN, and of its operating in accordance with the principles the government has set out for it, it is sensible to review these provisions to ensure that they are operating efficiently and effectively.

The fact is that the NBN Co. would face significant risks if subject to the FOI Act in full, as proposed by this amendment. Commonwealth companies like NBN Co. are set

up to undertake commercial activities. NBN Co. could be placed at a commercial disadvantage in relation to its network design, construction and rollout activities if it was subject to the FOI Act in full. When NBN Co. is included in the FOI Act, it will be in a unique position as the only Commonwealth company which is also a GBE within the FOI Act. Aboriginal Hostels Limited is a company included in the act but is not a GBE. This amendment would impose unforeseen and possibly very high administrative burdens and compliance costs on NBN Co. I urge the House to reject this amendment.

**Mr OAKESHOTT** (Lyne) (4.24 pm)—I support this amendment, as I have done in a previous form in a previous piece of legislation. I support the concept of scrutiny and oversight, and I think this amendment assists in achieving that. I would also hope that the mover of this amendment, if he is serious about those same principles of scrutiny and oversight, will get his political party to change its position on the Auditor-General Amendment Bill 2011, a private member's bill that has been brought to this chamber to allow for audits of GBEs to be done, including audits of NBN Co. At the moment, the coalition is opposing that bill and, as a consequence, opposing the principles of scrutiny and oversight. If we are serious about NBN Co. being able to be FOIed and have audits done, if we are serious about that culture of scrutiny and oversight being delivered by this parliament on behalf of the community, then I would ask for consistency. I would ask that this amendment line up with support being given for the Auditor-General Amendment Bill, which is currently not the coalition's position.

Question put:

That the motion (**Mr Turnbull's**) be agreed to.

The House divided. [4.29 pm]  
(The Speaker—Mr Harry Jenkins)

Ayes.....	64
Noes.....	<u>65</u>
Majority.....	<u>1</u>

AYES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Briggs, J.E.
Broadbent, R.	Buchholz, S.
Chester, D.	Christensen, G.
Cobb, J.K.	Coulton, M. *
Crook, T.	Dutton, P.C.
Entsch, W.	Fletcher, P.
Forrest, J.A.	Frydenberg, J.
Gambaro, T.	Griggs, N.
Hartsuyker, L.	Hawke, A.
Irons, S.J.	Jensen, D.
Jones, E.	Keenan, M.
Kelly, C.	Laming, A.
Ley, S.P.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
Matheson, R.	McCormack, M.
Mirabella, S.	Morrison, S.J.
Moylan, J.E.	Neville, P.C.
O'Dowd, K.	Oakeshott, R.J.M.
Prentice, J.	Pyne, C.
Ramsey, R.	Randall, D.J.
Robb, A.	Robert, S.R.
Roy, W.	Ruddock, P.M.
Scott, B.C.	Secker, P.D. *
Simpkins, L.	Smith, A.D.H.
Southcott, A.J.	Stone, S.N.
Tehan, D.	Truss, W.E.
Tudge, A.	Turnbull, M.
Van Manen, B.	Vasta, R.
Washer, M.J.	Wyatt, K.

NOES

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bowen, C.	Bradbury, D.J.
Brodthmann, G.	Burke, A.E.
Butler, M.C.	Byrne, A.M.
Champion, N.	Cheeseman, D.L.
Clare, J.D.	Collins, J.M.
Combet, G.	Crean, S.F.
D'Ath, Y.M.	Danby, M.

Dreyfus, M.A.  
 Ellis, K.  
 Ferguson, L.D.T.  
 Fitzgibbon, J.A.  
 Georganas, S.  
 Grierson, S.J.  
 Hall, J.G. \*  
 Husic, E.  
 Kelly, M.J.  
 Livermore, K.F.  
 Macklin, J.L.  
 Melham, D.  
 Murphy, J.  
 O'Connor, B.P.  
 Owens, J.  
 Ripoll, B.F.  
 Rowland, M.  
 Rudd, K.M.  
 Sidebottom, S.  
 Smyth, L.  
 Swan, W.M.  
 Thomson, K.J.  
 Wilkie, A.  
 Zappia, A.

Elliot, J.  
 Emerson, C.A.  
 Ferguson, M.J.  
 Garrett, P.  
 Gibbons, S.W.  
 Griffin, A.P.  
 Hayes, C.P. \*  
 Katter, R.C.  
 King, C.F.  
 Lyons, G.  
 McClelland, R.B.  
 Mitchell, R.  
 Neumann, S.K.  
 O'Neill, D.  
 Perrett, G.D.  
 Rishworth, A.L.  
 Roxon, N.L.  
 Saffin, J.A.  
 Smith, S.F.  
 Snowdon, W.E.  
 Symon, M.  
 Vamvakinou, M.  
 Windsor, A.H.C.

PAIRS

Schultz, A.  
 Baldwin, R.C.  
 Hunt, G.A.  
 Somlyay, A.M.  
 Ciobo, S.M.  
 Slipper, P.N.  
 O'Dwyer, K.  
 Haase, B.W.  
 Gash, J.  
 Hockey, J.B.

Plibersek, T.  
 Marles, R.D.  
 Thomson, C.  
 Burke, A.S.  
 Parke, M.  
 Leigh, A.  
 Gray, G.  
 Shorten, W.R.  
 Gillard, J.E.  
 Jones, S.

\* denotes teller

Question negatived.

**TELECOMMUNICATIONS  
 LEGISLATION AMENDMENT  
 (NATIONAL BROADBAND NETWORK  
 MEASURES—ACCESS  
 ARRANGEMENTS) BILL 2011**

**Consideration of Senate Message**

Bill returned from the Senate with amendments.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (4.34 pm)—I move:

That the amendments be considered immediately.

**The SPEAKER**—Order! As the House awaits the four minutes to transpire, during the last division there were some members that were well and truly listening to the one of the House's great raconteur's stories—the member for Hinkler—but they had their backs to the tellers, and they should not do that. But I understand that it was a special occasion for the House's great raconteur because it is his birthday today. I am pleased that the members of the House were able to gather here on the member for Hinkler's birthday.

**Honourable members**—Hear, hear!

*Mr Bruce Scott interjecting—*

**The SPEAKER**—The member for Maranoa will desist from encouraging him to give us the frog joke.

Question put:

That the motion (**Mr Albanese's**) be agreed to.

The House divided. [4.39 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	66
Noes.....	<u>63</u>
Majority.....	<u>3</u>

AYES

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bowen, C.	Bradbury, D.J.
Brodthmann, G.	Burke, A.E.
Butler, M.C.	Byrne, A.M.
Champion, N.	Cheeseman, D.L.
Clare, J.D.	Collins, J.M.
Combet, G.	Crean, S.F.
D'Ath, Y.M.	Danby, M.
Dreyfus, M.A.	Elliot, J.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Garrett, P.
Georganas, S.	Gibbons, S.W.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hayes, C.P. *

Husic, E.  
Kelly, M.J.  
Livermore, K.F.  
Macklin, J.L.  
Melham, D.  
Murphy, J.  
O'Connor, B.P.  
Oakeshott, R.J.M.  
Perrett, G.D.  
Rishworth, A.L.  
Roxon, N.L.  
Saffin, J.A.  
Smith, S.F.  
Snowdon, W.E.  
Symon, M.  
Vamvakinou, M.  
Windsor, A.H.C.

Katter, R.C.  
King, C.F.  
Lyons, G.  
McClelland, R.B.  
Mitchell, R.  
Neumann, S.K.  
O'Neill, D.  
Owens, J.  
Ripoll, B.F.  
Rowland, M.  
Rudd, K.M.  
Sidebottom, S.  
Smyth, L.  
Swan, W.M.  
Thomson, K.J.  
Wilkie, A.  
Zappia, A.

## NOES

Abbott, A.J.  
Andrews, K.  
Billson, B.F.  
Bishop, J.I.  
Broadbent, R.  
Chester, D.  
Cobb, J.K.  
Crook, T.  
Entsch, W.  
Forrest, J.A.  
Gambaro, T.  
Hartsuyker, L.  
Irons, S.J.  
Jones, E.  
Kelly, C.  
Ley, S.P.  
Marino, N.B.  
Matheson, R.  
Mirabella, S.  
Moylan, J.E.  
O'Dowd, K.  
Pyne, C.  
Randall, D.J.  
Robert, S.R.  
Ruddock, P.M.  
Secker, P.D. \*  
Smith, A.D.H.  
Stone, S.N.  
Truss, W.E.  
Turnbull, M.  
Vasta, R.  
Wyatt, K.

Alexander, J.  
Andrews, K.J.  
Bishop, B.K.  
Briggs, J.E.  
Buchholz, S.  
Christensen, G.  
Coulton, M. \*  
Dutton, P.C.  
Fletcher, P.  
Frydenberg, J.  
Griggs, N.  
Hawke, A.  
Jensen, D.  
Keenan, M.  
Laming, A.  
Macfarlane, I.E.  
Markus, L.E.  
McCormack, M.  
Morrison, S.J.  
Neville, P.C.  
Prentice, J.  
Ramsey, R.  
Robb, A.  
Roy, W.  
Scott, B.C.  
Simpkins, L.  
Southcott, A.J.  
Tehan, D.  
Tudge, A.  
Van Manen, B.  
Washer, M.J.

## PAIRS

Plibersek, T.  
Marles, R.D.  
Thomson, C.  
Burke, A.S.  
Parke, M.  
Leigh, A.  
Gray, G.  
Shorten, W.R.  
Gillard, J.E.  
Jones, S.  
Schultz, A.  
Baldwin, R.C.  
Hunt, G.A.  
Somlyay, A.M.  
Ciobo, S.M.  
Slipper, P.N.  
O'Dwyer, K.  
Haase, B.W.  
Gash, J.  
Hockey, J.B.

\* denotes teller

Question agreed to.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (4.43 pm)—I would like to indicate to the House that the government proposes it may suit the convenience of the House to consider the amendments in the following two groups: the first group, numbers (5), (6), (8), (11), (12) and (14) to (60); and the second group, numbers (1) to (4), (7), (9), (10) and (13).

**The SPEAKER**—If there is no objection, I will allow that course of action.

**Mr ALBANESE**—I move:

That the Senate amendments (5), (6), (8), (11), (12) and (14) to (60) be agreed to.

I intend to speak for a while, so you can—

*Opposition members interjecting—*

**The SPEAKER**—I would encourage members that are leaving to do so quietly and all members that are staying to do so quietly as well.

**Mr ALBANESE**—I understand that those people who object to the time this has taken might object to the fact we just had a division on whether we would have a debate or not, which took up another 10 minutes. I would now like to make some comments in relation to the amendments to this bill. As drafted, the access bill amends the Competition and Consumer Act 2010 and the Telecommunications Act 1997 to introduce new access, transparency and non-discrimination



obligations relating to the supply of wholesale services by NBN Co. Limited. The bill also extends similar supply and open access obligations to owners of other super-fast broadband networks. The access bill operates in conjunction with the accompanying companies bill that has just been carried by this House.

The Senate agreed to a number of government amendments to the bill to better ensure NBN Co. can achieve its historic mission of bringing superfast broadband to Australia and providing a more effective platform for retail competition. A number of government amendments of a technical nature were also made. I will briefly explain the government's amendments in the Senate before commenting on some of the Senate's other amendments and, for the convenience of the House, I will comment on both amendments being moved now and amendments I will move secondly.

Most importantly, Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011 was amended to authorise certain specified conduct by NBN corporations required to implement the government's policy objectives of promoting the structural reform of the telecommunications and uniform national pricing on the NBN. The conduct will be authorised for the purposes of section 51 of the Competition and Consumer Act, which has the effect of exempting conduct from the restrictive trade practices provisions of that act. The authorisations permit NBN corporations to refuse to permit interconnection outside the list of points of interconnection to enable NBN Co. to offer certain services only as a bundle and cross-subsidise in charging for services. These conducts are to be authorised to ensure NBN Co. can achieve uniform national pricing but are authorised only to the extent that it is reasonably necessary for it to do so to

achieve that objective. This has been made particularly clear as through amendments to the authorisation provisions moved by Senator Ludlam and Senator Xenophon.

Under the amendments, the ACCC will not be able to require NBN Co. to offer prices that are not uniform nationwide but it can otherwise reset the terms and conditions of NBN Co. services. NBN Co. conduct outside this narrow authorisation remains fully subject to ACCC scrutiny. Just as its operations are wholesale only, an open and equivalent basis is subject to close ACCC scrutiny.

Changes are proposed to part 11C of the Competition and Consumer Act to support the authorisations. The authorisation provisions are fundamentally linked to the government's policy of the NBN delivering nationally uniform wholesale pricing and the government's commitment to the regional independence on this count. NBN Co. will be delivering a 12 megabits per second service to all Australians at the same wholesale price of \$24 regardless of location or technology. This policy is explicit in the government's commitment to regional Australia of 7 September 2010 to put in place a cross-subsidy to achieve uniform national wholesale pricing, so that people in regional areas pay the same price as people in the city. As that statement said, for the first time, wholesale broadband prices will be the same for households and businesses regardless of where they are located. Part of what the National Broadband Network is about is overcoming the tyranny of distance that creates inequity depending upon where you live in Australia.

In the statement of expectations, the government further advised NBN Co. that it will be able to cross-subsidise from its national revenue flows to provide national uniform pricing. This will enable NBN Co., for example, to use revenues from areas within the

fibre footprint that can be served much more cost-effectively to those areas in the wireless footprint that are more expensive to service with a view to providing uniform pricing. This arrangement is further bolstered by the level playing field arrangements, which I will come to shortly. (*Extension of time granted*)

By providing a wholesale-only platform with uniform national wholesale pricing the government will further advance its objective of structural reform of the Australian telecommunications industry. I want to indicate to the House that in the light of the debate in the Senate on the issue of uniform national pricing and particularly the mischievous and misleading comments by coalition senators on that issue, the government will be providing additional guidance on this matter later today.

The government understands that the authorisations included in the bill are important to both NBN Co. and other carriers. The government has not proposed them lightly but rather to ensure that NBN Co. can deliver on the key objective of national uniform pricing, particularly for the benefit of consumers in regional, rural and remote Australia. I want to pay tribute to the government members here but also to the member for Lyne, the member for New England, the member for Kennedy, the member for Denison and, indeed, the member for O'Connor, who, even though he does not agree with the government on some of these issues, has ensured that he always stands up for regional Australia. Part of what we are about here is making sure that people like my good friend the member for Kennedy are kept happy. If the member for Kennedy is pleased about delivering in regional Australia, there is no doubt that that is a good outcome for regional Australia.

In recognition of concerns about the authorisations, the government supported two key amendments in the Senate by Senator Xenophon and Senator Ludlam. The bill requires the ACCC and NBN Co. to agree to changes to the list of the points of interconnection which NBN Co. must offer. There needs to be agreement on this because the list impacts on how NBN Co. builds and operates its network. First, the government has agreed that before 30 June 2013 there should be an independent review of the policies and procedures relating to the identification of points of interconnection; second, the government has agreed that NBN Co.'s agreement to changes to the list of points of interconnection should no longer be required once the network is built and fully operational.

The other important government amendments made to the access bill in the Senate were those relating to the level-playing field arrangements. These did two particular things. Firstly, these amendments clarify that the level-playing field requirements in the proposed new part 7 of the Telecommunications Act only apply to local access lines that are part of the telecommunications network that is wholly or principally used, or proposed to be used, to supply eligible services to residential or small business customers and is capable of supplying a superfast carriage service. The other major component of these amendments implements the government's policy announcement of 20 December 2010 when it released NBN Co.'s corporate plan. The proposed part 8 of the Telecommunications Act requires networks caught by the level playing field provisions to be wholesale only.

Related to the amendments, the access bill was also amended by the Senate to expand the definition of a layer 2 bitstream service to include either a layer 2 ethernet bitstream service or a layer 2 bitstream service speci-

fied in a legislative instrument made by the Australian Communications and Media Authority. The amendment responded to concerns raised by the Internet Society of Australia and is designed to provide appropriate flexibility to accommodate possible technological change over time.

The Senate also amended the bill to remove NBN Co.'s ability to engage in discrimination that could aid efficiency. The government considers discrimination that aids efficiency is a well-established concept in economics and one that is already reflected in the access regimes in part 3A and 11C of the Competition and Consumer Act. However, the government accepts the arguments of the Senate that in the case of NBN Co., which has been established to operate on a wholesale only open and equivalent access basis, that such provisions may not necessarily be appropriate. The government agrees with Senator Xenophon, who moved these amendments, that there may be a need for some greater flexibility in relation to product development. This is an issue the government will look at further. (*Extension of time granted*)

In conclusion, the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Bill 2011, together with the National Broadband Network Companies Bill 2010, demonstrates the government's commitment to structural reform of the telecommunications market and to ensuring that the NBN meets the government's key objectives: that NBN Co. operate on a wholesale only basis and offer open and equivalent access. This includes the key objective of providing equity to regional, rural and remote Australians through the delivery of uniform national wholesale pricing. By doing so, the NBN will provide a platform for vibrant retail-level competition that will bring better services to all Australians. I commend the reso-

lution and all of the amendments to the House.

Question agreed to.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (4.55 pm)—I move:

That the Senate amendments (1), (2), (3), (4), (7), (9), (10) and (13) be agreed to.

I will briefly speak to these amendments. I addressed many of these amendments in my remarks to the earlier resolution in support Senate amendments that were put. I understand that there will be an amendment moved to one of these provisions that the government certainly does not regard as necessary, but I will address that once it is moved. Apart from that, the government believes it is very important that this piece of legislation be carried with the Senate amendments.

The Senate gave these issues due consideration over two days of sittings last week. We previously had given due consideration to these issues as well. The parliament considered this legislation when I moved it way back in December. So there have been three months of important consideration of this legislation. After those three months I think it is time that we get on with building the National Broadband Network.

I call upon the opposition to do that. I know that the member for Wentworth is probably a reluctant recruit to this 'Destroy the NBN' campaign of the Leader of the Opposition, who has not bothered to stick around for this debate and for these votes. He is ensuring that his backbench is being forced to endure what is essentially the expression of the opposition's frustration. Once again, I commend the amendments to the House.

**Mr HARTSUYKER** (Cowper) (4.57 pm)—I move opposition amendment (1) standing in my name to Senate amendment (2):

(1) Amendment (2), after subsection 151DA(5), insert:

(5A) For the purposes of this section, in determining whether there is uniform national pricing of an eligible service supplied, or offered to be supplied, by an NBN corporation, the mechanism of that pricing is to be determined so as that the pricing of that particular service at each upload and download speed shall be uniform at that speed throughout Australia, regardless of the technology over which a broadband service is offered or supplied.

(5B) In exercising any of its powers, in determining whether pricing of the NBN is uniform national pricing, the ACCC must use the mechanism specified in subsection (5A) regardless of the delivery mechanism.

This is a very important amendment as it enshrines uniform wholesale pricing across technologies. It is vitally important not only that we have a uniform price, geographically, but also that the price be uniform—

*Mr Albanese interjecting—*

**Mr HARTSUYKER**—I know that you eagerly await my contribution each time!

**The DEPUTY SPEAKER**—The minister will stop interrupting so that we can get through this.

**Mr HARTSUYKER**—It is vital that we have uniform pricing not only across geographical areas but also across all sorts of technologies. Australians who receive broadband via satellite, wireless or fibre should be paying the same unit price for a particular download speed regardless of the method of delivery. This is an important issue because without uniformity across technology there would be a digital divide based on pricing. It is certainly important for the constituents the National Party and the country members in the Liberal Party represent that there be that uniformity across technology.

There is a test in this for the country Independents because this is something that should be enshrined in legislation. It is vital that we do not depend on a promise from the government to provide uniformity across technology but that it is enshrined in legislation. We all heard the Prime Minister promise that, ‘There will be no carbon tax under the government that I lead.’

*Mr Bradbury interjecting—*

**Mr HARTSUYKER**—It is very relevant because it is vital that this uniformity be enshrined in legislation and not depend on a promise from a government that has a track record of not keeping its promises. Will we see the country Independents supporting this legislation? I know that the member for Kennedy is keen to support this amendment. Will we see the Independents supporting this or will we see them roll over to the government yet again? That is the question the House will be looking at night. We are about to have a vote in this place where we will see whether the country Independents are going to support this important principle of uniformity across technology or whether they in fact roll over. It is vital that we do not just depend on a promise. We are all assembled here in this House as legislators. It is important that this principle be enshrined, that it be dealt with by legislation right here, right now in the House and not put off to a future time, not dependent on a letter or some other instrument. The appropriate instrument to define this is legislation. We will certainly be watching how the Independents vote on this. We have seen them roll over on youth allowance for country kids; we have seen them roll over on less administration for paid parental leave; we have seen them lump their constituents with a carbon tax; now we are going to see if they insist on enshrining in legislation this very important principle of uniform—

**The DEPUTY SPEAKER (Ms AE Burke)**—Order! You are all out of your chairs, by the way.

**Mr HARTSUYKER**—They are very, very disorderly, Deputy Speaker.

**The DEPUTY SPEAKER**—You are not helping, Member for Cowper.

**Mr HARTSUYKER**—We need to take account not only of the technology that is existing now in the fields of satellite and wireless provision but we need to take account of future technology. We see in a test that—

**Mr Windsor**—You are a joke!

**Mr HARTSUYKER**—wireless networks are delivering up to 100 megabits a second. There is no reason to believe we will not be seeing vastly higher speeds in the future. That is why it is so important that we enshrine this in legislation. I hear the member for New England interjecting, and we saw how well his state counterpart went in Tamworth on the weekend! We saw how well the member for Port Macquarie went on the weekend!

**The DEPUTY SPEAKER (Ms AE Burke)**—The member for Cowper will be relevant to the bill.

**Mr HARTSUYKER**—I am being relevant—

**The DEPUTY SPEAKER**—You are not.

**Mr HARTSUYKER**—because it is vitally important that this amendment has the support of the crossbenches. I know that the member for Kennedy is keen to support this. It remains to be seen how the member for New England and how the member for Lyne will vote—whether they support this amendment or whether they roll over yet again, like they did on youth allowance, like they did on paid parental leave. I commend this amendment to the House and I am certainly looking for the support of the House to

get this amendment up to enshrine the important principle of uniformity across technology.

**Mr WINDSOR** (New England) (5.02 pm)—There are a number of things I would like to comment on. I think this piece of technology—the National Broadband Network—is potentially the greatest piece of regional infrastructure that we will see this century. I am appalled that members of the National Party are trivialising this debate in the way that they are. I will ask the member for Cowper a question in a moment and I would like an answer to it—and I think the general public would like an answer. This is the one piece of infrastructure that actually negates distance as being a disadvantage. It is the one piece of infrastructure that creates enormous opportunities for country Australians. When you closely look at the sorts of benefits that will accrue to the nation and to country people in particular there are some incredible opportunities. A lot of those opportunities have not been invented yet, but the ones that have and the way they can be extended into country Australia is quite incredible. I cannot believe that any member who represents or purports to represent the country areas of this nation would actually find arguments to vote against it.

I have respect for the member for Wentworth, because I think he has long-term views in terms of some of the very important issues that confront this nation. Regrettably, his current leader does not. But I believe the member for Wentworth does have views. There were discussions earlier on—the member for Wentworth would be well aware of this—in relation to a benefit-cost analysis; or, as some people call it, a cost-benefit analysis. When I was at university it was a ‘benefit-cost’ but now, apparently, it is ‘cost-benefit’.

I am delighted to see the member for Sturt here after that physical engagement that we had earlier. I thought it was very touching. Your invitation to join with you in the formation of a new government, member for Sturt, I gave great consideration to but came up with the argument that, seeing you were very rarely in the building and that you would in a sense have the balance of power, it would be a highly irresponsible thing for me to do.

**The DEPUTY SPEAKER (Ms AE Burke)**—The member for New England should return to the issue under debate, please.

**Mr WINDSOR**—The only way that the member for Sturt could have been engaged with us was via broadband technology, I think, because he would be out of the building.

The member for Wentworth made some key points early on about a cost-benefit analysis. I spoke to Malcolm about this on a number of occasions—the potential for country Australia. If there are 300,000 or 400,000 aged-care people who are able to maintain residence in their homes for one, two, three and four years, which is what they would like to do—which they are quite capable of doing under this in-home, real-time monitoring not only of their health condition but their whereabouts; instant contact with their loved ones et cetera—what would that save the nation? What would be the social costs of those things?

When you talk to people who want to do economic modelling on some of this stuff as to the all-up cost of this and the savings that would be accrued, it is very difficult for them to come up with numbers, because some of the technology has not been identified yet. But it is very clear that the major recipients, whether it be through health—country people trying to engage with specialists; we have this issue in the country that we cannot find

enough doctors and allied professionals—would be country people. This is the one piece of technology that can overcome that.

There are issues for doctors in small towns. If backup can be provided through some of these technologies, it will give these doctors the confidence that they can take an accident victim and that they can deal with it. So there are enormous benefits in some of this technology.

My question to the member for Cowper is: if I support this amendment, will you support the National Broadband Network—yes or no? (*Time expired*)

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (5.08 pm)—Madam Deputy Speaker—

**Mr Katter**—Madam Deputy Speaker—

**Mr ALBANESE**—Normally, it crosses from side to side—

**The DEPUTY SPEAKER (Ms AE Burke)**—Sorry, I am going backwards and forwards in this debate—

**Mr ALBANESE**—but, for you, Member for Kennedy, I will certainly defer!

**The DEPUTY SPEAKER**—No, the minister has the call. The member for Kennedy and anybody else on the other side will get the call. This is not ending the debate. The minister has the call.

**Mr ALBANESE**—The government are committed to the NBN providing national uniform wholesale pricing. This is set out in the government's statement of expectations. Indeed, we have a range of mechanisms in order to require national uniform pricing for all services. Uniform pricing is embedded in NBN Co.'s network design and operation. NBN Co. will be able to use revenue from lower cost, higher value markets, like metropolitan areas, to deliver equitable pricing outcomes for users in regional, rural and remote communities. To ensure these arrange-

ments can be implemented to achieve that outcome, a number of authorisations have been included in the bill in relation to points of interconnection, the bundling of services and pricing practices reasonably necessary to deliver national uniform pricing. That uniform prices are being delivered will be obvious to all, as all NBN Co.'s pricing must be public. The government consider uniform pricing to be so integral to NBN Co.'s mode of operation that further legislative requirements are not necessary.

The uniformity requirement proposed by Senator Joyce and replicated by the member for Cowper in the amendment he has moved here is not only unnecessary; it is actually unworkable because of the way the opposition have put together these amendments. There are numerous drafting issues with the opposition's amendments. Their consequences are far from certain and may well undermine the very objective that the opposition claim they are there to reinforce. Proposed section 151DA(5) provides a definition of when the outcome of uniform pricing is achieved. The new subsection (6), as proposed by the opposition, purports to add to this a reference to a 'mechanism of that pricing'. It is not clear how this new subsection (6) would or is intended to affect the definition of uniform national pricing as set out in subsection (5).

**Mr Fletcher**—Madam Deputy Speaker Burke, on a point of order: in the amendment as circulated, I cannot see a reference to a new subsection (6). I wonder if the minister could clarify that.

**The DEPUTY SPEAKER**—The minister has the call.

**Mr ALBANESE**—Nor is it clear in what way their new section is intended to require the ACCC to use the mechanism that is established. Furthermore, it is unclear what is meant by the cost of the average of the up-

load and download speeds of an eligible service. The proposed drafting demonstrates a fundamental lack of understanding of what the provisions are intended to deliver: certainty for NBN Co. to deliver the government's clearly stated policy of uniform national wholesale pricing. In the absence of effective provisions in the bill, NBN Co. runs the risk of being in breach of provisions of the Competition and Consumer Act because it will require cross-subsidisation of its services—a very important point that those opposite should think about. The member for Bradfield should understand those consequences for this bill.

The government, contrary to those opposite, is delivering this not just in word but in deed, which is why the government will not support this amendment. But, once this debate is concluded, I will move:

That the House notes that:

- (1) a Community Impact Statement will be prepared on all future policy decisions on technology, speed and/or price to assess impacts and opportunities on those unable to be serviced by fibre to the premises, and with regard to future technologies the principle of uniform wholesale national pricing will be applied where possible;
- (2) the Government is committed to uniform wholesale national pricing within technologies; a universal price for all customers receiving optic fibre; a universal price for all customers receiving fixed wireless, and a universal price for all customers receiving satellite; and
- (3) the NBN has achieved uniform national entry level pricing across technologies, and where new technologies become available will seek to maintain this principle at other product levels.

That makes the position clear. It is consistent with what the government have done. It is consistent with what the regional Independents want to achieve as a real outcome. It is not just about rhetoric that is aimed at hold-

ing back and slowing down the NBN process. (*Time expired*)

**Mr KATTER** (Kennedy) (5.13 pm)—I have some brief observations. I want to back up very strongly my colleague from New England and also thank very sincerely the Independent senator from South Australia, Nick Xenophon, for moving amendments and reinforcing in this legislation that we are going to be treated equally. With the rollout of these very comprehensive services, the very high speed and broad width delivery of information in all its forms, there has always been a question mark over whether we are going to get the same price. We thank very much the Leader of the House for the assurances that he has just provided.

On the amendment moved by the member for Cowper: I would not be voting against anything that says that we are going to get equal pricing, but one has to understand that there is some inconsistency when you are moving for equal pricing but you are not actually going to provide the NBN service. You have to really understand how important this is for rural Australia. I am not saying that it might not be done, and I applaud the member for Wentworth, who has kept his gun loaded and has ridden shotgun all of the way on this. I think that, as a result of his energies, we will not see the sort of things happen that happened in the GFC—the handout with respect to the schools and the handout with respect to the insulation batts—and that is a very great credit to him. But for us to look a gift horse in the mouth here, when we are being provided with one of the most important moves forward that we will see in our lifetimes, and for us to question and start fooling around with it—

**Mr Frydenberg**—At what cost?

**Mr KATTER**—You say, ‘What cost?’ and I will take the interjection. I will tell you what cost: the same sort of cost that gives

Brisbane \$20,000 million on their highway to the Gold Coast but does not give one-tenth of the population, which lives in Far North Queensland, a single cent for their roads. That is the sort of cost—the sort of cost that you do not understand with respect to what we call the tyranny of the majority. I will give you recommended reading so you can catch up on the democratic forms of government. Unfortunately we live in a situation where the winner takes all. But, for once in our history in the last 40 or 50 years, the winner cannot take all because we are sitting here and we have got a deal for rural Australia.

Chifley had to make a decision after the war on whether he was going to deliver phones to every house in Australia. If you want to go back and have a look at the arguments, the same silly people were sitting on this side of the House arguing that every house in Australia could not have a telephone because it would cost too much. Well, thank the good Lord—because my family came from Cloncurry, where they have lived for over a century—that Chifley was listened to and not the opposition.

We have to move forward. Yes, there might be some other technologies out there. I have not heard the opposition put forward a single solitary alternative technology. They think we should wait for some science-fiction fantasy to jump out from behind a bush and provide a service for us. Well, too bad for you. We have an offer on the table and we are going to take it. Rural Australia is going to be looked after, and I hope the electors remember those who have not voted for it.

**Mr OAKESHOTT** (Lyne) (5.17 pm)—I will try to be brief in response to comments from the member for Cowper and the amendment before the House. A lot of work has gone in today to try to get a resolution



that is an outcome for the greater good of better ICT services in regional areas and less about political positioning and rhetoric. I am, I guess, not surprised by the lack of shame and the enormous inconsistency in the amendment put forward today. I start where the member for New England finished and put to the member for Cowper the question of whether or not they are supportive of the substance of the bill. If they are not, proposing amendments in detail that are implying support for the bill is hypocrisy and inconsistency of the highest order.

So I am assuming, based on what I have heard from a neighbouring MP in public domains for the last six to 12 months in and around the Coffs Harbour community. Even though it is one of the first rollout sites, the member for Cowper has been quite open about the fact that he is not supportive of the NBN. He has been quite open about saying, 'This is a cost that the country cannot afford.' He has not considered, in my view, the issues around the innovation and entrepreneurship opportunities that come with the rollout of better ICT in regional communities such as the mid-North Coast. He takes that position publicly and then comes down to Canberra and moves amendments to make the cost higher. If the criticism has been that the cost of the NBN is too high, the amendment he is moving today would increase that bill. No shame is being shown at this point about that inconsistency. As well, with a rollout site in the community and the member running around at home in the electorate of Cowper saying publicly that he does not support it and then sneaking down to Canberra and moving amendments in detail about the policy, potentially to show off to parliamentary colleagues that he gets the detail—again, that is dripping with hypocrisy and is shameless in the duplicity between what you are doing in your electorate and

what you are doing here in Parliament House.

Also, there is a moment where we need to reflect on why we are even having this debate. It took a tight parliament to achieve an outcome on uniform national wholesale pricing. If we really want to cut to the chase, it took some Independent members, negotiating on behalf of regional Australia, to get something that is very important for regional communities as regards pricing and the cost of living. Why on earth wasn't this done before? There have been plenty of coalition governments, going back to the 1940s, where this could have been negotiated and has not been. It is dripping with shameless hypocrisy and inconsistency, once again, for a speech that I just heard to criticise the member for New England and me for taking the position that we have in making uniform national wholesale pricing an issue in the first place and getting the concept into this parliament in the first place. For some reason, we are being criticised because of that.

We have negotiated all day to try to get an outcome that captures the spirit of what we are trying to achieve in regard to uniform national wholesale pricing. I am very pleased that we now have that locked down with a resolution to come in the parliament, and I am very pleased that we have a community impact statement that will be attached to any future policy decisions around technology, speed and price.

I am also pleased for the sake of taxpayers that we have saved a substantial amount of money today by not having to see a recall of the Senate and a recall of the House of Representatives to get this issue resolved. Potentially somewhere in the order of \$2 million and \$4 million of taxpayers' money has been saved by that work today. Again, will we get thanks from the member for Cowper or will we get criticism? We will get criticism—and

he is not supporting the substance of the bill. (*Time expired*)

**Mr FRYDENBERG** (Kooyong) (5.22 pm)—I rise to speak on the amendments before the House, and particularly the constraints placed on the ACCC by this government and the abuse of process and power that that represents when it comes to the NBN.

Not only is this government creating a \$50 billion white elephant when you take into account the debt, the equity and the payments to Telstra but this has morphed from a \$4.7 billion original investment, and it has now received comments from groups like the Economist Intelligence Unit, which compared it to the Korean national broadband initiative. It said that in Australia we are getting one-tenth of the speed of Korea and 24 times the price.

Why has this government, in the dead of night last week, introduced nearly 30 pages of complex amendments not subject to scrutiny? Why does it not have the courage to put its amendments before the House in a proper way? And why, when it comes to the ACCC and the issues that we are debating at the moment, has it allowed the NBN Co. to have the benefit of a statutory authorisation to allow it to escape the proper scrutiny of the ACCC when it comes to the bundling of services, cross-subsidisation and uniform pricing? These are important matters, and the government's initiatives are going to reduce competition.

What is more, Senator Conroy should know better as the Minister for Broadband, Communications and the Digital Economy, because in March 2010 he went on *Lateline*, and these are his words. He said he was putting in place:

... important regulatory protections for all Australians so that in the future, when the National Broadband Network is up and running, that it has

some regulations, powers for the ACCC to deal with the National Broadband Network, because there's no point in creating- getting rid of one vertically integrated monopoly to create another unregulated monopoly.

So now the minister is damned by his own words, because the amendments that he has sought to bring have actually reduced the influence and the authority of the ACCC.

We should not expect anything different from this government because it has not subjected the NBN to proper scrutiny, with no parliamentary oversight from the Public Works Committee, even though it is the greatest public works initiative undertaken in Australia's history. It is not subject to FOI, even though it was the Rudd government that went to the election and promised to:

... restore trust and integrity in the use of Commonwealth Government information, promoting a pro-disclosure culture and protecting the public interest through genuine reform.

It has not done that, because it is exempting the FOI.

It has not put it before Infrastructure Australia. Infrastructure Australia is a body set up with specific expertise in the telecommunications sector, and the government will not refer it to Infrastructure Australia. I was with the Joint Committee of Public Accounts and Audit the other day, and we had the head of Infrastructure Australia there. He confirmed that that was the case.

The government will not allow scrutiny by the Productivity Commission, even though the Greens requested that the Productivity Commission investigate the NBN prior to sale. Why will it not allow the Productivity Commission to use its expertise now? And why will it not fully release the business case that it had undertaken? It only released a couple of hundred of 400 pages, and it made the Independents sign confidentiality agreements.

It has been said by the member for New England and others that we do not have an alternative policy. Yes, we do. We have an affordable and effective alternative broadband policy, one that is costed over the next seven years at around \$6 billion. It is one that uses the variety of technologies: wireless, satellite and fibre. It is one that actually leverages off the private sector and does not just create a new government monopoly. It is one that will not run away from the ACCC, FOI or the Productivity Commission.

We on this side of the House proudly support privatisation. We on this side of the House proudly support competition. We on this side of the House proudly support an affordable broadband network. But we will not support this government running away from proper scrutiny.

**Mr TURNBULL** (Wentworth) (5.27 pm)—I want to respond to the member for New England and also the members for Lyne and Kennedy. I entirely agree with them about the need for better communications in regional Australia—indeed, right through Australia. It is not just limited to telecommunications; it applies to roads, air transport, rail and so forth. It is good transport and communications technology which can annihilate distance—there is no doubt about that.

I am as committed as they are to ensuring that there is fast broadband right across Australia. However, the only issue is the manner in which it is delivered. The thing that makes the NBN so expensive is not the fact that it is going to provide telecommunications into the bush—as we know, for seven per cent it will be delivered by fixed wireless and satellite. It is not that; it is the fact that it is running fibre into every house. The cost of rolling out a network like this is about 75 per cent civil works—that is, digging ditches and running cable, and most of that, of course, is labour.

When you boil it down and get beyond the argument on whether it is a benefit-cost analysis or a cost-benefit analysis—either way we should have had one—the real issue is: do you need to run fibre into every residence? The point that we made again and again is that you simply do not. Other countries with very fast broadband and highly developed technology cultures like Korea do not have fibre into every apartment or into every house. So there is a cheaper way of delivering the goal that you and I and every other member of this House, I believe, subscribe to.

Turning more particularly to the member for Cowper's amendment, the object of it is very simple. I am disappointed that the country Independents appear not to be likely to support it, but I hope you do. I am going to try and change your mind here. I know you have had some warm words from the minister at the table, Mr Albanese, but there is no substitute for legislative language. If, in the future, there was a 25- or 50-megabit per second service delivered over satellite or over fixed wireless—and of course the technology is there to deliver that today; but let us say that is broadly available—this amendment would mean that that would have to be sold or made available on a wholesale basis by the NBN at the same price that it was made available in the cities, where, obviously, if you do have a fibre-to-the-home network, your very high speeds will be available pretty much wherever they are sought. What this amendment will do is entrench in law the protection that you, the member for New England, so passionately spoke in favour of. While I recognise that from time to time there have been certain disagreements and frictions with the National Party, I would submit to the House, and particularly to the member for New England, not to allow that to cloud your vision over what this amendment will do. It will ensure

that, whenever there is an enhanced service available over wireless and satellite for regional Australia, which is not served by wireline, it must be offered at the same or at the lower price that is offered in the city. That surely is what the constituents of the three honourable gentlemen, whom I am looking at now—the members for Windsor, Lyne and Kennedy—would want to have protected. I am sure that is what they would want to achieve. This provision does that—and it does no more than that. It is all very well for the minister to talk about unforeseen consequences and so forth. The language speaks for itself. It is very straightforward. It means that the wholesale price per megabit must be the same, regardless of the technology. That is what you said you want to achieve, that is what this amendment delivers and that is why it should have your support.

**Mr WINDSOR** (New England) (5.32 pm)—The member for Cowper still has not answered the question. If this amendment is supported, will he support the substantive bill that is before the parliament? Is the National Party going to support this bill? Or is the National Party going to do as the member for Wentworth did just a moment ago, and get a city Liberal to run cover for them, as they always do on these sorts of issues? If the member for Cowper cannot answer the question he might get the member for Wentworth to answer it on his behalf, because although the member for Wentworth does not live there he does get out into the country occasionally.

I am very proud to support this bill. I ran on it before the election campaign in my electorate and it was one of the determining factors in relation to the choice of government. It was put to Tony Abbott as clearly as it was put to Julia Gillard. It was denounced by the coalition. The National Party in particular did as they were told, as they would normally do in these sorts of circumstances.

Now we see a massive policy shift coming in at the last minute. That is why this question is so important. If this amendment is supported, does it mean that the coalition supports the National Broadband Network? The member for Wentworth has just said no. But the member for Cowper has not enunciated his particular position as yet.

There has been some degree of criticism in the last few days about Independents and that they may or may not have been listening to their constituency. Within my electorate, the primary vote of 53 per cent of the constituents in the two state electorates—the Northern Tablelands and Tamworth—voted for an Independent. So a majority in my electorate are in favour of Independents. I want to get that on the public record. One other thing I would like to state is in relation to the honourable senator, Senator Joyce. Some people in this place have very short memories. About 90 per cent of country people opposed the sale of Telstra. Senator Joyce said in the deal with the President of the National Farmers Federation—Peter Corish at the time—that a deal had been done with the Prime Minister and parity pricing for broadband and telephone services would be enshrined in legislation. At least this was legislation they were prepared to support. The fact that it went missing when the legislation came before the parliament is something that Senator Joyce and others in the National Party should be able to clarify. The minister might do that on their behalf, because I think he is the spokesman for them at the moment.

Another issue that I would like to raise concerns about is the criticisms of country Independents made by the member for Cowper. I am proud to support the inquiry into the Murray-Darling, and I think the member for Wentworth is as well. I do give him credit for that. I am proud to be part of the parliament that will actually look a bit long term at some of the environmental and economic

issues out there. I am proud to live in the Murray-Darling system and I will be proud to die in it—hopefully not too soon. There are other issues that I am proud of. I am proud that this parliament will have a constructive look at climate change and how it impacts on Australia, not this nonsense debate that we are having at the moment about a tax and a lie—a debate about a couple of words. This is a serious debate, with serious people. There again the member for Wentworth shines out like a little bit of a beacon on the coalition benches at the moment. At least he is thinking about some of these long-term issues.

I am proud to have been associated with the member for Lyne in negotiating the health and hospital fund so that 100 per cent of that fund would go to country people who have missed out in the past, irrespective of who has been in government. We have people like the member for Riverina begging now that they get money out of that fund for the Wagga hospital. The hypocrisy of some of these people in criticising the very people who have achieved the outcome that they want to drink from is quite disgraceful. You people ought to wake up to yourselves; if you are serious about supporting country people then get serious about the policies that you put in place and stop criticising others who are trying to do the right thing by them.

My question, again, is to the member for Cowper: if your amendments are supported, do you support the National Broadband Network? You are the National Party's spokesman here today— (*Time expired*)

**Mr HARTSUYKER** (Cowper) (5.37 pm)—I welcome the opportunity to speak again and to put on the record yet again the fact that the coalition certainly does support high-speed broadband throughout Australia.

The difference of opinion that we have in this House is how we actually deliver that outcome. On this side of the House we believe it is appropriate that government get involved in providing high-speed broadband for people in regional and rural areas, or high-speed broadband for those people in other areas where speeds and services are insufficient. That is the role of government.

But as funds and resources are not unlimited it would appear to be a waste of taxpayers' money to provide broadband in areas where there are good services. That is the point of difference that we have. On this side of the House we believe that high-speed broadband should be provided at the taxpayers' cost where there is market failure and where services are not up to scratch. That has been our position all along and that has been my position all along. What we believe on this side of the House is that there is no place for wasting taxpayers' money on replacing broadband delivery methods where the speeds available are already acceptable. It would appear crazy to duplicate the service that can be delivered to 2.9 million homes in Melbourne, Sydney and Brisbane. That would appear to be a very poor use of taxpayers' funds.

That is reflected in the rate of return on the project, which struggles to achieve seven per cent IRR; and when you factor in the potential for competition, without discriminating against competition under the proposed business plan and legislation, that return falls to five per cent. It will be the taxpayers of regional and rural Australia who will subsidise the duplication of services that already exist in the cities. That is a big point of difference between us.

We are very focused on the need for high-quality services. We certainly agree with you on the point that high-quality services right across the country are vitally important. The

bridge over the digital divide is vitally important; we agree with you on that. The thing we do not agree with is wasting taxpayers' money, the ability of this government to deliver a project of this magnitude and the way in which this project lacks scrutiny.

We know that the government will not submit this project to a cost-benefit analysis, because it knows that it will not pass muster. We know that this project is being propped up, firstly through taxpayers' funds and secondly through the restrictions on competition. The member for New England did talk about independents in his electorate, and I do want to quote Richard Torbay, who was quoted in the press as saying:

The destruction of the independent brand rests with the perceived conduct of the federal independents.

Mr Draper said that Mr Oakeshott's 17-minute speech last year and about his deal with Labor had done irreparable damage to the cause of the Independents. Those are not my words—

**Mr Albanese**—Madam Deputy Speaker, I rise on a point of order on relevance: I know it is hard for the member for the member for Cowper to defend his position, but he needs to do that.

**The DEPUTY SPEAKER**—The point of order is relevance. I understand that the member for Cowper is responding to the remarks from the member for New England, but I would ask him to come to the point quickly.

**Mr HARTSUYKER**—I will conclude by reiterating the fact that on both sides of the House we see the need for high-quality broadband. The difference between us is the way you deliver those speeds and the way in which you distribute taxpayers' funds, because it is the people of regional Australia who will provide in no small part taxpayers' dollars to fund the NBN. I see no reason for

regional and rural Australians to have their taxpayers' money squandered in replacing services in the cities that are already of a reasonable standard and that already deliver good connectivity to people in metropolitan areas, such as the HFC network that can already deliver 100 megabits a second.

Why would we waste regional and rural Australian taxpayers' money by ripping up backyards in Sydney, Melbourne and Brisbane when those services can already be delivered at an appropriate speed? That is a very appropriate point of view; it makes sense and I am sorry that the member for New England cannot see that—but I am certainly happy to keep repeating the message until he does.

**Mr FLETCHER** (Bradfield) (5.43 pm)—The question has been put as to the rationale for moving this amendment, and the question has been asked by the member for Lyne and the member for New England, amongst others, and I think, by implication, by the member for Kennedy. All of them are longstanding and passionate advocates for improved rural communications.

I well remember meeting and being struck by the forceful personality of the member for Kennedy when I was a recently arrived staffer for the then Minister for Communications, Senator Alston. The member for Kennedy spoke passionately about the need to improve communications in the little town of Julia Creek, in his electorate. He has been a very long-time advocate for improved rural communications, as have the other two independent members who have already spoken in this debate.

All fair-minded Australians want to see a dramatic improvement in communications delivered to rural and remote Australia, and that has been one of the pressing issues in telecommunications policy in Australia for the last 15 years. When I first started work-

ing in this field we received representations from farmers who were concerned about the fact that their dial-up internet speed was 1.2 kilobits per second. That was in 1996 and 1997, so while we may sometimes forget how far we have come, we have come an enormously long way.

But there is no dispute on this side of the chamber that we have further distance. And we are very strong supporters of improving Australia's broadband infrastructure, including in rural and remote Australia. That is why, in the policy we took to the 2010 election, we committed over \$6 billion of public spending—by any measure a very large amount of money. And the vast bulk of that was for rural and remote Australia. Over \$1 billion was for a wireless network using, I might say, the same spectrum and the same technology as the Labor Party is proposing to use for the wireless component of the National Broadband Network.

I venture to suggest that when it comes to the services that will be delivered in Julia Creek there is no difference between what the Labor Party is proposing and what we are proposing. There is no contention about the need to improve broadband in rural and remote Australia. That brings me to the question of what is behind our thinking in putting forward this amendment. We are simply seeking to have the government deliver on the commitments it has made, because a specific commitment made by the government to underpin this policy architecture is that there will be uniform wholesale pricing across Australia. That is—let us be clear—a very difficult thing to achieve. The brutal economics of telecommunications mean that it is vastly more expensive to deliver services in rural Australia than in metropolitan Australia. There is simply no way around that fact. That has been a central element of, and a central challenge for, telecommunications policy in Australia for many years.

When we look at a sweeping promise made by the Labor government which we know is very difficult to achieve given the fundamental realities of telecommunications economics, and when we know that this is the promise that has been made to independent members in this place and, through them, to rural and remote Australia, we say to ourselves that we are somewhat suspicious that that commitment is contained in the legislation only in respect of the services which are delivered over the present generation of wireless and satellite. We ask ourselves: is this because the NBN Co. is trying to find ways to claw back some of the difficulties in meeting this economic challenge? Have they therefore asked to have this legislation silent on this point? We are saying that if that is the policy of the government then we are offering this legislative drafting suggestion; this suggestion is necessary to cause this government to be true to the commitments it has made.

We are very clear on where we stand on the National Broadband Network—there can be no doubt about that—but what underpins this amendment is that if a commitment has been made then it needs to be delivered on. That is the rationale on which we put forward this amendment.

**Mr OAKESHOTT** (Lyne) (5.48 pm)—This afternoon we have been asked a question on an amendment to a bill that the National Party and the coalition substantially do not support. The question is: why? The only conclusion that can be drawn is: mischief. That was revealed in the member for Cowper's comments and the member for Wentworth's comments, and a range of speeches that have been delivered this afternoon have expressed a continued campaign about the cost of a National Broadband Network roll-out. Yet this amendment increases that cost. We are being asked by the coalition to support it. When the members of the coalition

raise the issue of the cost of the NBN, how on earth can they look MPs—me, the member for Kennedy and the member for New England—straight in the eye? They are asking us to increase the cost that they are oh so concerned about!

I suspect that when this gets knocked back we will see a reverting to the norm of criticism of the crossbenchers for taking on that hypocrisy and that inconsistency. I would hope that we, as members of this chamber, are focused on outcomes over politics and on delivery over rhetoric. Today I think we negotiated a pretty good outcome as a consequence of this process and the issues that have been raised. We have now locked away a community impact statement that will be part of the policy process on behalf of the seven per cent—those who will not be covered by the fibre-to-the-home or fibre-to-the-premises rollout. Some good work has been achieved today as a consequence of us all coming back. That policy process puts first and foremost those seven per cent who are up the hills and in the valleys, where technology just cannot reach. I think that is a commitment from this House that recognises the principle of equity of service delivery. I hope that is a shared and common view when we walk out of here today.

I say to all regional MPs, regardless of the absurdities of the positions of some people today, that I hope that at the end of today there is a recognition that we have achieved some outcomes for the greater good based around this principle of equity of service delivery. I suspect there will be some reverting to norm. I suspect there will be some local electorate positioning about who has betrayed whom. If so, let's have that debate, but in the end those who are supposedly concerned about costs have revealed their strategy of mischief today in the way they are using this chamber to achieve policy outcomes that are not in the national interest but

in personal-political or party-political interest. That says a lot, and hopefully it is not lost on those in the community who consider today's debate.

**Mr TURNBULL** (Wentworth) (5.51 pm)—I want to take issue with the member for Lyne's remarks about cost. He seems to think there is some inconsistency between the coalition being concerned about the cost of the NBN, and its cost-effectiveness, and at the same time seeking to ensure by means of an express provision in an act of parliament that there should be uniform national pricing across technologies so that people in the honourable member's electorate, and other regional electorates, do not pay any more for their broadband on a megabit per second basis.

There is no inconsistency at all, because what the honourable member is doing—with respect to him—is precisely what the government has done, which is to confuse the objects of the NBN with the means. The object of the NBN, I apprehend, is to ensure that all Australians have access to high-speed broadband at an affordable price. That is the objective. There are many means, even under the NBN scheme—fibre to the home, fixed wireless, satellite—but there other technological means of delivering it. Our concern is that the mix of technologies should be such that deliver the objective of the NBN—universal fast broadband—at the lowest cost to the taxpayer; in other words, in the most cost-effective way.

One of the objectives of the NBN, if it is to deliver universal fast broadband, must be to deliver it across regional and rural Australia—and at an affordable price, which is no greater than that offered in the cities. So that is one of the objectives. Is that an expensive objective? Of course it is. But that is an objective which must be fulfilled, our support for which does not detract from our concern



about the cost-effectiveness of the network overall. We recognise—and we recognised when we were in government, with the OPEL scheme that the member for Bradfield has spoken about several times today, very knowledgably—that to deliver fast broadband to the bush you would need to have a subsidy, and a substantial one. Whether that subsidy is delivered as a cash payment by government, in one form or another, or by way of cross-subsidy, we recognise there has to be some financial support. So the honourable members and the coalition are completely at one in terms of the objective of delivering fast broadband across Australia. We are completely at one, so it would seem, in terms of the need to deliver fast broadband at the same price in regional Australia as it is available in the cities.

The honourable member may well be satisfied with a community impact statement tendered by the government. And it shows a touching and endearing faith in the good word and reliability of the Leader of the House, but nonetheless—

*Mr Oakeshott interjecting—*

**Mr TURNBULL**—But there is no substitute—the honourable member should know this—for express words in an act of parliament, because that act will be there long after the minister opposite has moved onto other responsibilities, and perhaps long after the member for Lyne is no longer in this House. That act has the greatest chance of providing long-term support for the objective which we apparently all share. So it is not a question here of cost-effectiveness. We recognise the objective of uniform pricing across Australia, which will benefit regional Australia. We recognise that objective, and that must be achieved at a cost. Obviously, it should be done as efficiently as possible, but we recognise there is a cost. This statutory language the member for Cowper has proposed will

ensure that it is delivered; he won't just be comfortable with the warm words from the Leader of the House.

**Mr KATTER** (Kennedy) (5.56 pm)—I think there is a great ideological divide between the crossbenchers in this place and the two mainstream parties. Basically, we believe essential services should be in the hands of the people and not in the hands of private enterprise, which can be sold off—even if they were not sold off to overseas interests. Has it being good for us, with Queensland Rail, when it was corporatised and parcels went over? We had a 600 per cent increase in country areas in the cost of our parcels freight—600 per cent! Was it good for us? It was disastrous for us. In electricity, there has been a doubling of cost since it was corporatised in Queensland—a doubling of costs in the space of six or seven years. Free-skies policy? I think it has been good for the cities; absolutely disastrous for some regional areas. We went from \$100 to get from Mount Isa to Townsville to \$400. It would be nice to see my son a bit, but it slows you down if it is a thousand bucks to get across to the coast!

In banking: when we used to get into trouble, we had our state bank and it gave us interest rates of two per cent. When we get into trouble now it goes up to 12 per cent! So sugar farmers all over the place are paying 12 per cent at the present moment. The cost of a motor car: the free market was going to cut down the cost of a motor car. It went up 600 per cent! We were told that when the tariffs were removed prices were going to go down. They went up 600 per cent!

The real issue here is that the communications system has broken down. Under privatisation—and Ziggy Switkowski is not entirely innocent here—and under Sol Trujillo, the maintenance staff was halved, and almost halved again. So no maintenance was done. I

put to the member for Wentworth that the maintenance was not only on the mainlines, but it was on the maintenance to the houses as well. Heaven only knows, the system is 60 or 70 years old in delivering to the houses themselves, but without any maintenance done on it in the last 10 or 15 years, that system has collapsed. The real issue here is whether you are going to continue with a collapsed system or whether you are going to replace that system with state-of-the-art modern technology. The member for Kooyong—and I notice it is the members for Kooyong and Bradfield who are speaking in this place, not the members from regional Australia; there has been a certain lack of enthusiasm from them! They are very keen to stop this from going ahead, so that once again the country can be stripped to look after the already fat and wealthy cities of Australia.

Let me just say that the system has collapsed and it has to be replaced. The cost of replacement is going to have to be met by somebody. Clearly, the corporate entities are not going to meet that cost, so the taxpayer is going to have to meet that cost. That cost has to be met because you people—and also the ALP—privatised Telstra. You told us it was going to cut our costs down and that things would be maintained.

I sat there in that joint party room and they said, 'We will give you a universal service obligation.' I do not like to come into this place and pronounce high-sounding ideals. I like to be very specific. During 20 years in the state parliament I had one town go out for one day. Since the complete privatisation of Telstra I have had seven communities go out for up to two weeks, and these are big communities. The reason it is not working now is that the system has not been maintained. The wonder boy, Mr Trujillo, came to this country and kept halving the maintenance crews, and then said, 'Aren't

we making a lot of money and aren't I a grand fellow?' He then walked away with \$54 million, according to the newspapers.

The honourable member for Kooyong thinks it is funny that he got away with \$54 million and that Telstra's system across Australia collapsed. He thinks this is a humorous subject that he can laugh at. Let me tell you: it is no laughing matter when you talk to ordinary people who tell you that they cannot afford to keep up their telephone, electricity or water charges. Who was responsible for that? Your privatisation was responsible for that. You looked after your mates, though; they did very well indeed. (*Time expired*)

**Mr OAKESHOTT** (Lyne) (6.01 pm)—It is rare that this chamber cuts to the chase and deals with the detail of policy debates. I am pleased we are cutting to the chase in this debate. We are talking about uniform national wholesale pricing—something this parliament has not dealt with for far too long. So I am pleased that there is some consistency in that. What is extraordinary today is the policy shift from the coalition. I am enlightened by that policy shift.

We now have an admission that there is not support for the bill, which is about the substance of the National Broadband Network. The coalition is asking those who do support the substance of the bill to go for a platinum standard and not a gold standard. You are asking those who support the bill to support not only uniform national wholesale pricing within technology but also uniform national wholesale pricing at an entry level higher than across technology. You are asking us to make an extraordinary move—that is, if fibre is being delivered at 100 megabits per second to the city that same price should be delivered to the most remote location of Australia.

You are taking a dual position by opposing the substance of a national broadband

network and, at the same time, arguing for equity of services at the highest available service. That is an extraordinary step that the coalition is asking those who support the bill to take. You have to clarify your position. If you support the bill it is an enlightened move. I will do what I can to support those who want equity of services but, until you support the backbone of a national broadband network, we are going nowhere fast and it remains inconsistent and hypocritical, as the member for Cowper's amendment suggests.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (6.04 pm)—I want to support the comments made by the member for Lyne and add to them, because I think they very much cut to the chase of what this is about. Earlier on, we had a point of order from the member for Bradfield while I was speaking to the amendment moved by Mr Hartsuyker, the member for Cowper and the ironically termed shadow minister for regional communications. I was speaking to the amendment that I was given by the member for Cowper about an hour and a half ago, but it changed. The number has changed because it was just wrong.

**Mr Hartsuyker**—I didn't—

**Mr ALBANESE**—It was on the table here. It is on the official letterhead of the Parliament of Australia. This amendment moved by the member for Cowper is worth looking at. The amendment uses three different terms: 'eligible service', 'broadband service' and 'particular service', but the effect and interrelation between those three terms is completely unclear. Yet, they expect us to support an amendment to the law of the land where the implications are simply not clear. For instance, the reference to 'broadband service' suggests that section 151DA is to have no application to eligible services provided by NBN Co. that are for the carriage of

voice communication. It is as sloppy as the 12 years of policy failure of those opposite.

The member for Wentworth would have us believe that we are all in favour of fast high-speed broadband, except for the fact that the National Broadband Network is being rolled out. It is real, it is happening and it is delivering. It is being rolled out in Tasmania, in north-western Queensland and in New England. What they said contradicts what the member for Wentworth has actually said about the NBN. The member for Wentworth said to the *Australian* on 12 January:

... the temptation for the NBN to ... move into areas where it's competing with the ... private sector ... will be almost irresistible ...

He also went on to say on 4 February:

I don't think the NBN will ever be built, because there are too many questions about how little benefit it will actually provide.

There is a range of others. Barnaby Joyce had this to say on 20 January:

The Labor party's desire to continue on with the NBN, whilst Queensland Rail, as just one example of many, tells us it will take months to get the lines between Emerald and Rockhampton up and running is economically libellous in its negligence.

The shadow minister for finance had this to say:

At the top of the list, plans for the National Broadband Network should be put on hold until its value is established through a benefit-cost study.

I actually think that the case for fast, high-speed broadband is clear. I think the case for its benefiting regional Australia is particularly clear. I had a question without notice from a government member last week about delivery of transport services, rail services, and the difference in the relationship that it has to reducing our emissions. The National Broadband Network is the railway of this century. It will overcome the tyranny of dis-

tance. It is the most important thing we can do for regional Australia. It will have an impact on reducing our emissions. It will change the way that we work and the way that we live. It will have a revolutionary impact and is already in terms of education and health. It is about upload not just download. It is about what can be done. It is about providing the same opportunity for someone in Mount Isa as someone in Stanmore. At the moment they do not have that same opportunity. We are about getting on with this. The amendment moved would simply delay it. It would mean that there was more need for more parliamentary sittings; it is all about delay and prevarication. Everything that those opposite have done today has been aimed at that. That is all they have done throughout this debate. (*Time expired*)

**The SPEAKER**—The question is that the amendment moved by the member for Cowper be agreed to.

Question put:

The House divided. [6.13 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	44
Noes.....	<u>57</u>
Majority.....	<u>13</u>

#### AYES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.
Broadbent, R.	Buchholz, S.
Cobb, J.K.	Coulton, M. *
Crook, T.	Fletcher, P.
Frydenberg, J.	Gambaro, T.
Griggs, N.	Hartsuyker, L.
Hawke, A.	Irons, S.J.
Katter, R.C.	Kelly, C.
Ley, S.P.	Marino, N.B.
Markus, L.E.	Matheson, R.
McCormack, M.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Neville, P.C.	O'Dowd, K.
Prentice, J.	Pyne, C.

Robb, A.  
Scott, B.C.  
Simpkins, L.  
Stone, S.N.  
Turnbull, M.  
Vasta, R.

#### NOES

Adams, D.G.H.  
Bandt, A.  
Bradbury, D.J.  
Butler, M.C.  
Cheeseman, D.L.  
Collins, J.M.  
Crean, S.F.  
Danby, M.  
Elliot, J.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
Gibbons, S.W.  
Griffin, A.P.  
Hayes, C.P. \*  
Kelly, M.J.  
Lyons, G.  
McClelland, R.B.  
Mitchell, R.  
Neumann, S.K.  
O'Neill, D.  
Owens, J.  
Ripoll, B.F.  
Roxon, N.L.  
Sidebottom, S.  
Smyth, L.  
Swan, W.M.  
Wilkie, A.  
Zappia, A.

Roy, W.  
Secker, P.D. \*  
Smith, A.D.H.  
Truss, W.E.  
Van Manen, B.  
Washer, M.J.

Albanese, A.N.  
Bird, S.  
Brodtmann, G.  
Byrne, A.M.  
Clare, J.D.  
Combet, G.  
D'Ath, Y.M.  
Dreyfus, M.A.  
Ellis, K.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Georganas, S.  
Grierson, S.J.  
Hall, J.G. \*  
Jones, S.  
King, C.F.  
Macklin, J.L.  
Melham, D.  
Murphy, J.  
O'Connor, B.P.  
Oakeshott, R.J.M.  
Perrett, G.D.  
Rowland, M.  
Saffin, J.A.  
Smith, S.F.  
Snowdon, W.E.  
Symon, M.  
Windsor, A.H.C.

#### PAIRS

Schultz, A.	Plibersek, T.
Baldwin, R.C.	Marles, R.D.
Hunt, G.A.	Thomson, C.
Somlyay, A.M.	Burke, A.S.
Ciobo, S.M.	Parke, M.
Slipper, P.N.	Leigh, A.
O'Dwyer, K.	Gray, G.
Haase, B.W.	Shorten, W.R.
Gash, J.	Gillard, J.E.
Hockey, J.B.	Rudd, K.M.
Wyatt, K.	Bowen, C.
Randall, D.J.	Champion, N.
Bishop, J.I.	Rishworth, A.L.

Ramsey, R. Vamvakinou, M.  
 Briggs, J.E. Husic, E.  
 Dutton, P.C. Livermore, K.F.  
 Southcott, A.J. Thomson, K.J.  
 Keenan, M. Burke, A.E.

\* denotes teller

Question negatived.

Question put:

That the motion (**Mr Albanese's**) be agreed to.

The House divided. [6.18 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	58
Noes.....	<u>42</u>
Majority.....	<u>16</u>

AYES

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bradbury, D.J.	Brodtmann, G.
Burke, A.E.	Butler, M.C.
Byrne, A.M.	Cheeseman, D.L.
Clare, J.D.	Collins, J.M.
Combet, G.	Crean, S.F.
D'Ath, Y.M.	Danby, M.
Dreyfus, M.A.	Elliot, J.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Garrett, P.
Georganas, S.	Gibbons, S.W.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hayes, C.P. *
Jones, S.	Katter, R.C.
Kelly, M.J.	King, C.F.
Lyons, G.	Macklin, J.L.
McClelland, R.B.	Melham, D.
Mitchell, R.	Murphy, J.
O'Connor, B.P.	O'Neill, D.
Oakeshott, R.J.M.	Owens, J.
Perrett, G.D.	Ripoll, B.F.
Rowland, M.	Roxon, N.L.
Saffin, J.A.	Sidebottom, S.
Smith, S.F.	Smyth, L.
Snowdon, W.E.	Swan, W.M.
Symon, M.	Wilkie, A.
Windsor, A.H.C.	Zappia, A.

NOES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.

Billson, B.F.	Bishop, B.K.
Broadbent, R.	Buchholz, S.
Cobb, J.K.	Coulton, M. *
Crook, T.	Fletcher, P.
Frydenberg, J.	Gambaro, T.
Griggs, N.	Hawke, A.
Irons, S.J.	Kelly, C.
Ley, S.P.	Marino, N.B.
Markus, L.E.	Matheson, R.
McCormack, M.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Neville, P.C.	O'Dowd, K.
Prentice, J.	Pyne, C.
Robb, A.	Roy, W.
Scott, B.C.	Secker, P.D. *
Simpkins, L.	Smith, A.D.H.
Stone, S.N.	Truss, W.E.
Turnbull, M.	Van Manen, B.
Vasta, R.	Washer, M.J.

PAIRS

Plibersek, T.	Schultz, A.
Marles, R.D.	Baldwin, R.C.
Thomson, C.	Hunt, G.A.
Burke, A.S.	Somlyay, A.M.
Parke, M.	Ciobo, S.M.
Leigh, A.	Slipper, P.N.
Gray, G.	O'Dwyer, K.
Shorten, W.R.	Haase, B.W.
Gillard, J.E.	Gash, J.
Rudd, K.M.	Hockey, J.B.
Bowen, C.	Wyatt, K.
Champion, N.	Randall, D.J.
Rishworth, A.L.	Bishop, J.I.
Vamvakinou, M.	Ramsey, R.
Livermore, K.F.	Dutton, P.C.
Thomson, K.J.	Southcott, A.J.
Neumann, S.K.	Keenan, M.
Husic, E.	Briggs, J.E.

\* denotes teller

Question agreed to.

**Mr ALBANESE** (Grayndler—Leader of the House) (6.21 pm)—I seek leave to move that the House notes that: (1) a community impact statement will be prepared on all future policy decisions on technology, speed and/or price to assess impacts and opportunities on those unable to be serviced by fibre to the premises, and with regard to future technologies the principle of uniform wholesale

national pricing will be applied where possible; (2) the government is committed to uniform wholesale national pricing within technologies; a universal price for all customers receiving optic fibre; a universal price for all customers receiving fixed wireless, and a universal price for all customers receiving satellite; and (3) the NBN has achieved uniform national entry-level pricing across technologies, and where new technologies become available will seek to maintain this principle at other product levels.

Leave not granted.

#### **Suspension of Standing and Sessional Orders**

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (6.22 pm)—I move:

That so much of standing and sessional orders be suspended as would permit the following motion to be moved by the Leader of the House:

That the House notes that:

- (1) a Community Impact Statement will be prepared on all future policy decisions on technology, speed and/or price to assess impacts and opportunities on those unable to be serviced by fibre to the premises, and with regard to future technologies the principle of uniform wholesale national pricing will be applied where possible;
- (2) the Government is committed to uniform wholesale national pricing within technologies; a universal price for all customers receiving optic fibre; a universal price for all customers receiving fixed wireless, and a universal price for all customers receiving satellite; and
- (3) the NBN has achieved uniform national entry level pricing across technologies, and where new technologies become available will seek to maintain this principle at other product levels.

What we are seeing today is absolute hypocrisy from those opposite. They say that we need to have high-speed broadband but they

oppose the vehicle to deliver that high-speed broadband, the National Broadband Network. They say they are concerned about pricing, whether in regional Australia or in urban communities, but here they oppose—even having debated in this house—this resolution, which will be supported by government members and by Independent cross-benchers.

The fact is that there are people in regional Australia who have stood up for their local communities, but there are not any over on that side of the chamber. They ignore the benefits that the National Broadband Network can give. The fact is that this resolution, because it is a suspension of standing orders, will not get a statutory majority of the House; therefore, it will not occur. They had an opportunity tonight. They were given notice more than an hour ago in my speech when I foreshadowed this resolution that would be moved before the House today—this resolution to give more weight and further commitment regarding a community impact statement being prepared on all future policy decisions on technology, speed and/or price to assess impacts.

We believe that the National Broadband Network will be the great leveller between regional Australia and those in inner urban communities. We believe that it is a great opportunity to overcome the tyranny of distance. We live in a country where we have a relatively sparse population spread over such a large land mass. If any country in the world should be addressing the issue of the National Broadband Network—

**Mr Pyne**—Mr Speaker, I rise on a point of order. As much as I hate to interrupt the Leader of the House, the truth is that this is a motion to suspend standing orders, and what the Leader of the House has to address is why it is that standing orders should be suspended so as to debate this motion at this

time without any notice. That is the question he has to answer.

**The SPEAKER**—I thank the Manager of Opposition Business for putting the point of order on the record, but it has not been the way that suspensions of standing orders have been conducted over the past few weeks. I would urge the Leader of the House to keep in mind the point that the Manager of Opposition Business raised, but he has the call.

**Mr ALBANESE**—I certainly will bear it in mind. I will bear it in mind at the *Play School* time of 10 to three every day, when question time is interrupted by those opposite so that the Leader of the Opposition and the seconder can get on TV before *Play School*. I will bear it in mind in terms of that point of order by the Manager of Opposition Business and, when it happens during the next suspension, bear it in mind when I am on my feet moving points of order at a regular interval. What we need is a bit of consistency around here. But this is what this debate is about—consistency. Forget about no notice—

**Mrs Bronwyn Bishop**—On a point of order, it is required under the standing orders that the minister address the question of why the standing orders should be suspended. I would draw the distinction between this and other motions that have been moved because we have for hours been debating this topic. The minister clearly has nothing new to say and therefore must return—

**The SPEAKER**—The member will resume her seat. I will draw any distinctions on the suspensions. I have given the Leader of the House an opinion. Whilst I am not upholding the points of order, the Leader of the House has the call.

**Mr ALBANESE**—I gave notice of moving this motion to the shadow minister and indeed to the entire House, which you will see if you check *Hansard*. I read out the

words of this motion more than an hour ago. We had a debate that was participated in by more than a dozen members of this House about this very question but, when you put up a resolution that is about a solution, what do they do? They oppose it. Not only do they oppose it—which is their right—but they try to stop it even being debated. And that is why we should suspend standing orders. We should suspend standing orders to allow this debate to happen, because we on this side of the House are happy to debate uphill and down dale—whether it be in Sydney, Port Macquarie or Adelaide or even in the electorate of Wentworth—the issue of the National Broadband Network. We are certainly happy to debate it in Tasmania, where it is being rolled out and is very popular in the electorates of Lyons, Franklin, Braddon and Bass—it is very popular indeed. The member for Denison is supporting this resolution as well.

Through their opposition to leave being granted, their opposition to the suspension of standing orders and getting in the way of this resolution being moved, they are once again fulfilling their commitment to destroy the NBN—to block, to oppose and to not put up anything constructive when it comes to the future agenda of this country. This suspension of standing orders should be allowed because we will see those opposite oppose it, but we will also see majority support this suspension. It might not be an absolute majority—I suspect it will not be—because we are being very generous with our pairing arrangements on this side of the House, but there will be a majority.

Those opposite came in here at 10 o'clock and moved their typical suspension of standing orders. We did not have points of order while the Leader of the Opposition spoke, unlike in my motion for the suspension of standing orders here. We let him have his say and we thought we would get the little games

out of the way by 25 minutes past 10. What did we see then? Twice today we saw votes and debates on the amendments being considered immediately. If they had their way we would have brought the House back today to consider the amendments that were carried on Friday night and the House would not have even considered them. We would have gone home and returned another day.

Their destructiveness is out of control. They debated it for hour after hour and then their backbench got restless. They started to ask the Chief Opposition Whip, ‘What are we doing here?’ and they went home. They voted with their feet. The fact is that we had an arrangement in writing last Thursday night about pairing arrangements and on Friday it was reneged on by those opposite because they do not want to engage in the substance of this—

**Mr Pyne**—On a point of order, Mr Speaker: loath as I am to interrupt the Leader of the House, he is trying to cover the embarrassment of his reneging on the pairing arrangements this afternoon with this fig leaf of a discussion.

**Mr ALBANESE**—The suspension should be agreed to and the resolution should be voted on and supported, if they are at all fair dinkum in their rhetoric on this issue. (*Time expired*)

**Mr TURNBULL** (Wentworth) (6.33 pm)—We just spent the best part of an hour in the previous debate discussing the issue of uniform national pricing. So there has been plenty of debate and there have been plenty of opportunities for the government to deal with this. This motion before the House is completely inappropriate. I will come to its wording and inappropriateness in a moment, but it is important to understand its political genesis. The member for Cowper had an amendment to the Telecommunications Legislation Amendment (National Broadband

Network Measures—Access Arrangements) Bill 2011 which would have provided, in clear statutory language, the obligation on NBN Co. to charge the same price for broadband in megabits per second whether it was delivered through fibre in the city, through wireless in the bush or through satellite in the more remote areas.

The country Independents were initially very attracted to that and we made some changes to the language of the amendment to suit the request of one of the country Independents who was very enthusiastic about it. But then, as the debate was getting dragged on by speaker after speaker from the government, we realised that our friends on the crossbenches were locked in a tender embrace with the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. They emerged with a sense of achievement because they had received an undertaking from the government to prepare a community impact statement on all future policy decisions on technology. Well, that is hardly an achievement. It is no substitute for statutory language.

But that is the deal they have done: they gave up a very clear amendment which would have given their constituents a very clear guarantee that could not be taken away by any government. It would need a vote of both houses of parliament to take it away. They gave in for these warm words from the government. After doing that and debating it for over an hour, we now have the farce of this so-called motion. This motion asks the House to note that:

... a Community Impact Statement will be prepared on all future policy decisions on technology ...

For our part, we do not know whether the government will do that or not. We are not going to give any imprimatur or approval to a statement of intention. The government has



broken more promises than they have had hot dinners. They are always promising things and breaking those promises. They also want the House to note that:

... the Government is committed to uniform wholesale national pricing within technologies ...

How on earth can the opposition vote for that? We cannot say that we agree, note or endorse in anyway the government's statement of intention. The fact that they voted down the member for Cowper's amendment suggests that they are not committed to uniform national wholesale pricing at all. They want us to note that there will be:

... a universal price for all customers receiving optic fibre; a universal price for all customers receiving fixed wireless, and a universal price for all customers receiving satellite ...

It is fine for the government to state that as their intention. They can put it on the NBN Co. website if they like, but why should the opposition, who does not believe the government when they say they are committed to fairness for the regions, be expected to endorse that?

Finally, they have asked the House in this urgent motion to note that the NBN has achieved uniform national entry level pricing across technologies. It has not achieved anything. It has not even started operating. At this stage, it has got many times more employees than it has actual customers. It is an extraordinary organisation. This is a presumptuous and impertinent resolution. We are not going to dignify the government's deal with the country Independents. If they want to substitute not warm but lukewarm words for real statutory language that would protect the rights of their constituents, as we sought to do, that is their problem. They can live with that. But we are not going to give special leave for this absurd motion. If, by some miracle of arithmetic—and I do not expect a miracle on that score—special leave

were to be granted, we would certainly vote against the resolution.

**Mr WINDSOR** (New England) (6.38 pm)—In an earlier debate today, we saw the height of hypocrisy and, regrettably, a man I regard with some esteem, the member for Wentworth, adds to that hypocrisy. What we have seen today is the introduction of amendments from the Senate and one amendment from the member for Cowper. The opposition proposed an amendment to add cost to something that they have argued for many years has been too costly. They have proposed something that will actually add cost. They have proposed an amendment and then voted against the bill. When, on a number of occasions, the member for Cowper was asked whether the National Party would support the bill if we supported the amendment, he said no. And now the member for Wentworth is carrying on in the same vein. The amendment that the member for Cowper put before the House demonstrates not only do they not really care what is happening in regional Australia but they are totally dominated by the city base majority of the Liberal Party—totally dominated.

*Opposition members interjecting—*

**Mr WINDSOR**—How could my esteemed friends here—one of them is having a birthday today—argue against something that is going to remove distance as a disadvantage for people who live in the country? How can you argue against this piece of infrastructure—the very piece of infrastructure that is going to be more important than railway lines and roads in relation to where people live in this nation? We have constantly had this argument. From time to time, members of the National Party raise the issue that country Australia has missed out. Here is an enormous opportunity for country Australia to be in front of the game. I am proud to say that the rollout, which is occurring as we

speak, in Armidale, in my electorate, is very successful. There has been nearly 90 per cent acceptance from the people involved—an extraordinary outcome. Some of the potential for this piece of infrastructure has not been invented yet, and here we are arguing over cost. Some of the uses of this potential technology have not been invented yet; but they will be invented.

The member for Wentworth talked about legislation. Everything has to be encapsulated in legislation. So the opposition are opposing the statement of the House. I remember very well when Senator Joyce and the then President of the National Farmers Federation, Peter Corish, did a deal with the former Prime Minister, John Howard, that equity of access to broadband and telephone services would be enshrined in legislation; it would be in the bill. What happened to that? Maybe the member for Wentworth would like to talk about the hypocrisy there.

There have been a number of discussions today about whether people are in favour of various things. Between 80 and 90 per cent of country Australians did not want Telstra sold. Through the mechanism that the government is putting up and that we are supporting is an opportunity for country Australians to involve themselves in the future. For country members and for the member for Wentworth—Malcolm is not a country member, of course—to oppose this statement of the House, which enshrines some of the very things that they had in their own amendment, and then vote against the bill is absurd hypocrisy in relation to the way in which this debate has been handled today. At the end of the debate, they say that their amendment is very important and demand that the country Independents support their amendment, yet most of their people are not even in the building. There are 44 of them in the building. How can they expect to draw out a debate when the country Independents

and the city Independents determine a decision in their favour and they have not even got their numbers in the House? I think that demonstrates the absolute height of hypocrisy in relation to what is probably the most significant issue that country Australians will see this parliament debate.

**Mr PYNE** (Sturt) (6.43 pm)—In the dying hours of this debate today it needs to be put on the record that the Leader of the House has walked in here tonight and moved a motion to today's debate because he did not want to move an amendment to the bill—which is what should have happened and what the opposition proposed—because the government did not want the bill to go back to the Senate. They wanted to truncate the debate of the parliament to avoid the scrutiny of the House by not moving an amendment to the bill, as the bill would have then gone back to the Senate. They did not want to vote for an opposition amendment to the bill that the Independents had indicated earlier today they would support, because the government did not want the bill to go back to the Senate. Instead, they took the Independents out into the members lobby and made sure that they offered them whatever inducements were required to get them to not support—

**Mr Albanese**—Mr Speaker, I rise on a point of order: you cannot reflect on members and motives in the parliament.

**The SPEAKER**—Order! I will listen carefully to the statements made by the member for Sturt. He knows the requirements of the House, and anybody else that is aggrieved knows the other avenues that are available.

**Mr PYNE**—Not only did the Independents indicate to us that they would support an amendment moved by the opposition that dealt with this issue, they were then—

**Mr Albanese**—Mr Speaker, I rise on a point of order. Firstly, I ask that he withdraw that comment.

**The SPEAKER**—Order! It would assist if the comment made as I was trying to sit the member for Sturt down be withdrawn.

**Mr PYNE**—I withdraw the comment.

**Mr Albanese**—Mr Speaker, my point of order goes to relevance. The member for Sturt made the point earlier on that this was a debate about the suspension of standing orders—

**The SPEAKER**—The Leader of the House will resume his seat. Fortunately for the member for Sturt I indicated that I would allow a free-ranging debate, but I remind the member for Sturt of the need to be relevant in some way to the motion.

**Mr PYNE**—The reason this suspension of standing orders should not be carried is because the opposition is not going to be part of a political fix—a fix that the government has fitted up with the crossbenchers to avoid supporting an opposition amendment which would have done much more to protect country Australia than this deal that the government has done with the independents in today's debate.

You can move all the points of order you like; the truth is out there already and on the record—

**Mr Albanese**—Something else is out there, and it is not the truth! Mr Speaker, I rise on a point of order. The fact is that the Manager of Opposition Business is not addressing the question that is before the House.

**The SPEAKER**—Order! I indicate to the member for Sturt that he is fortunate that I was lenient when he raised a point of order, but I would invite him to address the question and I will listen carefully to what he is saying.

**Mr PYNE**—The question is that the House suspend the standing orders in order for this motion to be debated. This motion is a political fix that the government has come up with this afternoon in order to get the Independents not to amend the bill by supporting the opposition's amendment, and therefore not requiring the bill to go back to the Senate. That is why what I am saying is relevant to the suspension. The motion was part of the agreement they made with the independents in order to buy their support with this grubby deal that the government has made with the crossbenchers.

**Mr Albanese**—Mr Speaker, I rise on a point of order. I ask that he withdraw.

**The SPEAKER**—Order! I have listened carefully to terms that up until this point the member for Sturt has used and, whilst they have been robust, I think that that was one term too far because it might be construed in the wrong way. Usually, the explanation that is given is that you add the word 'politically something' to all those things that are said. It is very difficult to imagine that the expression used might be interpreted that way. I invite the member for Sturt to withdraw.

**Mr PYNE**—Mr Speaker, I withdraw. New South Wales Labor may be out of government in New South Wales but they are here and alive—

**The SPEAKER**—Order! The member for Sturt will resume his seat. He knows that when he comes to the dispatch box that he comes for the single purpose not to continue the debate.

The time allotted for the debate having expired, the question is that the motion moved by the Leader of the House for the suspension of standing and sessional orders be agreed to. All those of that opinion say aye, to the contrary no. I think the ayes have it.

**Opposition members**—No! The noes have it.

**The SPEAKER**—Order! A division is required. Ring the bells.

*The bells being rung—*

Question put:

That the motion (**Mr Albanese's**) be agreed to.

The House divided. [6.53 pm]

(The Speaker—Mr Harry Jenkins)

Ayes.....	58
Noes.....	<u>37</u>
Majority.....	<u>21</u>

#### AYES

Adams, D.G.H.	Albanese, A.N.
Bandt, A.	Bird, S.
Bradbury, D.J.	Brodthmann, G.
Burke, A.E.	Butler, M.C.
Byrne, A.M.	Cheeseman, D.L.
Clare, J.D.	Collins, J.M.
Combet, G.	Crean, S.F.
Danby, M.	Dreyfus, M.A.
Elliot, J.	Ellis, K.
Emerson, C.A.	Ferguson, L.D.T.
Ferguson, M.J.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
Gibbons, S.W.	Grierson, S.J.
Griffin, A.P.	Hall, J.G. *
Hayes, C.P. *	Jones, S.
Katter, R.C.	Kelly, M.J.
King, C.F.	Lyons, G.
Macklin, J.L.	McClelland, R.B.
Melham, D.	Mitchell, R.
Murphy, J.	O'Connor, B.P.
O'Neill, D.	Oakeshott, R.J.M.
Owens, J.	Perrett, G.D.
Ripoll, B.F.	Rowland, M.
Roxon, N.L.	Saffin, J.A.
Sidebottom, S.	Smith, S.F.
Smyth, L.	Snowdon, W.E.
Swan, W.M.	Symon, M.
Thomson, K.J.	Wilkie, A.
Windsor, A.H.C.	Zappia, A.

#### NOES

Abbott, A.J.	Alexander, J.
Andrews, K.	Andrews, K.J.
Billson, B.F.	Bishop, B.K.

Broadbent, R.	Buchholz, S.
Cobb, J.K.	Coulton, M. *
Fletcher, P.	Frydenberg, J.
Gambaro, T.	Griggs, N.
Hartsuyker, L.	Hawke, A.
Irons, S.J.	Kelly, C.
Marino, N.B.	Markus, L.E.
Matheson, R.	McCormack, M.
Morrison, S.J.	Moylan, J.E.
Neville, P.C. *	Prentice, J.
Pyne, C.	Robb, A.
Roy, W.	Scott, B.C.
Secker, P.D. *	Simpkins, L.
Smith, A.D.H.	Turnbull, M.
Van Manen, B.	Vasta, R.
Washer, M.J.	

#### PAIRS

Plibersek, T.	Schultz, A.
Marles, R.D.	Baldwin, R.C.
Thomson, C.	Hunt, G.A.
Burke, A.S.	Somlyay, A.M.
Parke, M.	Ciobo, S.M.
Leigh, A.	Slipper, P.N.
Gray, G.	O'Dwyer, K.
Shorten, W.R.	Haase, B.W.
Gillard, J.E.	Gash, J.
Rudd, K.M.	Hockey, J.B.
Bowen, C.	Wyatt, K.
Champion, N.	Randall, D.J.
Rishworth, A.L.	Bishop, J.I.
Vamvakinou, M.	Ramsey, R.
Husic, E.	Briggs, J.E.
Livermore, K.F.	Dutton, P.C.
D'Ath, Y.M.	Southcott, A.J.
Neumann, S.K.	Keenan, M.

\* denotes teller

Question agreed to.

**The SPEAKER**—Order! The result of the division is ayes 58 and noes 37. The question is therefore not supported by an absolute majority as required by standing order 47(c)(ii).

#### COMMITTEES

##### Foreign Affairs, Defence and Trade Committee Membership

**The SPEAKER**—I have received advice from the government whip that he has nomi-

nated Mr Adams to be a member of the Joint Standing Committee on Foreign Affairs, Defence and Trade in place of Mr Georganas.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure and Transport) (6.55 pm)—It is with some risk that I ask leave of the House to move a motion for the appointment of a member to serve on the Joint Standing Committee on Foreign Affairs, Defence and Trade.

Leave granted.

**Mr ALBANESE** (Grayndler—Leader of the House) (6.56 pm)—I thank the opposition for their generosity of spirit. I move:

That Mr Georganas be discharged from the Joint Standing Committee on Foreign Affairs, Defence and Trade and that, in his place, Mr Adams be appointed a member of the committee.

Question agreed to.

#### ADJOURNMENT

**Mr ALBANESE** (Grayndler—Leader of the House) (6.56 pm)—I move:

That the House do now adjourn.

Question agreed to.

**House adjourned at 6.56 pm until  
Tuesday, 10 May 2011 at 2.00 pm, in  
accordance with the resolution agreed to  
this day.**

#### NOTICES

The following notice was given:

**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.

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*Thursday, 24 March 2011*

The **DEPUTY SPEAKER (Hon. Peter Slipper)** took the chair at 9.32 am.

### CONSTITUENCY STATEMENTS

#### Sinclair, Mr Ron

**Mr BILLSON** (Dunkley) (9.32 am)—I rise today to speak in support of Ron Sinclair, a constituent of mine, who has had an awful ordeal dealing with a camper mobile home vehicle that he purchased. It proved not to be the vehicle that the Commonwealth said it was when it allowed the importation of the vehicle—that is, not roadworthy, as it was claimed to be, and not able to be registered although it was actually registered with VicRoads. Ron has gone through an extraordinary ordeal at great personal emotional cost and financial expense, only to find that a so-called 1993 Chevrolet K2500 was not in fact the vehicle that matched the compliance plate that accompanied the vehicle. The vehicle is overweight and cannot be used on Australian roads, despite it having gone through an extensive process under the Commonwealth's used low volume scheme that is administered federally by the department of transport—an issue that I have raised with Minister Albanese.

We are looking here for an outcome that is fair and just to Mr Sinclair. He has been able to—through successive actions, through administrative tribunals and legal avenues—have funds refunded to him for the purchase price of that vehicle but he has not been able to get his costs back. He has not been able to get his costs back because the administrative tribunal in Victoria will not allocate costs unless there have been some legal proceedings to prosecute people who have been found to have broken the law. This is a classic case of the Commonwealth and state governments failing to do their jobs, where the expense of seeking justice has rested very heavily with Mr Sinclair, and now that he has been found to be correct in each and every circumstance of the claims and the maladministration that has bemoaned this entire process, he is still tens of thousands of dollars out of pocket.

It is not adequate for the Commonwealth to simply wash its hands and say that there are processes in place. The reality and the simple fact is that certain documentation certificates that were accepted by the Commonwealth—where the processes were commenced to allow this vehicle to come into Australia and be sold to Mr Sinclair—were not properly handled. Information was not joined up with parties who were supposed to have overseen the standards of these vehicles to make sure that they complied with our design rules. It is not good enough for VicRoads in Victoria to say, 'It was the Commonwealth—it was the feds.' They are supposed to make sure all these vehicles meet design requirements before they come into Australia. Therefore, the state government and the Commonwealth are each saying 'It wasn't us.' They should have done something to protect Mr Sinclair.

The bottom line is that Mr Sinclair has been hung out to dry. He is left out of pocket for tens of thousands of dollars. His hopes of using his campervan to tour the country have simply led him being taken for a ride and to travel through all of these court jurisdictions. I call on the Commonwealth to make an *ex gratia* claim for defective administration for exposing Mr Sinclair to this cost. He should not be out of pocket for doing the right thing. (*Time expired*)

**Lindsay Electorate: CNH Australia**

**Mr BRADBURY** (Lindsay—Parliamentary Secretary to the Treasurer) (9.35 am)—I rise to highlight the achievements of the local operations of CNH Australia, based in St Marys in my electorate. I recently had the pleasure of attending the official opening of CNH Australia's new St Marys warehouse extensions and training facilities. The St Marys operations are part of CNH's global agriculture division and employ more than 180 full-time staff with extra casual staff during peak times. The creation of their new state-of-the-art training facility will benefit domestic and international customers, allowing CNH to support and train them on current and future products. The expansion of this facility has been made possible due to the company's growth here in Australia and the dedication of a number of people at different levels within the company.

Before CNH committed to the expansion of their current site, they reviewed their presence in Western Sydney and compared their current location with other industrial areas in New South Wales and other states. They concluded that St Marys continued to be the best location for them, with access to major road and rail infrastructure and relatively close proximity to international airport facilities. I am proud to see that large multinational companies like CNH are investing not just in Australia but also in communities like mine in Western Sydney. CNH is making an enormous contribution to our local community by directly creating almost 200 local jobs, which in turn generates flow-on benefits to the local and regional economy.

This is a great example of why our region is an excellent place to invest. As one of the largest economies in Australia, Greater Western Sydney is increasingly a destination for many companies like CNH that want to tap into a hard-working and highly-skilled workforce and have easy access to major transport corridors. I thank CNH for their commitment to Western Sydney and I look forward to seeing their continued success in our region well into the future.

I also congratulate some of the people involved in the expansion project, including Dean Hopping, general manager of parts operations in Australia and New Zealand; Ray Osgood, vice president of parts sales and marketing for countries outside North America and Europe; Robert Quinn, general manager of parts sales and marketing; and Ian Fisher, financial controller. I make special mention of all of the staff at CNH St Marys, including Dave Jones, the warehouse manager, and his team whose dedication to the company made sure that the warehouse continued to operate during the expansion. Despite the disruptions to their workspace during the extensions, the CNH St Marys operations were not only able to continue to supply customers with parts but they also reduced the turnaround time between when an order comes into the warehouse and when it gets to the customer. Congratulations again to the team at CNH on the opening of their new warehouse extensions and training facilities and for their ongoing commitment to the St Marys community and the broader Western Sydney region.

**Gippsland Electorate: Petitions****Rural Financial Counselling Service**

**Mr CHESTER** (Gippsland) (9.38 am)—I would like to present two petitions which have been found to be in order by the House of Representatives Standing Committee on Petitions.

*The petitions read as follows—*

To the Honourable The Speaker and Members of the House of Representatives

This petition of citizens of Australia, draws to the attention of the House the overwhelming community support for the Victorian Government's current trial of cattle grazing in the Alpine National Park to help reduce the severity of future bushfires in the high country.

And further, condemns the Private Members' Bill introduced by the Greens Member for Melbourne Adam Bandt which seeks to ban cattle from the Alpine National Park.

We therefore ask the House to oppose the Greens Private Members' Bill when it is debated in Federal Parliament.

from 1,063 citizens.

To the Honourable The Speaker and Members of the House of Representatives

This petition of citizens of Australia who travel in the Gippsland region, draws to the attention of the House the inadequate condition of the Princes Highway between Sale and the New South Wales border.

In particular we note:

- Accident rates that indicate the Princes Highway in Gippsland is one of the state's most dangerous roads. From April 1, 2004 to March 31, 2009, there were 314 crashes reported on the Princes Highway east with 497 people injured and 28 people killed;
- Insufficient overtaking lanes;
- Concerns over the poor road surface, lack of shoulders and inadequate rest areas;
- An RACV assessment of highways in Gippsland found that most sections of road were an unacceptable standard for a national highway.

We therefore ask the House to support the adding of the Princes Highway east of Sale to the National Road Network to give it access to Federal Government funding.

from 613 citizens.

Petitions received.

**Mr CHESTER**—The first petition refers to the issue of alpine grazing. My time is short today so I would like to refer my constituents to my comments on this issue in the House earlier this week. I certainly support the 1,063 petitioners and it was a great effort to assemble so many signatures in just 10 or so days. This is quite a contentious issue. I acknowledge there is some opposition to this particular move by the Victorian government but the overwhelming support is for the Mountain Cattlemen's Association of Victoria and the work they are doing to help reduce the severity of future bushfires.

The second petition refers to another issue that I am particularly passionate about, and that is the inadequate condition of the Princes Highway between Sale and the New South Wales border. In that petition 613 people noted the high accident rates on this section of the highway, which is one of the state's most dangerous sections of road. From 1 April 2004 to 31 March 2009 there were 314 reported crashes on the Princes Highway East, with 497 people injured and 28 people killed.

The highway between Sale and Traralgon is eligible for federal funding and there are some duplication works underway that I am working with the transport minister on. This has been the subject of bipartisan support over many years. But the section of road between Sale and the New South Wales border is not part of the national road network and is in desperate need for additional funding.



This is not about playing political games; it is about saving people's lives. I call on the federal minister and the state minister to work in a bipartisan manner with me and the newly elected state member for Gippsland East, Tim Bull, to achieve some results on behalf of the travelling public and local residents. This is important from a tourism perspective and for commerce and industry of the East Gippsland region and absolutely vital for saving lives. I call on both ministers to work with us in that regard.

Finally, I want to raise one other issue that concerns me and the people of Gippsland, and that is this government's failure to guarantee ongoing funding for the Rural Financial Counselling Service. I have received a letter from the Chairman of the Gippsland Division of the RFCS, Lou McArthur, about the fact that the service is coming to the end of a three-year funding agreement on 30 June. The service staff have been told that there will not be any announcement until the federal budget. I call on the Minister for Agriculture, Fisheries and Forestry to end the uncertainty and commit to ongoing funding immediately.

At a time when farmers in Gippsland have just received the news that exceptional circumstances funding will not be provided after 30 April this year, we need this service to continue. I believe Lou McArthur makes some very good points in her letter, which I have forwarded to the minister. She indicates that this uncertainty makes the planning and efficient operation of the Rural Financial Counselling Service very difficult and it places the Rural Financial Counselling Service at risk of losing highly skilled employees due to uncertainty of employment at a time when in many parts of the region the need for these services is as great as ever.

This is a desperately needed service. I call on the federal government to commit to ongoing funding to ensure that our farming community receives professional assistance at a time of great need in Gippsland. (*Time expired*)

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—The honourable member for Gippsland is quite correct. Those two petitions have been approved as being in order by the Petitions Committee. Those petitions are received pursuant to standing order 207(b)(ii).

#### **Gorton Young Leaders Awards**

**Mr BRENDAN O'CONNOR** (Gorton—Minister for Home Affairs, Minister for Justice and Minister for Privacy and Freedom of Information) (9.42 am)—I want to remark upon some wonderful individuals in my electorate. I think we would all agree that it is important to encourage and support young people who demonstrate a commitment to their communities and to active public leadership. Now in its second year, the Gorton Young Leaders Awards are my way of recognising local young people who have shown an exceptional commitment to public service, specifically through involvement in voluntary work, student leadership or community service.

I am extremely pleased to inform the House that the electorate of Gorton has again produced a number of outstanding young leaders. The achievements of these leaders were diverse, ranging from work with local parish communities, volunteer work for the Salvation Army and its Big Brother program and fundraising activities for Timor-Leste. Eighteen former year 12 students from across nine schools were awarded a Gorton Young Leaders Award for 2010. The winners were: from Catholic Regional College Sydenham, Nicole Calleja and Kevin Singh; from Copperfield College, Jagvir Johal and Phillip Martinovski; from Gilson College, Ibukunoluwa Oluwasola and Jonathan Joseph; from Keilor Downs Secondary Col-

lege, Vitoria Guimaraes and Jacky Truong; from Marian College, Renee Nguyen and Diana Nguyen; from Overnewton Anglican Community College, Rachel Potter and Kyle Downward; from Taylors Lakes Secondary College, Tanya Vidanoski and Matthew Karipoglou; from Victoria University Secondary College Brimbank, Angela Josifoska and Adam Gauci; and from Victoria University Secondary College Deer Park, Paulina Nagorski and Dang Nguyen.

Last week I had the great pleasure and privilege to meet with these young leaders, their parents and college representatives at a morning tea that I convened in my electorate office in Keilor. It was a very successful and well attended event. I know that the winners enjoyed themselves. They conveyed that to me on the day. I look forward to charting the progress of these young leaders in the years ahead. Indeed, they are exemplary role models for not only the western suburbs of Melbourne but the country at large. The achievements of these young leaders reflect highly not only on each individual concerned but also on their parents, schools and greater communities.

I am sure the House will join me in congratulating them on their efforts and wishing them every success going into the future.

#### **Import Tariffs**

**Mr CROOK** (O'Connor) (9.45 am)—I seek leave to table this petition as a document of the House.

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—My understanding is that the petition is not in order to be received as a petition. However, you are able to table it as a document provided there is no objection. As there is no objection, the document will be received on that basis.

**Mr CROOK**—Thank you. Today I present this document to the House of Representatives on behalf of 4Farmers, a national farming agent involved with importing and distributing agricultural chemicals. Of their own initiative, 4Farmers have worked to put together this document which has gathered more than 500 signatures to seek to draw to the House's attention the issue of chemical tariffs on imported farm chemicals. The document reads as follows:

This document of Australian farmers draws to the attention of the House the presence of import tariffs on finished farm chemicals and technical grade active constituents of farm chemicals. A five per cent tariff is applied to a range of common agricultural chemicals which ultimately results in an additional cost to farmers.

The document asks the House to remove all import tariffs on finished farm chemicals and technical-grade active constituents on farm chemicals, and is signed by 521 citizens. I would further like to draw the Australian government's attention the dire circumstances many farmers are facing as a result of a number of bad years capped off by severe droughts in WA and severe floods in Queensland and other areas.

It is estimated this tariff costs farmers around \$1 dollar per hectare. The removal of this tariff could see the individual farmers saving thousands of dollars. There may also be an issue of the tariff hampering local competition. While larger farming agents are able to manufacture chemicals within Australia to avoid the tariff, smaller agents are only able to import and distribute chemicals and are forced to pay a higher price because of this.

I thank the House.

**Bollenhagen, Ms Betty**

**Mr GEORGANAS** (Hindmarsh) (9.47 am)—I rise on a very sad occasion today to pay my respects to a very dear woman: Betty Bollenhagen from South Australia. Betty was a loving wife, mother and grandmother and also a lifelong volunteer loved by all who knew her.

Betty Bollenhagen was born on 5 January 1938 and, sadly, passed away on 10 March 2011 aged 73 years. Betty will be sadly missed by her family but also greatly missed by all the people and community groups with which she was involved. Betty became involved in the Scout Movement at 18 years of age and remained involved for the next 50-odd years. She became a cub leader and then became a pack leader within the Scout Movement. She was honoured by the Scout Movement for her tireless contribution and her 50-years of service a few years ago.

In 1998 Betty joined the Active Elders, a senior citizens movement based in the Ascot Park area in my electorate. It is the group through which she and I became acquainted and became very good friends. Clearly seeing her tremendous capacity for volunteer effort, she was made secretary program officer of the club one year later and remained in that position right up until her passing. Betty and her husband, Malcolm, worked tirelessly, raising funds to subsidise the Active Elders group's club rooms, recreational equipment, social gatherings and outings that gave so much joy to senior citizens in my electorate. One fundraising effort that I helped with I can recall quite clearly involved the gathering of hundreds upon hundreds of newspapers, bundling them together and selling them in 10-tonne lots to a packaging company to raise funds to support the club. It is amazing the strength of the Active Elders club in bundling tonne upon tonne of newspaper, lugging it from their club storage area and throwing it up onto the back of a truck. These pensioners really are active and are highly respected, and Betty Bollenhagen was always at the centre of the activity.

Betty was named Citizen of the Year by the City of West Torrens, and received numerous awards and accolades from various groups and associations recognising her tireless volunteering efforts. Betty fought and lived through three bouts of cancer over recent years, but finally succumbed to that most persistent of scourges.

Her funeral was held at Centennial Park on Friday, 18 March and was attended by hundreds. She is survived by her husband, Malcolm, and three children—Robert, Peter and Helen—and grandchildren. Betty Bollenhagen was one of the dearest and most delightful people one could ever hope to meet—full of life; full of love. She will, indeed, be very sadly missed by all in the community in our area.

**Gilmore Electorate: Australia Day**

**Mrs GASH** (Gilmore) (9.50 am)—Each year it is a great privilege and honour for me to be given the opportunity to officiate at the Australia Day ceremony at Sussex Inlet. The conferring of citizenship upon people can be a tremendously gratifying experience as the joy in the individual who becomes an Australian feeds into your own soul. It is an emotional moment, but the real depth of feeling did not become apparent to me until I read the following letter from one of our newest Australians, Gillian Robinson of Sussex Inlet. With your indulgence, Mr Deputy Speaker, I would like to share her letter with the House. Gillian writes:

I thought you might like to read of my journey towards the Australian Citizenship which I was proud to receive on Australia Day at the Sussex Inlet Lions Club Park.

It is a story covering a 70 year period!

I was born in Uganda in 1933 of British Colonial Civil Servant parents, finally leaving to return to Britain at the end of WW2.

In Uganda, when I was 7 years old, my father read to my brother and myself, as a bedtime story, a book he had been awarded in 1914, at the age of 11, in Blackheath, England as a school Arithmetic prize.

That book, which I now own, was 'Timothy in Bushland' by Mary Grant Bruce, published in 1912 as one of a number of Ward Lock & Co's "Gift Books, Prizes and Rewards".

I was enthralled by the story and made up my young mind that I would one day find my way to Australia.

The years passed and I traveled and lived in many countries until at last in 1989 my daughter came to Australia as a back-packer.

I saved up all my annual leave and 'time-in-lieu' from work and finally flew to Australia to spend six weeks at Christmas and the New Year with her.

It was, as I thought, the only opportunity I would ever have to see the country which had inspired my childhood dream and it did not disappoint!

I was photographed on the Opera House steps and with the Bridge as a background, spent my 56th birthday in Grafton Botanic Gardens, flew to Uluru and Katajuta, traveled by bus all up the northern NSW and Queensland Coast, flew by amphibious plane out to the Barrier Reef, sailed on "Gretel", the America's Cup challenger and on "Apollo" a Sydney to Hobart contender and kept a detailed journal of this magnificent adventure!

More years passed, circumstances changed and after previously spending two years on an 'exchange' visit, in 1999 my daughter together with her husband and three young children emigrated from the UK to Australia to live in Nowra.

I visited as a tourist time and time again. Finally, with the encouragement of my son and daughter, I decided to try to emigrate in the 'aged parent' category and on being accepted, waited on my Bridging Visa for 7 years, before being given my Permanent Residency on 2nd July 2008.

The culmination of this life time's "dream of Australia" was the ceremony at Sussex Inlet on Australia Day, 26th January 2011, when I was at last granted my Australian Citizenship, thus proving that you should never give up on a dream, even a dream of 70 years duration!

My thanks are due to my son and his wife and to my daughter and her husband for their encouragement in my adventure towards my dream.

To Mr and Mrs Ross Westley of Sussex Inlet Lions Club, to Joanna Gash MP who awarded me my Citizenship, to Shelley Hancock MP, the Lions Club dignitaries and members and to all the other new Citizens, all of whom contributed to the success of a very special day.

With sincere thanks - Gillian Robinson.

Mr Deputy Speaker, I will let those words speak for themselves.

#### **Fowler Electorate: Liverpool Hospital**

**Mr HAYES** (Fowler) (9.53 am)—Last week I had the misfortune to have to present myself to Liverpool Hospital for an examination, and regrettably I had to have a small lesion taken off my chest. After the operation I was talking to the staff specialist, Dr Cains, who I have known for many years. He is a senior dermatologist attached to Liverpool Hospital. Regrettably there is not a professor overseeing dermatology at Liverpool any longer. The professor who was there has moved overseas, and Dr Cains fulfils the role of medical specialist. He not

only conducts consultations with patients but also he is involved in training of staff and, more importantly, training GPs and future specialists in dermatology.

Dr Cains indicated to me that the hospital is in urgent need of a full-time professor in order to fulfil its split requirements in teaching and patient care. For the past six years the administration of the department has been conducted by an acting head who attends once a week. The teaching and clinical work as well as supervision of trainees is all overseen by a single staff specialist. Bear in mind that Liverpool Hospital has had \$395 million invested into it by the New South Wales government. It is doubling its size. I understand that, when complete, it will be the largest hospital in the Southern Hemisphere, but regrettably there will not be a professor of dermatology at that institution.

Liverpool Hospital is a principal teaching hospital and research facility for the University of New South Wales and the School of Medicine of the University of Western Sydney. I have taken the opportunity to write to the government and to the University of Western Sydney asking for consideration to funding a professorial seat at the hospital to undertake this work. Regrettably, there are very few teaching institutions that specialise in skin based research. Liverpool Hospital could be a world leader. This is very important when you consider that 25 per cent of all GP consultations are for skin related diseases. The current epidemic of melanoma and non-melanoma skin cancer in Australia further increases the need for teaching and research in this area. I hope that Liverpool Hospital will become an institution of research for the future. (*Time expired*)

#### **Murray-Darling Basin**

**Mr FORREST** (Mallee) (9.56 am)—I would like to raise again an issue raised by the member for Murray some time ago, which is the outbreak of blackwater events through the Murray-Darling Basin, particularly the southern sections of it, which has been occurring since September as a result of the phenomenal meteorological events that have occurred throughout the southern parts of the continent. The first of these blackwater outbreaks occurred on the Wakool River back in September and through October, with alarming impacts on the mortality of fish, particularly Murray cod. It was very sad to see half-metre-long Murray cod floating belly up along the Wakool River in that period. A Murray cod of that length is at least 40 years of age, perhaps even 50. We have worked extremely hard over the years to ensure the longevity of these fish. It is just a tragedy to see them floating dead down our river system.

Then, just before Christmas, with the second of the huge meteorological events, came the blackwater outbreak that flowed out of the Barmah Forest and saw the Murray River impacted. It was phenomenal to see crustaceans, Murray cray, going up the banks of the Riverside Park in Swan Hill to survive—quite a tourist attraction it was. They were escaping the lack of oxygen because of blackwater in the Murray River. It was quite interesting to see so many Murray River cray. We were told they had gone extinct, yet they were there unseen and were forced out of the water because of this plume of blackwater.

There has been much to learn as a result of the breaking of this drought—such a long period of drought; low rainfall for almost 15 years—including how to deal with the floods and everything else that has emanated from the unbelievably strong meteorological outcomes that have occurred through the Murray-Darling Basin. It is quite fascinating to me, as the member for the arid Mallee, to declare that in Mildura last Saturday night there was another 3½ inches

of rain in one rainfall event over about four hours. It is confirmation that precipitation outcomes are changing in the Murray valley.

Blackwater events occur as a result of accumulation of organic matter. We have got to find much better and cleverer ways to use the environmental water that is being purchased to create larger, more natural flood events to ensure this phenomenon does not happen again. (*Time expired*)

### Climate Change

**Mr MARLES** (Corio—Parliamentary Secretary for Pacific Island Affairs) (9.59 am)—I have said many times that Geelong is on the front line of the climate change debate in this country. We are a city by the sea with an economy driven by carbon-intensive industries. This means that we have an economy and jobs dependent on carbon and at the same time we have low-lying regions along the coast vulnerable to rising sea levels. Over the last decade, as the member for Mallee reminded us, we have also been prone to drought.

The Gillard government understands these concerns. We know people want more and better information about the science of climate change, how it will shape our future and the mechanisms for Australia to move to a low-carbon future, which is why I am really pleased that Geelong is the first port of call in the national conversation being led by the recently established Climate Commission.

The commission was set up last month to provide all Australians with an opportunity to learn more about the science of climate change from a team of eminent Australians, leaders in their field, led by the acclaimed scientist and former Australian of the Year, Professor Tim Flannery. The commission will be travelling the country over the next few months talking about the science of climate change, how it will impact us here in Australia, the work other nations are doing to reduce their carbon dependency and, importantly, how a carbon price will work in our economy and our community. This is a conversation that as a nation we need to have—and Geelong is being given the chance to kick it off.

It is a great opportunity for us as a community to come to grips with this issue and, in some ways, lead the way in the national debate. I strongly urge anyone who has been thinking about this issue or who has questions or issues to raise to join in the conversation at the Geelong West Town Hall tomorrow evening. It is also an opportunity for the doubters, like Councillor Stretch Kontelj, to hear from the experts. In a letter to the *Geelong Advertiser* this week, Councillor Kontelj revealed himself to be a climate change sceptic and, in the process, placed himself on the extreme edge of this debate. He now stands at odds with Malcolm Turnbull and Greg Hunt and half the utterances of the Leader of the Opposition—although, depending on the day, Councillor Kontelj and Tony Abbott may make common cause. Councillor Kontelj may disregard my views, but it will be more difficult to dismiss the opinions of an eminent Australian in the field such as Professor Flannery. This is, of course, the point of the opportunity which the Climate Commission represents. This is a difficult debate where there are established facts about our climate and what is happening to it, and those facts need to be understood to understand the debate.

In my view Australia and its industry needs to place a price on carbon if we are to have competitive industry and the jobs that goes with it in the future. But, whatever your views about the policy Australia needs, there is no longer an excuse to be ignorant about the facts of

climate change. The Climate Commission is the opportunity to have all your questions about climate change answered.

**The DEPUTY SPEAKER**—I was loath to interrupt the honourable member, but I do remind him of the provisions of standing order 64, which provide that he ought to refer to other members by their electorates or official titles. In accordance with standing order 193, the time for constituency statements has concluded.

### **TAX LAWS AMENDMENT (2011 MEASURES No. 1) BILL 2011**

#### **Second Reading**

Debate resumed from 24 February, on motion by **Mr Shorten**:

That this bill be now read a second time.

**Mr ANTHONY SMITH** (Casey) (10.03 am)—I rise on behalf of the coalition to speak on the Tax Laws Amendment (2011 Measures No. 1) Bill 2011. The bill before the House today deals with four areas of taxation law across three schedules. I can state in the outset of my contribution that the coalition will be supporting this bill and, obviously, all of the measures within it. The bill deals with minor changes to taxation law and sensible measures with respect to natural disasters that are regular changes that occur in taxation law whenever our country confronts the sorts of disasters that it has faced in recent months. In that vein, I will first deal with the two distinct parts of schedule 1.

The first part deals with a tax exemption for recipients of disaster income recovery subsidies. This schedule of the bill amends the Income Tax Assessment Act 1997 to ensure that people who were affected by the terrible floods that we saw in Queensland, New South Wales, Victoria—my home state—and other parts of the east coast of Australia from 29 November last year do not have income tax applied to their disaster income recovery subsidy payments. This will mean that the tens of thousands of Australians who were affected by that significant flooding will not have to bear any further impost as a result of the assistance with which they have been provided by the government. It will also mean that fellow Australians in North Queensland who, more recently, have been battered by Cyclone Yasi will also be covered in this respect. Clearly the coalition supports this measure and, with the government, recognises the hardships that so many Australians have experienced and are continuing to experience during this time. This amendment backs up the words of this parliament with actions in taxation law.

Schedule 1 also provides for tax exemption for ex-gratia payments to New Zealand non-protected special category visa holders. It amends the Income Tax Assessment Act 1997 for New Zealanders holding a non-protected special category visa, which is a special category of visa that has been issued since the beginning of 2001. The amendment ensures that ex-gratia payments made to New Zealanders who have been similarly caught up in the major disasters which have struck Australia since 29 November last year also have their Australian government disaster recovery payments exempted from income tax.

As I said at the outset, these changes, which are embodied in schedule 1 of this bill, are very much the sort of mechanical changes made to the tax law whenever we confront a disaster of the sort that we have recently. The last time I can recall having done this was immediately following the devastating Black Saturday fires in Victoria. Similar provisions were

moved at that time by the then Assistant Treasurer and now Minister for Immigration and Citizenship, Chris Bowen, with the full support of the coalition.

Schedule 2 deals with a tax exemption for recovery grants for the 2010-11 floods and Cyclone Yasi. During the recent disasters, the Commonwealth government and the various state governments provided recovery grants under the natural disaster relief and recovery arrangements to small business and primary producers directly affected by the flooding and Cyclone Yasi. That measure was strongly supported by the coalition at the time because these payments are absolutely essential—and you would appreciate this fact, Mr Deputy Speaker Slipper, as you represent a Queensland electorate—to helping local communities get back on their feet, to repairing the damage from the disasters they have faced and to making a contribution to that in the best way possible. In government, the coalition offered this support to small business and primary producers at the time of Cyclone Larry, a devastating cyclone which destroyed much of Innisfail in Far North Queensland.

Just as the coalition did then, the government is now looking to make these grants, which are paid under the category C natural disaster relief and recovery arrangements, non-assessable, non-exempt income. This will mean that the small businesses and primary producers will not be affected for income tax purposes by the payment. Treating the income as non-assessable and non-exempt will mean that the grant will be treated as exempt income and that any losses brought forward by a primary producer or small business will not be reduced as a result of the payment of the grant. This is particularly important for the recipients of this payment and, as I have said, it is a move that has strong bipartisan support and mirrors the sort of support and assistance that the coalition itself provided when it was in government during previous disasters.

The final schedule deals with an unrelated matter—and that is the way with these tax law amendment bills, which are regularly before the House. It deals with the First Home Saver Accounts. These accounts originated from the government—in fact, from the Labor Party when they were in opposition, as an election promise ahead of the 2007 election. The accounts were designed—the Australian public was told by the then Rudd opposition and the then Rudd government—to persuade individuals, through tax incentives and government contributions, to save for their first home. They have been in operation since about October 2008—so 2½ years.

In recent Senate estimates hearings it was revealed, I am advised, that only 24,000 people had registered for Labor's first home saver accounts. That is despite the former minister at the time claiming 730,000 people would be stumbling over themselves to sign up. The take-up rate has turned out to be just under seven per cent—hardly something for the government to be proud of. Indeed, we can assume that the measure in this tax law amendment bill, which seeks to make changes and to introduce some flexibility, is of itself a measure and an admission of the government's failure of their word prior to the 2007 election and the failure of their intent in this policy.

The first home saver accounts have not worked because of their complexity and restrictiveness when it comes to individuals being able to access their savings. Currently, individuals are not able to access their savings for the purchase of a home unless one of several release conditions has been met, and if the savings are not going towards the purchase of a home then the savings must, under the current rules, go to superannuation or the retirement savings accounts.



The government, after three years and more than 2½ years of operation, has now, in this bill, put forward some changes regarding the release conditions. We are told in the explanatory memorandum that the changes will allow the savings in a first home saver account to be paid to a genuine mortgage after the end of the minimum qualifying period should the first home buyer purchase a home in the interim. That would currently be in breach of the existing qualifying conditions.

The changes within the bill state that when a dwelling has been purchased prior to the release conditions being met any interest earned on the savings will be taxed at the concessional rate of 15 per cent and no further contributions can be made to the account. At the end of the release conditions having been met, the savings within the account can be put towards the genuine mortgage. Only time will tell whether the changes in this bill will improve the take-up rate of the first home saver accounts. Given that the take-up rate is bouncing along the ocean floor at the moment, at under seven per cent of what was projected, you could assume that the moves within this bill will have some positive effect, but just how much only time will tell. This change—obviously a recognition by the government of the failure and the incompetence of its policy design—although belated, is better than nothing in this area.

This measure, along with the other three measures contained in the first two schedules, we will support. As I said, the first two schedules are schedules that this parliament always speedily enacts in times of natural disaster. The final unrelated aspect is something that the coalition welcomes as a sign of the government's belated admission of its policy failure, but we will have to wait and see whether any positive effects flow from it in the way the government now says, after three years, they will.

**Mr HAYES** (Fowler) (10.15 am)—I too stand to support the Tax Laws Amendment (2011 Measures No. 1) Bill 2011. This bill will proceed with the three schedules. The first, schedule 1, deals with amendments to the Income Tax Assessment Act 1997 to provide an exemption from income tax for those who received the disaster income recovery subsidy paid to victims of the recent Queensland floods and those affected by Cyclone Yasi. The second schedule will amend the Income Tax Assessment Act 1997 to provide an exemption from income tax for category C Natural Disaster Relief and Recovery Arrangements grants paid to small businesses and primary producers. The third schedule deals with increasing the flexibility of first home saver accounts by ensuring people can commit their savings to a mortgage if they purchase a dwelling within the interim period as prescribed. I will speak on that in more detail later.

I know there have been condolence motions and plenty of discussion in this chamber about a range of things, including, regrettably, a lot of debate about a levy to support recovery efforts in Queensland. The simple thing is that we have gone through the worst natural disaster in this nation's history, not just in respect of the loss of life but also from the washing away of roads, bridges and, to a lot of people, what they saw as their future, their ambitions and what they held for their kids. Mr Deputy Speaker Slipper, you come from Queensland and know what a high proportion of businesspeople there invest in their businesses. It is not all that easy for someone to say, 'We're a stoic people and we're just going to recover from all this; it will be business as usual come 9 am on Monday.'

A lot needs to be done, and a lot needs to be done with assistance from the Commonwealth, because we do pull together—except for our tribal rivalries when it comes to sport and other

issues—when it comes to the crunch. On matters such as disaster relief we do hang together as Australians. We support one another and this is another measure of what we do in giving realisation to that. It is more than just a concept; it is what we are as Australians.

Only yesterday I spoke rather briefly on the condolence motion about New Zealand. I referred to the significance of the emerging Anzac Day. Anzac Day is a lot of things, but for me it defines us as Australians and New Zealanders. It defines how we act in adversity and how we pull together and act as a committed nation as we support one another. That is what we set out to do in schedules 1 and 2 of this bill. We will provide income subsidies to be paid to the victims of the floods—disaster relief payments to those who demonstrate that they have experienced a significant loss of their personal and direct income as a direct consequence of the flooding that occurred. These things need to be taken into consideration in providing those exemptions and ex gratia tax payments.

The other aspect is small business. You know, Mr Deputy Speaker, coming from Queensland, about the entrepreneurialism of Queensland when it comes to small business. It is something a lot of people aspire to. They do enjoy the freedom of going out there, particularly in the areas of primary industry and tourism and the downstream activities that support those industries. These are things that should not be lost. It is not about waving a magic wand, conducting all the various donation campaigns. I have got to say that it is very humbling to see in each of our electorates the amount of money that was raised. In my electorate alone, which is the most multicultural electorate in the country, well over half a million dollars was raised. I thought it was very interesting to see all these newly-arrived Australians going out to support fellow Australians. It was a very good, decent and humbling thing to see. But we do have significant responsibilities and we do need the means to do that and to encourage people back on their feet. We talk a lot about mining and the importance of the resource economy that underpins Queensland; nevertheless, the driving aspect for employment in our modern economy is small business. We need to see small business people back on their feet as quickly as possible, and it is part of what we are seeking to do through this provision.

The other aspect of the bill that I particularly support is schedule 3, which makes more flexible the provision of the first home owners grant. The money in the first home saver account will be made available to go into a genuine mortgage after the end of a minimum qualifying period, should the account holders purchase a home and the release conditions be satisfied. The government clearly recognises the difficulties that first home buyers face. The money has to be committed into either a superannuation or a retirement fund, none of which is going to find its way into paying a mortgage. I am actually going through this with my son and his partner at the moment—Jonathan and Kylie. They live at home and, as a caring father, I would like to see them stand on their own two feet at some stage. We are encouraging them to think about going out and using the first home saver account and getting themselves into the real estate market. It does not matter where you come from—the inner city or, where we live, the outer metropolitan areas of Western Sydney.

Affordable housing is something that is fast moving away from our psyche. We know that it is important to be able to get in, if you genuinely want to become a first home owner and have a plan for getting there. Gone are the days when—such as when I was buying a house—you could just roll up to the building society, apply and have the loan that afternoon. You do need, for very good reasons, a savings record. We have just come from the world's worst eco-

conomic meltdown, and it is largely attributable to the Americans and their subprime market, which was fuelled by people simply going out and being able to access mortgages which they could never in their wildest dreams ever contemplate repaying. We did see a bit of that start up in this country, where people could go out and borrow 110 per cent of their needs in terms of housing, and you got not only the house but the carport, the driveway and the curtains. We went for a good six months, if not more, with sheets hanging over windows and things like that. The point I am trying to make is that we need a strategy to get there, and this is what we are seeking to do with this legislation. We are trying to make the first home owners grant crucial to making the decision to take up your first home. As I indicated, the price of housing is making it harder for most Australians to realise the dream of owning their first house, and you cannot do that simply by willing it to happen. You need to have a firm strategy, and that is what we are seeking to do.

Currently, where a first home is purchased before the minimum release conditions are met, the first home savers account must be closed and that money goes into your superannuation or a retirement savings account. I have got to say, for a 23- or 24-year-old, it probably does not mean all that much to see the money that you have already saved going away until you hit the wily old age of 60. That is a long way down the track—maybe not for some of us now, but I guess when I was 23 or 24 I thought that was an eternity. The new provisions will allow that money to be paid into a genuine mortgage at the end of that minimum qualifying period. The money can actually be put to use to help sustain the very mortgage that people have entered into.

This change will further assist aspiring home owners by allowing them to purchase their home earlier than they might have originally planned and still be able to put the money towards their new home should their circumstances change. These changes will not do anything to harm the underpinning concessions of the first home savers account. The government will continue to contribute 17 per cent of the first \$5,500 indexed to an individual's contribution made during the year. This means that, if an individual is able to make the maximum contribution of \$5,500 into their first home savers account, they will be eligible for the government's contribution of \$935. Where individuals come together to form a couple—as is the case with my son Jonathan and his partner, Kylie—they will be able to pool their first home savers accounts to produce those savings together. Earnings in respect of this are taxed at 15 per cent and the withdrawals will be tax free when used to purchase their first home.

These are things to be encouraged. I know some mocking words were used about the take-up rate being something like seven per cent. If you consider the economic circumstances since 2007 and beyond, it is no wonder that there has been a slow-down in the purchase of real estate generally because of the prices involved. We are trying to do something to make it affordable at that entry level. We do not want to do it in such a way that it overheats the entry-level market; we want to do it in such a way that it actually empowers people to buy their first home, gives them a strategy which can actually help them realise their dream and still enables them to purchase their home without having the price artificially propped up by one-off payments of money. This is a better way of doing it. It actually ensures that couples, when they are moving to buy their first home, enter upon a strategy which is designed to help them not only establish the pattern of saving to attain the mortgage in the first place but also, hopefully, help them establish a long-term pattern of saving. We do need to reduce debt and to do that

we need to have a proper saving pattern. I think that is something, coming out of the global financial crisis, that we have all learned and should take to heart.

I think what is being applied here will do wonders for a lot of people, particularly those that I represent in the federal seat of Fowler, which is an area that has much disadvantage in it. For instance, the median household income for Fowler is currently at \$51,900, which is considerably below the median household income that applies across the nation at around about \$62,000.

The housing prices in Liverpool and Fairfield in outer metropolitan Sydney do not compensate for the lower average earnings. The median house price in Fowler at the moment is \$432,500 with a mortgage repayment of \$1,796 a month. By my rough calculations, that means that you commit almost half your income to paying your mortgage. That makes it pretty strained. What we are trying to do is establish the entry level strategy for people who are keen to buy their first place and we are also hoping that this will send a message about the value of saving to achieve objectives. I commend all pieces of this bill to the House.

**Ms OWENS** (Parramatta) (10.30 am)—I am pleased to speak on the Tax Laws Amendment (2011 Measures No. 1) Bill 2011. I realised when I was preparing for this speech this morning that I have a serious personality flaw: I have had a secret fondness for tax laws amendment bills since I was first elected in 2004. They are generally known in-house as TLABs and we do at least a dozen or so of them every year. Unlike many bills in this House which deal with large policy areas, and if it is an important policy area it will have a bill of its own, TLABs tend to pull a whole range of items together in one bill. They are sometimes quite quirky ones that deal with a whole range of things. They are more about governance than government. They deal with the detail of making things happen and implementation.

This TLAB is quite a small one in that it only deals with three matters, but they are quite different. Schedules 1 and 2 of the bill deal with the detail of the implementation of support the government provided for people who were victims of the recent floods and Cyclone Yasi. They do what perhaps every person in Australia would expect them to do, which is essentially to make those payments exempt from income tax. When I first saw a bill like this it was after the fires in Victoria and it did exactly the same thing. It ensured that payments made to people to help them get through some very bad times and get back on their feet were not later considered as taxable income.

Schedule 1 makes the Newstart-like income subsidies that were paid in the early days to victims of floods and Cyclone Yasi exempt from income tax. The income recovery subsidy provided financial assistance to employees, small business owners and farmers who had experienced a loss of income as a direct consequence of the flooding that commenced on 29 November last year. Those subsidy payments were only claimed between 10 January and 28 February inclusive, so they were well and truly payments made during the worst of times and got people who had lost income through those worst days. As I said, schedule 1 makes sure that those payments are exempt from income tax.

Schedule 2 deals with the clean-up and recovery grants to small businesses and primary producers under the natural disaster relief and recovery arrangements. Payments were made to businesses and primary producers directly affected by the flooding and this schedule makes those payments non-assessable non-exempt income. That is slightly different from schedule 1 because if we did not make these grants exempt those payments would interact with other

aspects of tax law. What we would find is that if a taxpayer brought losses forward from a previous year those payments would have to be used to reduce those losses first. This makes sure that payments made to those businesses and primary producers under those circumstances are completely separate from any assessment by the tax office. They are both very good little pieces of detail that needed to be dealt with and they are the kinds of details that are usually incorporated in these TLABs.

Schedule 3 is something that I am very pleased to see. It relates to the First Home Saver Accounts. The First Home Saver Accounts were introduced back in October 2008 in what was a very important announcement at the time. They provided another option for predominantly young people saving for their first home. The First Home Saver Accounts, once set up, brought with them a contribution of 17 per cent from the government on the first \$5,500 of individual contributions made each year. That meant that an individual who made a contribution of \$5,500—and that is indexed—to the First Home Saver Account was eligible for a contribution of \$935.

The scheme was capped; there was a limit of \$80,000 on the overall account balance. Once an individual reached that balance, they could not make any more contributions of their own but government contributions and earnings continued to flow into that account. Individuals who were members of a couple were able to pool their first home saver accounts and withdrawals were tax-free when used to purchase their first home.

Last month a young man in my electorate came to see me. He had opened one of these first home saver accounts. He freely admitted that he had not read all of the detail when he went into it and he was surprised to find that, when he wanted to buy a house early, he was not able to use the money from his first home saver account for that. It was not so much that his circumstances had changed; it was that he really did not understand what agreement he had made when he went into it.

It is quite reasonable that there are conditions on these accounts where the taxpayer is contributing 17 per cent to assist you to buy your first home. It is reasonable that you cannot, for example, withdraw that money halfway through and go off on a holiday. It is quite reasonable that the money, particularly the taxpayer contribution, be allowed only for the purpose which was given, which is to buy a home. But, under the current regulations, if a dwelling is purchased before these conditions are met, the home saver account must be closed and the money in the account must be paid to the individual holder's superannuation or retirement savings account. The money in this young man's account would have had to have been rolled over into his superannuation, so he would not have been able to use it to help pay off his mortgage. He, of course, started the first home saver account because that was what he wanted to do with his own part of the money.

This amendment to the scheme is really very good. It essentially allows the money in a first home saver account to be paid to a genuine mortgage at the end of the minimum qualified period should the account holder purchase a dwelling in the interim. It means that, if this young man in my electorate buys a house before the minimum period is over, he will at the end of the period be able to transfer his money, the government contribution and whatever earnings there have been on that account to his mortgage. So it is a good outcome for him as a young man and a very good outcome for the government and for taxpayers in general, because we all realise that any time a young person, particularly a person in their 20s or 30s,

starts accumulating assets through the purchase of their first home we all benefit because of the increased financial security of families in their later years. So what is good for a young person who is buying a home is eventually good for us all.

I commend the bill to the House. There are three important schedules. Two relate to ensuring that payments given to victims of the floods and Cyclone Yasi are tax-exempt. The third one increases the flexibility for young home buyers who are making use of the first home saver accounts.

**Mr NEUMANN** (Blair) (10.38 am)—I speak in support of the Tax Laws Amendment (2011 Measures No. 1) Bill 2011. It is important that all Queenslanders who have had their lives shattered, their farms damaged and their businesses destroyed have confidence that all Australians are behind them in their rebuilding effort. Queensland makes up just over 20 per cent of Australia's population and certainly contributes more than 20 per cent to the wealth and income of this country. The federal Labor government is stepping in to rebuild Queensland. These were the largest natural disasters in our history: the floods in South-East Queensland and Cyclone Yasi in North Queensland. Without the cyclone's impact, it is estimated that the cost of rebuilding South-East Queensland and Queensland generally will be \$5.6 billion.

My electorate of Blair covers Ipswich and the Somerset region in South-East Queensland. In it I have the Brisbane River, the Bremer River, the Lockyer Creek, Wivenhoe Dam and Somerset Dam. It has been in many ways flood central in the last few months.

The impact on lives is extraordinary. The floods have devastated local communities in the western part of Ipswich, from Rosewood through to Riverview, up through the Brisbane Valley and into the Kilcoy region. Roads, bridges, ports and community infrastructure have been damaged by floods. Just last week I was up in Mount Stanley, which is way north in the Brisbane Valley, where a dozen or more roads were cut off during the flood crisis. The culverts, which were built about 60 years ago, have been damaged. As you drive across in a four-wheel drive, there is still water crossing those areas. Every time it rains, the water comes across. I was up there to visit and speak to some farmers, along with the former deputy mayor of what was then known as the Esk Shire, Simeon Lord. Simeon is not necessarily a card-carrying member of the Labor Party, I assure you. He has strong views and is well known and well respected in the community. He talked to me and some of the farmers in that area of Mount Stanley about what life was like for them in the flood and how we need to rebuild the roads, the bridges and the essential community infrastructure.

Queenslanders and people across the country have been extraordinarily generous with their time, effort and money. Contributions to the Somerset Regional Council's flood relief appeal and to the Ipswich mayor's flood relief appeal have been in the hundreds of thousands of dollars. Indeed, the mayor's appeal in Ipswich is edging close to \$1 million now. And the Premier's flood relief appeal is in the millions of dollars. But we need billions of dollars to rebuild Queensland. At the time of the flood, Centrelink and the ADF, two great arms of the federal government, came in and gave great assistance. I pay tribute to Centrelink, as I did in a speech last night when the relevant minister—Ms Plibersek, the Minister for Human Services—was here. There was great work done by Centrelink locally. We need to rebuild Queensland. The payments that were made during the time of the flood put money back into the hands of people. I want to note that the councils also have received significant assistance

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from us. The third-quarter financial assistance grant for Somerset Regional Council was brought forward by this government. That totals \$611,237. Ipswich City Council received a \$1,127,394 grant—money brought forward to assist them to rebuild. And we put \$2 billion into Queensland government coffers to make sure that they can do work to rebuild Queensland.

The flood affected areas in South-East Queensland are truly devastated. My estimation is that around 90 per cent of people who have been flood affected in my electorate are still living away from their homes—in caravans, in tents, in motels or bunking with people. They are not back in their homes. If I drive at night through places like North Booval in Ipswich or some of the country towns in my electorate, there are hardly any lights on, because people are not back in their homes. So any way we can give them assistance to mitigate the circumstances that they find themselves in will be beneficial for them, their families and the local communities.

This legislation exempts from taxation the disaster income recovery subsidy payments made to victims and the funding given to New Zealand residents. This benefits my local community because it puts money back in people's pockets and they do not have to pay it to the Australian Taxation Office. I did not realise there were so many New Zealanders living in South-East Queensland. There are about 180,000 people from New Zealand living in South-East Queensland. Put that in context. The member for Herbert says it is more people than live in his city. It is more than the number of people who live in Ipswich and more than the number of people who live in Toowoomba. You can see why, when New Zealand play the Wallabies or the Kangaroos at Lang Park, so many New Zealanders turn up to watch them play. We provided help during the flood in terms of our disaster relief recovery payments to them. This legislation makes sure that we do not take money out of their pockets.

I think our proposal with respect to the response in South-East Queensland in particular—the way we have structured the raising of the money, investment of the money, the application and the rebuilding—is the right thing to do. We found savings of \$2 for every \$1 we raised for the levy, so it was the right way to go about responding to an unprecedented natural disaster.

Faced with such a big challenge, it is extraordinarily important to provide help, and I think one of the biggest helps we can provide is the granting of up to \$25,000 and offering of low-interest loans of up to \$250,000 to small businesses. The assistance we are providing to local NGOs we are doing in consultation with the states. The states are rolling it out through the departments of communities, particularly the Queensland Department of Communities. I know a number of sporting organisations in my electorate have received that assistance. Everything from the dog obedience club in Ipswich through the Ipswich Basketball Association have received assistance through money from the Department of Communities in Queensland—money that is given by us, as well, through our levy and what we are doing to assist the Queensland government. This is important legislation. It is important for local areas as well.

I must say that those opposite have adopted what I think is a simply bewildering response with respect to the flood crisis in South-East Queensland. At a time when Australians stick together and expect bipartisanship to prevail, I am flabbergasted by the response of those opposite to the flood ravaged regions of South-East Queensland. I say this genuinely and personally. I could not believe that they would do that. They have so many members from the area: the member for Ryan, the member for Longman, the member for Maranoa. They have

members from all throughout Queensland and Brisbane as well representing the LNP, and yet they opposed what we were doing with the flood levy. It was hysteria. It really was a slap in the face for South-East Queensland and Queenslanders generally. You did not need a poll to know that Queenslanders wanted other Queenslanders and the federal government to give them a helping hand and stick together in this matter.

I was shocked at the response of the coalition. Their lack of preparedness was shown by the response of the Leader of the Opposition when he tried to find savings. His idea was to cut back the NBN funding, and that was the very organisation that people were crying out for in places like Toowoomba, Ipswich, the Lockyer, the Scenic Rim and the Somerset regions. They are crying out for the NBN, and his idea was to delay and cut it back. His idea was to shave money off the BER funding that provided the very multipurpose halls which were used as evacuation and recovery centres in the flood crisis in places like Fernvale and Esk. It was a bewildering and flabbergasting response from those opposite.

I think the legislation here is important. It exempts the funding in relation to the DIRS. To put it in context, the information I have in relation to this is that, to date, Centrelink has processed over 664,000 claims for the Australian government disaster recovery payment in Queensland for floods, paying almost \$715.1 million. It is an enormous amount of money. It has processed just under 72,000 DIRS claims in Queensland for floods, totalling over \$54.9 million. That is why these payments are important. It is a huge amount of money going into the hands of individuals. In Ipswich about 3,000 homes were inundated. In the Somerset we are talking about 600 homes inundated—or pretty close to it. They are people who receive money whether they are New Zealanders or Australians. They receive money to help them because so many people lost everything. They lost their furniture, they lost their clothes, they lost their possessions, they lost their mementos—the things that they found important.

That money—the \$1,000 per adult, the \$400 per child and the \$170 per person given by the Queensland Department of Communities—was absolutely vital not just to stimulate the economy but to give people some hope, some chance in life to rebuild. I am on the record as being critical of the means testing that the Queensland government has done in relation to this. I have been pushing the envelope on this issue, trying to advocate for my community in terms of our response on this issue. In fact I have been critical of all levels of government, but I do honour and thank all those levels of government—Centrelink, Ipswich City Council workers, the ADF, Somerset Regional Council workers and the Queensland Department of Communities. We have had a fantastic community response, a coordinated effort, to try to rebuild South-East Queensland, particularly in my electorate of Blair.

I am convinced that this government is on the right track towards recovery for South-East Queensland. I cannot say the same for those opposite, particularly when the Leader of the Opposition started listing off the flood affected electorates in Queensland and actually listed your electorate of Petrie, Madam Deputy Speaker D'Ath, where there was not any flooding. He could not even work out the electorates which had been flooded. That is the extent of the concern and consideration the Leader of the Opposition has for the people of Queensland—he did not even know which areas were flooded and what electorates people were harmed in. He did not understand the flood geography of Queensland, and he did not even understand the electoral demography of Queensland. That is the extent to which the Leader of the Opposition has concern for helping the people of South-East Queensland rebuild their lives.



This is good legislation; it will help my community and I warmly support it. I commend the government for being on the right track with flood recovery in South-East Queensland.

**Mr BRADBURY** (Lindsay—Parliamentary Secretary to the Treasurer) (10.51 am)—I thank all of those members who contributed to the debate on the Tax Laws Amendment (2011 Measures No. 1) Bill. In particular I acknowledge the contribution of the member for Blair, who was a very strong and effective advocate for the people of his community. I think that came through very clearly in his contribution today.

Schedule 1 introduces taxation measures to alleviate the financial hardship being felt in communities affected by the disasters that have devastated Australia over the 2010-11 summer. These amendments exempt from income tax the disaster income recovery subsidy payments to victims of the recent floods and Cyclone Yasi and the ex-gratia payments made to certain New Zealand visa holders affected by a disaster where the Australian Government Disaster Recovery Payment has been activated. Exempting these payments from income tax maximises the amount of payment that individuals receive and is consistent with the exemption provided for equivalent payments made in response to other disasters, such as the devastating Black Saturday Victorian bushfires.

Schedule 2 exempts from income tax category C payments made to flood affected small businesses and primary producers under the Natural Disaster Relief and Recovery Arrangements. This measure recognises the hardship suffered by small businesses and primary producers in affected areas and provides certainty for recipients in terms of tax treatment at a time when they should not need to worry about tax matters

Schedule 3 amends the tax laws to allow the money in a first home saver account to be paid to a genuine mortgage after the end of a minimum qualifying period should the account holder purchase a dwelling in the interim. This increases the flexibility of first home saver accounts by allowing individuals to purchase a home earlier than planned and still be able to put the money towards their new home.

Currently, if a first home is purchased before certain minimum release conditions are met, the first home saver account must be closed and the money in the account must be paid to the individual account holder's superannuation or retirement savings account. First home saver accounts are designed to encourage individuals, through tax concessions and government contributions, to save for their first home over the medium to long term, and have been available since October 2008.

The government has consulted on these changes and the measure applies for houses purchased after royal assent. This bill deserves the support of the parliament. I commend this Bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

**MILITARY REHABILITATION AND COMPENSATION AMENDMENT (MRCA SUPPLEMENT) BILL 2011****Second Reading**

Debate resumed from 10 February, on motion by **Mr Snowden**:

That this bill be now read a second time.

**Mr ROBERT** (Fadden) (10.55 am)—I rise to lend some comment on the Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011, and in doing so I acknowledge across the chamber the Parliamentary Secretary for Agriculture, Fisheries and Forestry, the Hon. Mike Kelly, a veteran of Somalia and a man of great military experience—someone who you would expect, with a government that likes to flaunt its credentials in defence, the military and, indeed, national security, would be at the forefront of all that the government would do in this. He started his parliamentary life, of course, as the Parliamentary Secretary to the Minister for Defence but then, in the government's great wisdom in hindsight, it moved him to Forestry, Fisheries and Agriculture. That speaks volumes about how much this government cares about veterans, defence and national security. It is important that we look not at what a government says but at what a government does. When it takes its finest mind on defence and puts it with trees and fish, it sends a very clear message that that is how this government views defence.

This bill will bear testimony—be under no doubt—to the wanton indifference this government has to defence issues. The MRCA supplement bill seeks to make only minor amendments to the Military Rehabilitation and Compensation Act 2004. Indeed, it simply seeks to clarify entitlements with regard to certain allowances and supplements in order to ensure eligible widows and widowers are not overpaid. It is ostensibly a housekeeping bill. I agree with the government that the housekeeping amendments are appropriate. However, they are only appropriate and only necessary because the Labor government failed to conduct its appropriate due diligence when introducing the changes to the way that these certain pensions were paid. This bill is once more symptomatic of Labor's piecemeal approach to managing the Veterans' Affairs portfolio and caring for Australian veterans and defence.

Not only do you look at the way they act in moving the Parliamentary Secretary for Defence—a highly capable and professional military officer and politician—into trees and fishes; you simply need to look at the wide variety of mistakes in legislation that continues to bear testimony to this. So let us look at the background of this to understand how Labor got to this farcical position of having to legislate to fix up one more of its errors. On 20 September 2009, the Labor government changed the way certain pensions were paid under the pension reform package. The MRCA supplement became payable from 20 September 2009 and replaced the telephone and pharmaceutical allowances that were payable prior to that date. Under the MRC Act, compensation pension payments to eligible veterans and their dependants are paid weekly. However, under the Veterans' Entitlements Act 1986 and the Social Security Act 2001, payments are paid fortnightly.

Furthermore, under the MRC Act a weekly payment can be converted to a lump sum. Prior to 20 September 2009, where a lump sum was selected, the wholly dependent partner continued to receive the fortnightly pharmaceutical allowance. However, after 20 September, the pharmaceutical allowance became part of the weekly war widow pension and is therefore in-

cluded in the calculation of the total lump sum payment. Stay with me; I know it is difficult for the Labor Party to comprehend where this is going. The result of these changes and these moves and the result of these legislative amendments that the government put in, and the reason for the introduction of this very bill, is that some widows who may have already received a lump sum, including the equivalent pharmaceutical allowance, may also be receiving the MRCA supplement. This could lead to a so-called double-dip of entitlements. Notwithstanding provisions which already exist in the legislation to prevent multiple entitlements from occurring, this bill seeks to clarify arrangements relating to the MRCA supplement and lump sum payments after 20 September 2009. The Labor Party is simply fixing up the mess that it legislated itself into.

Clearly, we support the bill. We support standing up for veterans and our defence community. We support Labor fixing up their own abhorrent mistakes. The end result is more important for the nation, and it is good that Labor comes forward and says *mea culpa*, indeed *mea maxima culpa*—‘I have really stuffed up’.

But this is not about just the area of this particular bill. The issue of wanton disregard for veterans goes wider but is symptomatic and links through to this bill. Indeed, the coalition and the veteran and ex-service community remain very sceptical of the Gillard Labor government’s agenda when it comes to managing the full gamut of what is a complex Veterans’ Affairs portfolio. It continues to be piecemeal in its detail, especially when unfortunately the government has dictated that only one quarter of the time of the minister—Minister Snowden, who I have some high regard for; I think he is a very decent man—can be spent on the incredibly complex portfolio of Veterans’ Affairs.

The Howard government had a full-time veterans’ affairs minister. That is the regard in which we held the veterans in our community—a full-time minister. Again, as we started we said, ‘Don’t look at what the Labor government says. Look at what they do.’ They have taken a highly competent former officer and parliamentarian in Mike Kelly and put him in charge of fishes and trees. We have Minister Snowden, who is the Minister for Veterans’ Affairs, the Minister for Defence Science and Personnel—another highly complex area—the Minister for Indigenous Health—yet another highly complex area—and now the Minister Assisting the Prime Minister on the Centenary of Anzac. I do not care how good a minister you are; you cannot deal with four challenging areas especially Indigenous Health, Defence Science and Personnel, and Veterans’ Affairs. I do not care if Minister Snowden is Superman. He is clearly and utterly unable, as anyone would be, to manage such portfolios in diverse and complex areas. But that is the degree of contempt and disdain that this government has for veterans and the defence community. Do not listen to what the government says. Watch what the government does.

Because you have a minister so overtaxed and across so many different areas, he is just not able to be across the detail. It is not his fault. This is what the Labor government dealt him. That is why we are seeing this bill today fixing a mistake from a previous bill yesterday. Perhaps that explains how the Labor government dropped the ball on the funding for the Australian War Memorial. Again, that is symptomatic of the ball being dropped by an overworked minister. This government had to be dragged kicking and screaming into providing the bare minimum of funding to ensure services at the War Memorial were maintained. It was an 11th-hour rescue package; it was at the 11th minute of the 11th hour. The Gillard Labor govern-

ment denied there was even a problem and dismissed the growing calls from the Council of the Australian War Memorial. In fact, letters between the Council of the Australian War Memorial and the former Minister for Veterans' Affairs, Alan Griffin, belled the cat on the memorial's financial crisis more than 11 months ago.

The government were dragged kicking and screaming to provide the funding. They did not even come close to matching the coalition's \$25 million commitment for the refurbishment of the World War I galleries. Credit should go to my colleague the honourable senator Michael Ronaldson for fighting so hard to ensure that the War Memorial, an institution of national and historical significance, remains properly funded.

This bill, as once again it is incredibly disappointing to say, is just another in a series of ad-hoc, on-the-run policy revisions carried out by a government that moves its competent ministers out, overtakes its current ministers and ensures that these mistakes continue to occur. I accept the provisions of the bill. I think we all agree that they are appropriate to ensure that people do not find themselves inadvertently double-dipping, especially widows finding themselves in the dreadful position where perhaps not of their own making or doing they are forced to repay funds back to the Commonwealth—as if the horror of losing their partner were not enough. I accept that these are appropriate to ensure that does not happen. But this bill is only necessary because this was not done properly in the first place. It is a failure of the duty of a minister to ensure they know what they are doing.

I find it fascinating to look at what Minister Snowden said in his second reading speech on this bill. Poor minister, so overworked and I am sure he did not write his own speech: if he had he would not have said this:

The bill demonstrates the government's commitment to continually review, update and refine our operations to provide the optimum level of services and support to our current and former military personnel and their dependants.

May I say gently that I take enormous offence at the statement from the minister. Last week—only seven days ago—the government released the *Review of military compensation arrangements* report. Was it a week late? Was it a month late? It was 12 months late. How the minister can stand in the House and say that they are refining their operations to provide 'the optimum level of services' when they provide responses 12 months late is beyond me. I encourage the government to do this: try that optimum level of service out there in the community. Say to Centrelink, 'Don't bother responding to your constituents for 12 months', because clearly that is an optimum level of service. Say to the department of health: 'Don't bother getting back to people requesting a district of workforce shortage determination for 12 months', because that is an optimum level of service. I would say this to the parliamentary secretary when your constituents want you to look at forestry, fisheries and other areas: 'Don't reply to them, Sir. You've got 12 months.' That is because your senior minister says that is an optimum level of service. I think this government has hit an all-time low in defining what service levels are. It is not surprising given that 90 per cent of their frontbench is from the unions with no experience in business. They would know if they had business experience what an optimum level of service was.

Secondly, the government is yet to release its response to the Podger review report, also known as the *Report of the review into military superannuation arrangements*. The Labor government has had this review, which deals with all veterans' issues, especially as to super-

annuation, for three years. So three years and still no response on the Podger review, but clearly, as Minister Snowdon says, they are reviewing, updating and refining their operations to provide an optimum level of service!

Thirdly, how can the minister possibly argue that he, along with the Gillard Labor government, is acting to provide optimum support for former military personnel and their dependants when they are actively trying to block right now, at this very second in the other place, the coalition's Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010? The reality is the coalition is the only party in the parliament who have a full range of full-time shadow ministers committed to ensuring an optimum level of service for our veteran community and our defence force. We are the only party that is properly engaged with military superannuation when it comes to indexation. We are the only party who want to see reviews paid for at taxpayer expense to be properly released in appropriate time frames to allow ex-service organisations and the community to respond to them. If this Labor government were serious about reform and about caring for veterans and their dependants—which they claim—and if this government were demonstrating their commitment—in the minister's own words to 'continually review, update and refine our operations to provide an optimum level of service and support to our current and former personnel'—then I would implore them to support the coalition's bill in the Senate right now. I have come straight from the Senate to here, where the minister for finance is railing against our bill whilst the Minister for Veterans' Affairs has been standing there saying that they are providing an optimum level of service and support to our veterans. There is a huge disconnect between both houses of parliament.

I remind the government that before the 2007 election, and leading into the 2010 election, they said they were committed to fair indexation of pensions and committed to supporting our veterans. I say to them now: where the rubber hits the road, when there is a bill in the Senate right now being debated this second, let us see where your level of commitment is to provide an optimum level of service and support to veterans. I hold a degree of respect for the parliamentary secretary, Mike Kelly. I know he wrote to the minister for finance imploring him to stand up and accept what they did in 2007 and index the military pensions. I know he wrote, and that is a testament to the man on the other side of the chamber. But the government did not listen to its own expert on defence and veterans' issues. The one person who actually knows what the hell is going on in Defence was not listened to. And that is to the enduring shame of the Labor Party.

In wrapping up, may I say we support the housekeeping bill. We do not want to see widows or widowers inadvertently left out in the cold, faced with a bill from the Commonwealth. That is not how we want to see those who have given so much for our nation. We support Labor fixing its stuff-ups. It is not controversial, but it does demonstrate—it does show without a shadow of a doubt; it does put clearly on the table for all to see—that this government is not across the Veterans portfolio, it is not across the Defence portfolio and it is not committed to those who served and who serve our nation. If it were, it would have full-time ministers. If it were, it would look at the expertise on its front bench and it would use that expertise where it is best able to be used. If it were, it would back up and fulfil the promises it made to the Australian people. I implore the government to get its house in order on veterans and defence issues or, I guarantee, the nation will make sure its house is put in order.

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (11.11 am)—I thank the honourable member for Fadden for his contribution. I feel like I should be tithing my wage to him for the wonderful comments that he made during his speech. I want to acknowledge here that the member for Fadden is genuinely concerned about our defence members and our veterans. I have absolutely no doubt about that. We had very genuine collaboration on many issues concerning veterans matters, particularly when I had responsibility for the honours and awards aspect of the Defence portfolio. But I have also noticed that the member, in his time in parliament, has acquired some very impressive acting skills. If we want to deal with the entire spectrum of the issue of veterans affairs and defence matters, we will see that they do not all begin in 2007; they have quite a long history that goes back during the 12 years of the Howard government. I could throw out a few one-liners that would encapsulate many of those issues—things like ‘Seasprite’, ‘LCMs’, ‘*Manoora* and *Kanimbla*’ et cetera. I could go on and on, and a calculation could be applied there that would stretch to the billions of dollars.

I could also talk about the superannuation issue and the fact that there were 12 years during which the Howard government might have thought they could deal with that issue. I do not know where they were on that front; ‘missing in action’ might be the description we could apply. Nothing happened. If resolving this superannuation question were such a big issue—and certainly there are matters to be discussed there—why did nothing happen for 12 years? The bill that the member refers to is, I think, quite despicable and I do not support it. It is a divide and rule measure which does not also deal with the issue of civilian superannuated pensioners. But it is very hard to take the opposition seriously when they had the opportunity to do some of the things they have been talking about and did not do them.

But I am very proud of the measures that have been taken by this government in relation to veterans entitlements. It is a spectacular record. The Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011 is a housekeeping bill, as the member has quite correctly pointed out. You will need to do housekeeping from time to time if you are a reformist government that takes on the big issues. Of course, you do not need to do housekeeping if you do not ever do anything—if you do not actually take on reform. These things are easier to do if you just sit back and say, ‘I’m not going to fix this; I’m not going to fix that.’ The legislative liability then becomes quite small. You can have quite an easy life, which is what we saw during the Howard years, the Rip Van Winkle years when nothing was done. This is a reformist government. This is a government that is determined and prepared to take on the big challenges, and the challenges of veterans affairs are some of the largest. There are so many things that need to be cleared up in this space.

The Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011 deals with a situation that arose in relation to an election that wholly dependent partners of deceased members could make in relation to lump sum payments or weekly payments. In the six-month period when they were able to make that election there were anomalies that were evident in our overall pension reform package in relation to the pharmaceutical allowance. This legislation will clarify that position. There is also an aspect that needed to be cleared up and tidied up in relation to double dipping, which is perhaps the shorthand way of expressing that. This legislation clears up the conflicting aspects of the application of the Social Security Act, the Veterans’ Entitlements Act and the MRCA.

I feel that we should respond to the challenges that have been thrown out there by the honourable member for Fadden in his advocacy, which I applaud. Let us get the facts straight. Let us run through some of the things this government has done for veterans. Let us start with the fair indexation for all veterans compensation pensions from 20 March 2008, where we indexed those pensions to both CPI and MTAW. The PBLCI, the pensioner and beneficiary living cost index, has also been employed to make sure that we have an accurate reflection of the actual cost of living for these recipients. This was a significant reform measure. There was also an increase in the extreme disablement adjustment pension of \$15 per fortnight from 20 March 2008 and an increase in non-economic loss compensation payments from 2008.

The general rate table to assess payment amounts has been increased by five per cent. We have improved the indexation of the war widows domestic allowance so that from 20 March 2008 that allowance has been increased by \$10 per fortnight. We have provided \$50 million for national transport concessions so that seniors card holders who use public transport services outside their home state can have that access and facility, as applied in their states and territories, right across the nation—a very significant measure. We provided extra financial support through our Making Ends Meet initiative. The utilities allowance for eligible pensioners was increased to \$500 per annum paid in quarterly instalments. The seniors concession allowance was also increased and the telephone allowance raised.

Secure and sustainable pension reforms have benefited over 320,000 of our service pensioners and war widows to the tune of more than \$1.1 billion announced in the 2009-10 budget. Those new payments commenced on 20 September 2009 so that single service pensioners and war widows now receive up to \$32.49 extra per week and service pensioners on the couples rate receive up to \$10.14 extra per week combined. Those on disability pensions who qualify for the service pension, age pension or disability support pension, including over 80 per cent of the totally and permanently incapacitated pensioners, receive the increase in line with their financial circumstances.

We have increased funding for the Applied Suicide Intervention Skills Training program by an additional \$1 million. A comprehensive Australian Defence Force Mental Health Lifecycle Package has been introduced. We have improved mental health support by implementing the two studies into this issue that were instituted by this government, and \$92 million has been allocated for the implementation of both reports. Key initiatives such as case coordinators in DVA are now in place supporting clients with complex needs, and other recommendations are still being implemented.

We have got extended repeat prescriptions for the chronically ill so that 290,000 veterans and war widows with chronic health conditions can now get up to a 12-month supply on a single prescription for some medication, reducing the number of times they need to see a doctor just to obtain prescriptions. We have included young ex-service people with disabilities in the Commonwealth State and Territory Disability Agreement. That commenced on 1 January 2009 and includes a commitment to ensure that these younger veterans have access to specialist disability services where DVA programs are not available to provide the care and support they need and require.

We have improved community care and support for those with chronic and complex conditions. We are beginning a new, \$152.7 million initiative to increase community based support for those with chronic conditions and complex care needs who are at risk of unnecessary hos-

pitalisation. The program includes \$28 million to expand the Veterans' Home Care program by introducing a new service to target older, frailer veterans, who are most at risk. An estimated 17,000 veterans and war widows will benefit from that initiative alone. We are providing zero-real-interest loans for aged-care facilities. We have been delivering that initiative since 17 September 2008, supporting the development and expansion of aged care services. We intend to extend this initiative, providing a further \$300 million in loans to support the development of up to 2,500 aged care places.

We have extended support for the families of veterans. We have extended the income support supplement to widows without dependents. This commenced in July 2008 and involved the abolition of the age restriction on the payment. We had the Vietnam veterans family study. We extended bereavement payments for single TPI and EDA veterans who die without sufficient assets to pay for a funeral. That enabled those families dealing with the loss of their loved ones without sufficient assets to pay for a funeral to get support, and that commenced on 1 July 2008. We had the automatic granting of war widow's pension to widows of TTI—temporarily totally incapacitated—and intermediate rate pensioners. The automatic granting of that commenced on 1 July 2008.

We have empowered the ex-service community. We have increased the financial assistance for ex-service organisations with an additional \$5 million. Total funding of \$14.9 million will be made available over four years. There is a new consultation framework with the Prime Minister's advisory council for these ex-service organisations, because even though we have done so much there will always be more to do and issues that need to be addressed. We now have a permanent mechanism by which we can stay engaged with that stakeholder community to deliver the outcomes that are necessary. The council has met eight times now, and we have looked at a range of issues, including the Clarke review and the F-111 deseal-reseal issue, which was in a bit of a mess prior to this government coming on board. Other bodies have been established, including the ESO roundtable and a series of issues-based committees to advise both the Repatriation Commission and the government.

We have improved the operation of the Department of Veterans' Affairs by establishing an interdepartmental working group to help deal with multiple agencies. We have formed a special claims unit that has cut processing times. We have revisited the recommendations of the Clarke review. We have implemented the issues that were not being dealt with and addressed issues such as the changes in access to pensions and health care under the Veterans' Entitlements Act for former ADF British nuclear test participants using more generous and reasonable hypothesis-based standards of proof, and other measures including the reclassifying of the service of personnel on certain submarine special operations from peacetime to qualifying service. A number of other recommendations were referred to the review of military compensation arrangements that is expected to report by the end of the year.

We have established a DVA hotline to assist ex-service officials. We have maintained a separate and properly funded Department of Veterans' Affairs. I am very proud of the things that we have done to clear up decades worth of issues in lack of recognition and problems that are outstanding in the honours and awards fields. That was a particularly pleasing aspect of what we have done. These things went back as far as the Second World War and included the small ships issue and the 2nd D&E Platoon recognition. There were also the Long Tan issues that were left in such a mess by the previous government; the recognition of escapees among



prisoners of war; the Battle for Australia Day and Merchant Navy Day issues; and the implementation of the Post-Armistice Korean Service Review recommendations, which I know was so well and eagerly received by the wonderful Korean service veterans, who were long overdue to have that matter resolved. There was also the declaration of the Ballarat prisoner of war memorial as a national memorial. I am particularly proud of this, as my own grandfather has his name on that memorial as having survived the Burma-Thailand Railway experience. It is so important that we do honour and recognise the incredible experience that so many members of our Defence Force endured with great suffering. There is \$10 million for an interpretive trail on the Western Front. There is the establishment of the Defence Honours and Awards Tribunal, which took such a lot of effort and did receive bipartisan support, for which I thank the member for Fadden.

The Gillard government is now engaged in many other initiatives which will be put into place. Through the Department of Veterans' Affairs in 2010-11 we have seen funding of \$12.1 billion, including the \$6.9 billion for compensation and income support and \$5.2 billion for health and health services. That is \$1.3 billion more than was provided in the last coalition budget, and it is being provided over a period when DVA's client numbers have decreased from around 440,000 to fewer than 380,000.

There are many other issues that would take me too long to go through, but they include issues to do with the Military Health Outcomes Program; reviewing aged-care needs of veterans; making community mental health more ex-service friendly; pharmaceutical reimbursement schemes; dealing with the longstanding mess that was left to us by the previous government on military superannuation and the Podger review; review of DVA funded ESO advocacy and welfare services; legacy of war-wounded personnel; et cetera et cetera.

I am particularly pleased with the \$83 million that has been committed to implement improvements in mental health. We are pursuing new rehabilitation policies. We are very determined to make sure that our veterans receive the support that they deserve. Of course, there are many other issues that relate to how our service personnel deal with their day-to-day commitments in the Defence Force which are not well understood by the general community, and the risks and sacrifices they make. I take my hat off to them and I take this opportunity to salute them.

I also take this opportunity to thank two of my staff who did so much hard and excellent work in resolving many of these outstanding issues on honours and awards in particular. They are Mr Mark Sjolander of my office and Ms Elyse Gatt, known to us as Elsie. They did great work in liaising with these wonderful veterans and I am so pleased to see the outcomes that they have helped to deliver and the peace of mind and satisfaction that we have seen on those veterans' faces. I commend this bill to the House.

**Mr HAWKE** (Mitchell) (11.26 am)—It is good to be speaking after the Parliamentary Secretary for Agriculture, Fisheries and Forestry, who made that fine contribution on this matter. He is a sad loss to the defence establishment portfolio. I think his obvious and evident interest and skill in this field are going to be particularly missed by a government light-on for people with experience in and knowledge of defence and veterans' affairs.

The Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011 is to correct an error in the previous legislation which produced an unintended consequence. On the surface of it, it can be quite common in governance in any jurisdiction that legislation

is introduced which has unintended consequences, things that were not foreseen in the design of the legislation. In this one, as we know, it is a very serious matter in relation to widows. The unintended consequence arising from the amendments was that, where a member or a former member of the Defence Force died prior to 20 September 2009, if the decision of a wholly dependent partner to receive a lump sum was made after that date, the calculation of the lump sum payable was based on the law as it was at the date of death, meaning that in certain cases widows would have to repay large amounts from the lump sum. This was a completely unintended and undesirable outcome and I am sure that has the unanimous agreement of this House.

What this matter does show is an approach to government that is becoming the norm from this Labor government. They say on their own website—and I do not go to the Labor Party's website regularly, but I did so in relation to an article I was researching on defence and veterans' affairs—that, 'Defence must be the first and highest priority of our national government.' That is what it says in the Labor Party's policy platform. Yet when you look at their defence portfolio and what is happening in veterans' affairs and defence and the bill before us you do not get the sense that it is the first priority of the national government.

As someone with a military reserve background I want to endorse the notion that the first priority of our national government—the reason we have a national government in the first instance—is to protect this country, its citizens and its interests from foreign invaders and to protect our country's economic and military interests overseas and our regional interests. That is our first priority as a government in Canberra and it must be our first priority. If something is your first priority, I think it deserves much more attention than it gets from this government. This bill is a good example of why that is so. We are going back and fixing up things that should have been fixed a long time ago because when they are not fixed they produce consequences that are undesirable for widows and for veterans in general.

We have seen a change in this government's veterans affairs' ministry and, I think, that is partly why we see legislation such as this. In 2007, the Rudd government's Minister for Veterans' Affairs, the Hon. Alan Griffin, came with a lot of promises for the veteran community. He had spent a lot of time arguing and lobbying on veterans affairs prior to the election, promising a lot and suggesting there would be a big improvement in the quality of veterans affairs outcomes in Australia on the election of the Rudd government. The Parliamentary Secretary for Agriculture, Fisheries and Forestry—who, sadly, is no longer involved in the defence portfolio at all—listed quite a few good things that have been achieved. I thought it was a little bit dry and missing some obvious things. But one of the big things that the veterans community will tell you that they had promised to them by former Minister Griffin, and about which they had an understanding with this Labor government, was the issue of military superannuation.

When considering these sorts of veterans affairs bills that come before us, there is one bill that the veterans community wants to see pass through this House in the near future and that is the coalition's bill to improve the indexation of the DFRDB and the DFRB superannuation pensions, the Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010. I want to get on the record my endorsement of the bill of the member for Fadden, the shadow minister for Defence Science, Technology and Personnel. Today marks a great step forward for veterans in Australia. We owe our veteran community so much. They have given this country so much service. We must not just think about how to improve the quality

of outcomes to the veterans community from so many years ago; we have a job and a duty of care to think ahead for all these young diggers we have sent to Iraq, Afghanistan and into operations in our theatres in recent years who will be veterans and will have the same sets of veterans issues, albeit in different circumstances, that have arisen today.

When a veteran comes to my office, as they do regularly, and says to me they have to struggle to get an outcome from the Department of Veterans' Affairs, when they are clearly a veteran, when they clearly have an entitlement to something from the government in relation to their personal matter, I get very frustrated, as do so many members of this House. Why do we burden our veterans community with so much red tape, when we ask them to put so much on the line? It is true that there have been some improvements in the operation of veterans affairs matters. But there need to be more improvements. It is not inspiring that we have to go back and correct legislation because we have not thought about it properly in the first place.

If the Labor Party and the government were serious, the indexation of military superannuation would be their highest priority in relation to the veteran community. It is probably the No. 1 issue that is being spoken about out there at the moment today, other than individuals' personal matters of concern with DVA.

The government have released the review of military compensation arrangements, which was released on 18 March. Again, when you consider the contention in the policy statement that 'defence must be our highest priority,' this review of military compensation arrangements is some 12 months late. Nevertheless, it is a significant review and of course the coalition has committed to extensive consultation on the review's findings. But considering that this is a year overdue, you get the sense, yet again, that this vital part of our community is not being given the priority or the attention that it deserves.

We will extensively liaise with the ex-service community, the veteran community. I am conducting my consultations, particularly with the Castle Hill RSL, about the review of military compensation. We look forward to progress that does not take another year. Often, we think of a year in governmental terms as another review or another period of time to fix things and that it is acceptable. I think in relation to the circumstances of ordinary people's lives, particularly veterans who are already suffering from individual problems and matters of concern in relation to compensation, that this is an extensive period of time. These people are getting older. Their compensation is a serious matter to them. There needs to be a greater sense of urgency in relation to our treatment of these vital people and this vital community.

I also endorse the purpose of this bill, which I have spoken about briefly in correcting an error. The member for Fadden made some very good points about our commitment to supporting the government on key initiatives. The Parliamentary Secretary for Agriculture, Fisheries and Forestry spoke about the government's achievements in resolving issues to do with honours and about correcting some of the things that had been of concern for some time. They had the full support of the coalition. I note that, in opposition, we have not taken a partisan or destructive approach in relation to veterans' affairs. We are more urging the government to get on with the things they need to get on with.

When you look at the military superannuation reform, the coalition's bill which is presently before the Senate—I think it was being discussed today by the shadow minister for defence—says to the government, 'Here is a way out. We are providing you with the bill. You have promised it, we have talked about it and the veterans' community desperately want it. Here is

an opportunity for you to just get on board and deliver this vital reform.’ The parliamentary secretary spoke about a reforming government and that this bill was an example of why they are such a reforming government. When they do reform they say, ‘We have to keep doing these amendments and updating bills because we are so reforming’. If we are so reforming, let us do some real reform that will vastly impact on the lives of all those people out there on the DFRDB schemes. This change has been called for by the ex-service community. It has had their full support for so long.

While this bill is not controversial, and it has the coalition’s support—especially in clarifying the arrangements under the Military Rehabilitation and Compensation Act 2004—we do urge the government to ensure that treatment of Defence personnel, and particularly the treatment of veterans—our ex-service personnel and community, not just of the past but of the future—is done in the best way possible. When we have people of the quality of the member for Fadden in our portfolios we are really saying to the government that we have people of real experience and substance in the Defence and veterans’ fields, people who understand the urgency and the need for reform and better approaches from government to the treatment of this vital community. I urge the government to ensure that they make Defence and veterans’ affairs the first priority of the national government.

**Mr CHRISTENSEN** (Dawson) (11.36 am)—I rise to speak on behalf of all servicemen and women in the electorate of Dawson, people who make a proud commitment to this country, and who deserve careful consideration of their needs and welfare.

The electorate of Dawson has a large number of military and ex-military personnel, taking in suburbs such as Annandale, Wulguru and Townsville quite near to where Lavarack Barracks and the IRAR are a dominant part of the local community and the local economy. Regional Queensland has always maintained a strong connection with their ex-servicemen and women, and Dawson is no different from that. Regional towns in Dawson are small enough that residents regularly pass by war memorials on a daily basis.

In fact, many of the small communities have planted mango or fig trees to line avenues in honour of the local men who served and made the ultimate sacrifice in the wars that defined our country. The Eimeo or Pleystowe communities have those trees, for instance. They planted a tree for each of those brave men who volunteered their lives. Those tree-lined avenues are still sacred ground for today’s community because the community respects the commitment that those servicemen and women made.

In return for their commitment though, we as a nation must make certain commitments of our own. The federal government supports veterans and war widows in a number of ways, but sometimes that delivery is not perfect. The delivery of allowances to war widows was not perfect, and there were some unintended consequences which needed to be addressed. In clarifying the legislation, the amendment bill that we speak on today is welcomed by the Liberal-National coalition.

The bill may still not be perfect, but at least it moves a step closer. I understand that these amendments will avoid a situation where a war widow is inadvertently receiving benefits that she perhaps is not entitled to. We must also accept that imperfect delivery may work the other way as well, and sometimes the consequences of an imperfect delivery are far more damaging. The human face of failed delivery in the Dawson electorate in this regard is Mr Fred Collett. Mr Collett is an ex-serviceman who fought for his country and endured hardship for his

country. He followed orders, risked his life and survived through one of the worst wars this planet has ever seen—World War II.

Mr Collett is 101 years old, and has been bypassed in the delivery of a commitment made to our servicemen and women. Fred Collett has been penalised for doing his job—penalised for following orders. He had the audacity as a prisoner of war in Greece to escape in a wooden boat and make his way over the sea for three weeks to warn fellow soldiers of an enemy advance. Almost 70 years after that escape, the problem for Mr Collett is that he escaped. When the government paid \$25,000 in compensation to POWs, Fred did not qualify. He did not qualify because he escaped.

Since the introduction of the compensation, around 2,500 POWs have received the benefit but almost 800 more have failed to qualify. They were given hope when Mr Collett's case went before the Federal Court. Unfortunately, he was again denied that compensation last year, even though the Federal Court Justice John Logan ruled that Mr Collett had indeed been a POW. Justice Logan said in his finding that Mr Collett was a POW from the moment his unit surrendered but spending two hours in the surrender area did not constitute residence. He said efforts to escape and rejoin the unit proved Mr Collett 'conspicuously and commendably did his duty'.

Fred Collett may be 101, but he knows when he is copping the rough end of the pineapple. He is no longer up to taking the legal battle any further, but he should not have to. When I spoke with him yesterday he was still dirty on the government for rejecting his entitlement. In fact, he pointed out the stupidity of the situation by saying that he had been penalised for basically soldiering on in Africa, for doing his job. And he is right. He did what he was supposed to do. He fought a brave fight, he escaped and he went on to keep fighting. Now, he no longer has the strength to continue the fight with this government.

Today I call on the Minister for Finance and Deregulation to review his case, to consider the facts, to show some compassion and to make an *ex gratia* payment to this soldier and other soldiers like him while there is still time to recognise what they have done for their country. Mr Collett is not only soldier being let down by the military and the federal government. Even today soldiers are penalised for doing their duty. We have the absurd situation where special forces soldiers face court martialling for killing people in battle—in the heat of the moment, in the middle of a hostile encounter, where no rational man or woman would expect them to act differently.

I do not believe that the Defence Legal Services is living up to our commitment to our soldiers or at least the commitment we should be giving our soldiers. Our retired military personnel still have to deal with an imperfect system and some of the flaws can be addressed simply by using an up-to-date life expectancy table. As I understand it, the DFRDB Act calculates how much to reduce retired pay due to commutation of part of that income stream using a life expectancy table that was issued in 1963.

Does that make a lot of difference? Quite a lot, in fact. A 44-year-old male has a life expectancy of another 28.25 years according to that table, but, according to the Australian Bureau of Statistics life table, he can expect to live for another 37.2 years. That is a difference of nearly nine years. When this is translated into dollar terms, it is a reduction in retired pay of \$851.65 per year. The delivery is not right and fixing the delivery is as simple as updating the life expectancy table.

It is an imperfect system and we may never have it perfect, but we can strive to make it the best that we can. The Liberal-National coalition are committed to real reform of military superannuation. We are the only ones in this parliament committed to that reform. There are flaws with the Defence Force Retirement and Death Benefits Scheme and it is the Liberal-National coalition that have brought a bill into this parliament to address those flaws. We want to see the DFRDB and DFRB superannuants over the age of 55 have their pensions indexed in the same manner as the service pension and other Australian government income support pensions.

The ex-service community have recognised the flaw and are fully onboard with the changes outlined in the coalition's bill in order to fix them. They are changes that make sense in the same way that changes outlined in the amendment bill we are addressing today make sense. We support these changes and we call on the other parties in this parliament and the government to support those changes that make sense where that occasion arises.

By remembering the commitment our service men and women give to us and have given to us and ensuring we honour a commensurate commitment to them, we can continue to monitor benefit schemes for any inequities and flaws to continually provide better outcomes. We can walk down an avenue lined with mango trees, perhaps in Eimeo, and think about what that represents. We can think about who paid the ultimate price. We can think about those who lived through those ordeals, people like Fred Collett, and we can think about how we treat them. If we are fair dinkum, we will see where the system is not right and we will fix the system.

Fred helped build this nation for a century and he deserves better than being penalised for doing a good job. Again I appeal to the finance minister to take a walk down a memorial avenue of mango trees in my electorate, even if it is just a virtual walk, and see why making an ex gratia payment to this man is the right thing to do.

**Mr CIOBO** (Moncrieff) (11.45 pm)—I am pleased to rise to speak to the Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011 that is before this chamber and indicate, as others have in this debate, that the coalition will support this bill. It is noncontroversial; in fact, it goes some way towards making sure that we do not have an unintended consequence continue. The bill effectively clarifies arrangements under the Military Rehabilitation and Compensation Act relating to payment of certain allowances to war widows. This bill is necessary because of an unintended consequence arising from the government's changes to pensions as part of the Harmer review in 2009. I am pleased that both sides of politics were able to come together to ensure that we do not have a situation arise where eligible war widows are inadvertently receiving benefits they are not properly entitled to and which would result in a debt being owed to the Commonwealth.

The veterans community, both war widows and more broadly, is a crucial part of the fabric of the community in my seat of Moncrieff. Gold Coast city has one of the larger veterans populations in Australia. I am certainly very pleased and proud to be a strong advocate for my veterans community in doing what I can to be both an ambassador and a representative for them in this chamber. There is an array of issues for the veterans community that, although not a central part of this bill, remain ongoing issues of concern to them.

Over the years I have been honoured to work very closely with so many fine advocates from the veterans community. I think immediately of groups such as the TPI Association,

Gold Coast Legacy, the Vietnam Veterans Federation and the Vietnam Veterans Association of Australia, and of course the work that is done by the three RSL clubs in my electorate—at Nerang, Southport and Surfers Paradise—and the advocates in each of those clubs. More broadly, there are other community groups, such as the Korean Veterans Association and those who represent the strong work that was done by the British Occupation Forces. Each of those groups—and I have named just some of them—play a crucial role as advocates, and as conduits for veterans and their loved ones with respect to the entitlements that are available to them and the way in which those entitlements are handled.

One of the best things I have done, if I might put it that way, was to start a veterans kitchen cabinet. I hold a roundtable discussion with representatives of the ex-service organisations in my electorate about every six months or so. It is a chance for us all to come together and speak about what can be done with respect to veterans' entitlements and issues such as military rehabilitation and compensation available to members of the military. In that vein, I see it as a central part of my role to represent them and their needs and to be an advocate for them in this parliament. I have been pleased to work with the coalition minister when we were in government and with the Minister for Veterans' Affairs, now that we are in opposition, in a proactive way and in the best interests of the veterans community.

There are a number of veterans' projects with significance, both in their symbolic value and also their impact on the livelihoods of veterans and their loved ones, that are taking place in my electorate of Moncrieff on the Gold Coast. I welcome the amazing efforts that George Friend and the Rotary clubs on the Gold Coast have been making with respect to the Kokoda memorial at Cascade Gardens. I supported very strongly their push to have that memorial recognised as a memorial of national significance, working alongside the Gold Coast City Council and others to make sure that that has the support and backing of the local community. Unfortunately on this occasion for veterans, it was not deemed to be of a scale, design and standard appropriate for a memorial of national significance, so it was not accepted. But I intend to keep being an advocate and keep pushing on behalf of my veterans community for it to be recognised as a memorial of national significance.

Very shortly, the Korean Veterans Association will also be looking at putting a memorial alongside the Kokoda memorial in the Cascade Gardens. I know the work that is being undertaken by Paul Findlay from the Gold Coast's TPI Association, who are looking at transferring their facility and meeting place to Cascade Gardens. We are developing a real epicentre of veterans work and veterans groups at Cascade Gardens, at Broadbeach on the Gold Coast. In this respect as well, I want to work alongside them to achieve the outcomes they are after.

More broadly, I am mindful that the government currently has the Campbell *Review of military compensation arrangements* before it. I welcome the government's release of the review's findings on Friday, 18 March, not that long ago. I note that the review is some 12 months late; notwithstanding that, it is a significant review. I am committed to liaising with my veterans groups to hear their thoughts as a result of the review, take on board their feedback and work constructively with them, and then feed that back through both the shadow minister and the minister to make sure that, over the period of consultation between now and 30 June this year, we are able to improve military compensation arrangements for the benefit of not only those who have made tremendous sacrifices for us by putting themselves in harm's way but also their loved ones.

This bill before us, although a modest bill in terms of its effect, is an important bill and it has the coalition's support. When it comes to veterans matters, I want to ensure that there remains a strong sense of bipartisanship, because all of us as representatives in this chamber recognise that our veterans are the ones who have ultimately been at the front end, at the pointy end, of upholding the values and freedoms that we all enjoy as Australians. In that sense, as an ambassador for them I look forward to working with my veterans community and making sure that, when it comes to military rehabilitation and compensation matters, we always keep the needs of the veterans community front of mind.

**Mrs GRIGGS** (Solomon) (11.52 am)—I welcome the opportunity to speak on the Military Rehabilitation and Compensation Amendment (MRCA Supplement) Bill 2011. The primary purpose of this bill is to amend the Military Rehabilitation and Compensation Act 2004, relating to the payment of certain allowances to war widows. This is necessary due to unintended consequences of the government's changes to pensions as part of the Harmer review which amended legislation in 2009. The act provides compensation for and other benefits to current and former members of the Australian Defence Force who suffered an injury or disease due to service on or after 1 July 2004. It also provides for the dependants of members whose deaths were the result of an injury or disease due to service on or after 1 July 2004. The bill ensures that wholly dependent partners of a deceased Defence Force member or former member will be eligible to receive the MRCA supplement, while preventing duplicate payments of the MRCA supplement to persons who are entitled to equivalent payments under a different act.

I acknowledge that this bill could potentially affect 105 war widow pensioners in my electorate of Solomon who are current clients of the Department of Veterans' Affairs—as of 1 October 2010. However, it is important to note that, while this is largely a housekeeping bill, it will ensure that the benefits are not paid to those who are not entitled to them under this act and who, as a result, will no longer have the potential to be in debt to the Commonwealth.

Another veterans affairs issue that the parliament is debating at the moment—it is currently before the Senate—is the coalition's military superannuation reform legislation, the Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010. The bill will improve the indexation of Defence Force Retirement and Death Benefits, DFRDB, Scheme superannuation pensions from 1 July this year. I am pleased to say that this means that eligible superannuants aged 55 and over on 1 July 2011 will have their military superannuation pensions indexed in the same way as Australian government income support pensions such as the service pension. This is the single biggest issue in the veterans and ex-service community. It has long been called for, and it has the full support of the ex-service community. I remind other members here today that the coalition remains the only party in the parliament committed to military superannuation reform. I take this opportunity to call on all parties in this parliament and, in particular, the Labor Party to support this legislation when it is debated in the House.

The coalition welcomes the release of the review of the military compensation arrangements, which were publicly released on 18 March. It should be noted, however, that this review is some 12 months late. Nevertheless, this is a significant review into a new and complex piece of legislation.

The coalition is committed to an extensive consultation on the review's findings and is pleased that the Gillard Labor government has agreed to a period of consultation until 30 June



2011. During this consultation, the coalition will endeavour to liaise with key stakeholders in the service, ex-service and veteran community about the recommendations in the review of the military compensation arrangements.

Finally, with Anzac Day—a national day of remembrance in Australia and New Zealand to commemorate the lives lost and honour those members of the Australian and New Zealand Army Corps who fought at Gallipoli and Turkey during World War I—under five weeks away, it is a very timely welcome to the eleventh-hour rescue package for the Australian War Memorial. This is despite the fact that the government had to be dragged kicking and screaming into making an announcement, which is an absolute utter disgrace.

**Mr Snowden**—Ha ha ha!

**Mrs GRIGGS**—You may laugh, Member for Lingiari, but we know what was going on behind the scenes. The \$25 million commitment from the coalition to refurbish the World War I galleries is yet to be matched by the Gillard Labor government. As members of this place should be aware, the Australian War Memorial combines a shrine, a world-class museum and an extensive archive. The memorial's purpose is to commemorate the sacrifice of those Australians who have died in war. Its mission is to assist Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society. This is a very important part of our history. The coalition will therefore be looking for a firm financial commitment from this government in this year's budget to complete the redevelopment ahead of the ANZAC centenary in 2015.

I have earlier this year in the House mentioned the commemorative services held to mark the 69th anniversary of the bombing of Darwin. The bombings are a significant part of the history of Darwin, the Northern Territory and, indeed, Australia. Like Anzac Day, these commemorations have enormous significance for those who were in Darwin during the air raids, today's Territorians and Australian Defence Force personnel past and present. I hope that this government will ensure that there is appropriate funding in the budget for the 70th anniversary of the bombing of Darwin. It would also be useful if this event were included in our national curriculum, as it is an important historical event that all students should be aware of.

The seat of Solomon encompasses a number of Australian Defence Force military bases. With many personnel currently serving overseas, I feel that these issues are very important to my constituents, as one day these defence personnel will be veterans themselves. The Larrakeyah Barracks, which incorporates HMAS *Coonawarra*, is the main base for the Australian Defence Force in the Northern Territory. HMAS *Coonawarra* is a Royal Australian Navy base which is home to 12 fleet units of the Royal Australian Navy and located in the city of Darwin itself. RAAF Base Darwin, the Royal Australian Air Force base, shares its runway with the Darwin international airport. Robertson Barracks is one of the major Australian Army bases and is located in the outer suburb of Holtze. It is home to the 1st Brigade and the 1st Aviation Regiment. I remind you and those members here that many of my defence constituents are currently serving overseas and so it is important that this government ensure that it looks after these defence personnel both during their service and also after their service to this wonderful country.

In conclusion, the coalition supports this bill. As my colleague the member for Fadden mentioned earlier in this place, the coalition is committed to Australian veterans. This com-

mitment is unlike that of the current Labor government, who in 2007 and again in 2010 committed to fair indexation of taxes and also committed to Australian veterans.

**Mr SNOWDON** (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (11.59 am)—I firstly acknowledge the contributions to this debate by the members for Fadden, Eden-Monaro, Mitchell, Dawson, Moncrieff and Solomon. I am not so sure about the gratuitous advice which has come from some members of the opposition, and I am a bit concerned about their lack of knowledge about what actually goes on in government and their lack of knowledge of the history of the portfolio of veterans' affairs.

I heard the member for Fadden being critical of the fact that I hold a number of portfolios. The member for Fadden, for whom I have some respect, should know better than most the significant benefits of having a veterans' affairs minister and Defence personnel minister in the same portfolio. I say this because he should know that the coalition did it for at least the last four years that they were in office. The member for Fadden needs to reacquaint himself with what happened under the Howard government. Bruce Billson, the member for Dunkley, was the Minister for Veterans' Affairs and the Minister assisting the Minister for Defence. Dee-Anne Kelly, a former member of this place, was the Minister for Veterans' Affairs from October 2004 to January 2007 and was also the Minister Assisting the Minister for Defence.

We know, and they know, that the veteran community was also supportive of combining the veterans' affairs and Defence personnel portfolios for the very obvious reason that ultimately we are dealing with the same group of people. Defence personnel who are currently serving members, serving this nation of ours in Afghanistan, will at some point become veterans, and some may be veterans already in the context of their service. Some may even be receiving entitlements under the veterans' affairs portfolio as a result of their service, and we need to understand that that relationship between the Department of Veterans' Affairs and the Department of Defence is a crucial one. To have the Defence personnel side of the portfolio married to the Department of Veterans' Affairs in ministerial arrangements is good for both portfolios. I would have thought that the member for Fadden would have appreciated that, so I think that the sort of gratuitous advice and comments he made were quite unwarranted.

I might also make observations about the contributions by the members for Mitchell and Moncrieff that widows will have to repay significant amounts of money. That is just factually incorrect. No-one will have a debt as a result of this legislation. No payments will be required to be paid back and this bill simply ensures that widows get their correct entitlements. I would hope that these ill-informed members undertake to go into their communities and tell the truth, not mislead people by making comments which are palpably false. We are used to this from the opposition, because clearly they are not engaged in constructive discussion with government or indeed the community about what is good for this country. They are quite critical of us, and sometimes that might well be warranted, but in this particular instance it is not at all warranted. I would say to them: understand the facts of the matter and make sure that when you espouse your views about legislation such as this you actually deliver the correct interpretation of what the legislation delivers.

I am also a little bit bemused by comments made by members of the opposition about this government's performance within the veterans' affairs portfolio. We know that in the 12 years prior to 2007 the former Howard government—the government that these erstwhile members

of a potential future government say they have some respect for—did almost nothing in veterans' affairs. Since 2007 this government has delivered on a wide range of initiatives that benefit the veteran and Defence communities.

The opposition has criticised the government for the so-called delays on releasing the military compensation review. Again—and I know that butter would not melt in their mouths—the truth of it is that this is just an extraordinary comment from a party who refused to even consider reviewing the legislation prior to the 2007 election. Let us be clear: they refused to undertake a review of the legislation prior to the 2007 election. So it is passing cute that they should come into this place and criticise the government for undertaking a review and providing the capacity for people to comment on that review once we have released it, which was done last week.

I say to the opposition: if you think you are running government from the opposition, I have news for you. You are like a pimple on the elephant's bum. Your impact upon us in terms of this portfolio is zero. We have made successive decisions, including the ones around the War Memorial, which were based on good public policy decision-making processes, including advice from the War Memorial and our own public service, not based on some comments—often hysterical—made by opposition members, including their spokesman on veterans' affairs. We deliberated clearly on the need to ensure that the War Memorial was appropriately funded. We had discussions with our local members, one of whom is, astoundingly, sitting here next to me and I thank her for being here. It is her duty of course—not to be here with me, but the fact she is here.

**Ms Brodtmann**—It's for you.

**Mr SNOWDON**—Oh, please! But I am absolutely very proud of the more than \$8 million that has been made available to the War Memorial on an annual basis to increase its funding base. That is an increase of almost 25 per cent. Let us understand what we have done here. We have provided an increase of around 25 per cent, if not more, to the baseline funding of the Australian War Memorial. Ask yourselves this, members of the opposition: what did you do in that space? I am quite proud of the decision which has been made by this government, driven in this instance by the Prime Minister, who said to us—me and the Minister for Finance, Senator Wong—last October, 'I want you to undertake a review of the financial arrangements of the Australian War Memorial and come back and give advice to cabinet.' Which we did. On the leadership of the Prime Minister, that was acted upon and the result was the increased funding to the War Memorial. So let us not have any of this—I am not quite sure how you would describe it—'view' that is being expressed. I was very careful—

**The DEPUTY SPEAKER (Ms Vamvakinou)**—I am conscious of the minister's very flamboyant expressions. I appreciate them very well, and I am very thankful that he is being very careful.

**Mr SNOWDON**—Very careful! And to suggest that somehow or another this funding increase was a result of pressure from the opposition is just laughable. Absolutely laughable. As is the suggestion that we are putting the MRCA review recommendations out for public consultation because of pressure from them. What do they think we do in this place? We undertook the review. It was always behoven on us to make sure that that review was published and, of course, at the same time released for comment to inform the government of what people involved—the ex-service community organisations and other people with an interest in the

area—thought of the issues involved in the MRCA review and to provide feedback to us prior to us making any final decisions on the outcome. Good public policy practice. Not something that came about as a result of any pressure or words from the opposition. So let us appreciate this. We have a very good Department of Veterans' Affairs; we have very good, high-quality advice from that department. I have very good, high-quality staff and I do not need the side-line comments coming from opposition members who should be better informed of what goes on in government. I want to say to them: understand that when you are in government you accept responsibilities, and one of the responsibilities you have is to listen to advice. And that is what we do; we seek advice and I am pleased that we do so.

I conclude on this bill, which of course is what we are here for. This bill is not as it has been described by the opposition. This is a normal process of refining and reviewing legislation. That is it. Governments of both political persuasions have historically reviewed legislation and made minor amendments when required. There is nothing unusual about this. I know you would appreciate this, Madam Deputy Speaker, because I know you well and you know me well—probably unfortunately from your point of view. There is nothing unusual and the opposition is really clutching at straws to suggest otherwise. The changes to the MRCA supplement were as a result of significant income support reforms implemented by the government in 2009 and I am very pleased to be here summing up on this legislation. I thank all of the members who have contributed, even if some of their contributions were ill informed and wrongly based.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

**FAMILY ASSISTANCE AND OTHER LEGISLATION AMENDMENT (CHILD CARE AND OTHER MEASURES) BILL 2011**

**Second Reading**

Debate resumed from 23 February, on motion by **Mr Garrett**:

That this bill be now read a second time.

**Ms ROWLAND** (Greenway) (12.11 pm)—I am very pleased to rise today to speak in support of the Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011. This bill is a fantastic initiative that will have a very positive impact on the people of Greenway, and I thank the minister for her ongoing commitment to helping young families. As I think all of us here would agree, this week we have seen some substantial legislative reforms in both the childcare and family services sectors going through this parliament. They are legislative reforms that are very important to the families we represent.

I want to make a few comments on the rationale for this bill. This bill outlines a range of amendments that will improve childcare services in Australia and will greatly assist young families to balance both the financial and non-financial challenges that, as I said the other day, are part and parcel of raising children. This bill outlines a number of amendments that will ultimately improve accountability in the childcare sector. This increased accountability will improve the quality of services, will increase efficiency and will allow for more affordable

childcare services. It does this by broadening the powers of the secretary to ensure that childcare operators are managing their affairs in what is called a fit and proper way. This increased scrutiny will safeguard against unscrupulous behaviour that some operators may, unfortunately, choose to engage in and which would have the result of hurting the services that young Australian families rely on.

Some parts of this bill had their genesis in issues such as the ABC Learning collapse and the lessons that were learnt from that. I had a couple of ABC childcare service operators in my electorate. It engendered great alarm in the community when ABC Learning collapsed. I was on the Blacktown City Council at that time and there was great concern that council services would be inundated and council would need to have an appropriate response to that. The increased scrutiny that will be provided by this amendment will ensure that private childcare operators who run up debts owed to the Commonwealth can be held accountable for their actions. In fact, the ABC Learning collapse provides us with an appropriate case study as to why this bill is such an important part of childcare reform.

The meteoric rise of ABC Learning saw the company turn over large profits and rapidly expand in a very short period of time. It made people such as its founder, Eddy Groves, quite wealthy. All was seen to be running very smoothly for this operator, who provided childcare services to what I believe were almost 100,000 Australian families—so that is an enormous number across the country. As we all well know, ABC Learning's honeymoon period did not last very long. As Mr Groves sought to expand his operations overseas, amongst other things, and neglected to scrutinise his low-margin Australian operations, the company collapsed. If it had not been for decisive action, families would have been faced with closed childcare providers around the country. Thanks to this government's actions, 90 per cent of the former ABC centres are still fully operational today in some form.

University of Western Sydney accounting expert Dr Philip Ross described the collapse of ABC learning in the *Sydney Morning Herald* as follows and it is quite instructive to see what he had to say:

ABC Learning's profits increased rapidly through acquisitions, which should have raised questions about the underlying valuation of assets it acquired—especially given that 70 per cent of its assets were intangibles. The inherent risk associated with the valuation of the assets was enormous and should have been a red flag.

By giving the government greater scrutiny over childcare operators this bill ensures that red flags will be made in future, and ensure that ABC Learning will, one hopes, be the last childcare operator to collapse in such a way. This bill will go a long way towards achieving that objective, which I am sure we all share in this place.

*A division having been called in the House of Representatives—*

**Sitting suspended from 12.15 pm to 12.27 pm**

**Ms ROWLAND**—I was talking about the national quality framework and how this bill, as well as increasing scrutiny of the childcare sector by broadening the powers of the secretary, supports the government's national quality framework. This framework has been endorsed by the Council of Australian Governments with the intention of improving a range of issues surrounding the childcare sector. The national quality framework continues this bill's work to improve transparency and increase the scrutiny of childcare operators. These improvements will ensure key performance indicators are maintained and the quality of child care is of a

standard befitting the nearly 700,000 young Australian families who are eligible for the childcare rebate.

The national quality framework is an extremely important investment that will work to ensure childcare quality is maintained. This framework will specifically work to ensure that educator to child ratios are as high as possible, allowing children increased one-on-one time with teachers, and to limit overcrowded classes. It introduces educator qualification requirements that will help services provide the best possible level of early childhood education and care by being clear about the factors that best support a child's development. It includes a new rating system so that parents know exactly how good the quality of care is that their children are receiving, and thus improve the transparency. It reduces regulations so childcare services will have to deal with only one regulatory body. We can, therefore, see that this framework provides a number of very important positive impacts for the childcare industry and as a result will greatly improve those services that are ultimately provided to Australian families.

In speaking on the Family Assistance Legislation Amendment (Child Care Rebate) Bill 2011 in the chamber earlier this week, some people commented that the national quality framework, despite being supported by COAG and being scrutinised by over 1,600 Australian citizens during the consultation process, would actually increase financial pressure on families. To the contrary, as the minister indicated last week, the National Childcare Accreditation Council released its latest report into the quality of childcare services in Australia and the results indicated that far too many were failing to meet basic standards of hygiene, safety and education. As the minister said, many parents would be horrified by some of the statistics and they demonstrate just how critical is the government's commitment to lift the quality of Australian childcare centres. Amongst some of the data revealed was that 25 per cent failed to ensure that potentially dangerous products, plants and objects were inaccessible to children and 20 per cent did not act to control the spread of infectious diseases and maintain records of immunisations.

These are things that need to be improved, and information about the national quality framework can be found on the MyChild website. I think that transparency is something that every member of this House would support and be concerned to support, in particular in relation to the health and wellbeing of children. In my former role as a counsellor I had responsibility for many childcare centres across the Blacktown local government area. I am sure the member for Canberra agrees that ensuring that there is transparency is important, as parents will always seek to ensure that they are sending their children to a centre which is providing the best care. They should have access to that information, and where the childcare centre is falling down on the job the centre should improve and parents should have the choice of where to send their children to obtain the best quality care. This framework will greatly aid Australian families and, as I said, ensure they are equipped with the right information to ensure that they are also getting the best value for money for the care that is provided to their children. I put it to those opposite that I am sure they would not want to see another ABC Learning debacle. I am sure they would want to ensure that all children receive the highest standards of care under the national quality framework.

As we all know, quality child care is an integral service for Australian families. It allows workplace participation for parents, particularly women returning to the workforce, and also allows our young people the opportunity for early education in the crucial first five years of

their development. As I said this week when commenting on improvements to childcare services—and I think it is a very important point to reiterate—it is very clear that a flexible and affordable childcare system allows our children to have access to early education. Why is that important? It is important because it allows for enhanced social development and learning opportunities at a young age. The case is clear and it is emphasised in the *Child care and early education in Australia* report from 2009, which states:

Children who did not attend a formal early childhood program had lower scores for receptive vocabulary than children in pre-Year 1 and preschool programs ...

This demonstrates how quality child care is an integral stepping stone to preparing our children for the new environment that is primary education. This government realises how important those initial stages of development are.

I want to say a few things about the amendments in relation to fit and proper purposes. In broadening the powers of the Commonwealth in the childcare sector, this legislation will make certain that childcare operators are considered to be fit and proper. In making certain that they are in a fit state to manage their businesses, all Australian families will be able to rest assured that their childcare providers will not collapse overnight and throw their highly important childcare needs out the window. This legislation makes sense. It creates increased accountability and introduces a range of necessary safeguards to ensure that childcare services in Australia are of the highest standard and maintained in a proper manner.

I now turn to the privacy aspects of this bill and the sharing of information and why this is important. In supporting the national quality framework, this bill has amended protected information laws, which will work to reduce red tape and streamline childcare services in Australia. Specifically, the bill will enable the Commonwealth to share information on childcare services with state and territory regulatory bodies. That protected information will need to be collected, used and disclosed in a manner that is consistent with the existing privacy regulations that remain in place. At the same time it will reduce bureaucracy and improve efficiency in the sector and, as a result of this amendment, childcare services will not have to provide the same information to more than one body.

In conclusion, this bill provides a range of highly necessary amendments. It will increase accountability; improve efficiency and the quality of childcare services; and overall deliver a very positive result to young families. I again thank the minister for her hard work in this area and her ongoing interest, in particular in the provision of childcare services in the electorate of Greenway, which, when you look at the statistics, really is Australia's nursery. I commend the bill to the House.

Debate (on motion by **Ms Brodtmann**) adjourned.

#### **ADJOURNMENT**

**Ms BRODTMANN** (Canberra) (12.35 pm)—I move:

That the Main Committee do now adjourn.

#### **Teach for Australia**

**Mr TUDGE** (Aston) (12.35 pm)—I would like to make some brief remarks about Teach for Australia, which, as you may be aware, Mr Deputy Speaker Slipper, is an outstanding initiative that targets top non-teacher graduates and places them in, typically, disadvantaged schools. This initiative is based on very successful models in the United States and the United

Kingdom—respectively, Teach for America and Teach First. In essence, the initiative attracts a different type of person into teaching. They are people who would not ordinarily be interested in teaching, but they are the types of people that we should be seeking out and getting into teaching in our schools.

I have been involved in this initiative since its inception. I was actually involved in helping to design the initial proposal right at the very beginning, about five or six years ago, when I was working in Far North Queensland at the Cape York Institute for Policy and Leadership. I was involved in establishing the Teach for Australia organisation and, indeed, I remain on its board today. This is now the second year that we have young non-teacher graduates—we call them associates—placed in schools. Last year was the first year. We have 85 outstanding young graduates, associates, in schools predominantly in Victoria, but this year they are also starting in the Australian Capital Territory, and next year we are hoping—and it is most likely—that we will have some graduates starting also in Western Australia and possibly in South Australia.

It is relatively early days for this program, but to date the results have been quite outstanding. Over the last two years, we have had something like 1,500 applications for the Teach for Australia associate program—1,500 applications for, now, 85 placements. Clearly, as an organisation Teach for Australia is reaching many young people and it is an attractive program for those young people to apply to. The actual associates that we have been recruiting and placing in schools are outstanding young Australians. They are, typically, exceptionally high performers at university but, equally important, they also have a number of other attributes which the organisation thinks will make them exceptionally good schoolteachers, including leadership skills, community involvement and terrific interpersonal skills. One such associate, whom I was just speaking to on Tuesday night at the ACT launch of the Teach for Australia program, is an outstanding young woman who, before joining the program, was over in India starting up an orphanage there. It is that type of person that we are attracting into the program—someone who has not only fantastic education results but also broad experience.

The feedback from school principals, which of course is very important, has been excellent. The principals are basically unanimous in the view that the overall quality of the individuals that Teach for Australia delivers to disadvantaged schools is unquestionable. I will just quote a couple of the school principals. Tony Simpson, for example, is Principal of Copperfield College. He took seven associates into his school last year. He says:

“Every single one of our Associates is very successful in the classroom.”

Similarly, Trish Horner, the Principal at Mill Park Secondary College in Victoria, who has taken 10 associates all up, has said:

“It’s one of the best decisions I’ve made as a Principal ... the conversations about teaching in the staff room now ... is on such a high level, and that’s because of the Associates.”

I will not go into other details and the results which those associates have been achieving for their students, but they are also outstanding.

I had the pleasure recently of going to a school in my electorate, Fairhills High School, which this year has two Teach for Australia associates operating in the school, Hugh Bachmann and Melanie Henry. I am sure they will be as successful as the other Teach for Australia



associates have been. I wanted to record my strong support for this program. There are many partners involved with it which make it a success, but I am a very proud board member and proud to support that initiative.

#### **Shortland Electorate: Fernleigh Track**

**Ms HALL** (Shortland) (12.40 pm)—Saturday, 12 March, marked the end of a journey, with the official opening of stages 4 and 5 of the Fernleigh Track. This is a journey that commenced in 1993 after some years of negotiation. Lake Macquarie City Council and Newcastle City Council jointly purchased the former 15.5-kilometre private railway corridor between Adamstown and Belmont. Since that time the project has been a model of what local governments can do when they work together, what local government and state government can do when they work together and, since 2007, what local, state and federal governments can achieve when they work together.

The completion of this track is also a success for the people who will enjoy using it. It is already widely used by people who walk or cycle on it. It is a transport corridor between Newcastle and Lake Macquarie, with more and more people using it all the way, and it will be enjoyed for years to come. The track features a brick lined tunnel under the Pacific Highway and has focused on preserving the history of the corridor, with any possible rail track being left in place.

The Fernleigh Track is a major regional tourist attraction as well as being a transport corridor which will promote exercise and healthy lifestyle. It will encourage people to visit the region just to walk the track. In addition it will positively contribute to our ongoing fight against obesity. It is the type of structure that should be built in many communities throughout Australia. After a great effort from local, state and federal members of parliament, this innovative track has been adequately funded and completed and has given Shortland and the Hunter region a magnificent track for all members of the community and visitors.

I would like to pay tribute to former Lake Macquarie councillors John Jenkins and Alan Shields, who worked very hard in the early stages to see that both the councils came together and purchased this corridor. I also want to pay tribute to Marilyn Eade and Ed Tonks and representatives from the Newcastle Cycleways Movement and the Parks and Playgrounds Movement, particularly Doug Lithgow. In addition, the former state member for Charlestown, Richard Face, made an enormous contribution in the early days. Subsequently, the current member for Charlestown, Matthew Morris, has continued to support the program, as has the member for Swansea, Robert Coombs, who is very supportive and worked hard to see that the track was completed at Belmont. I also want to pay tribute to Ken Powers, Richard Sherry and Stuart Dawson for the contributions they have made.

The pathway winds through both suburbia and bushland, preserving pieces of early Australian history dating back to the 1880s. The finished Fernleigh Track entails shared cycle and walking paths. It stretches 15.9 kilometres, from Adamstown to Belmont TAFE, and passes through Kahibah, Whitebridge, Redhead and Jewells.

As I have said, the pathway winds through a number of different environments. The track will benefit current members of the community and will be an asset for future generations. The Fernleigh Track will be an important part of the state's coastal cycle ways and has many local cycling enthusiasts enthralled with its completion. This stage of the Fernleigh Track not

only offers members of the community a beautiful walk through Belmont Wetlands State Park but offers a safer alternative for cyclists.

On 2 April I will be attending the Fernleigh Track family day. This day has been put aside to celebrate the completion of the Fernleigh Track. It will be a day when everybody can get together and enjoy the history of the area and enjoy this fine track that has now been completed.

#### **Australia Post**

**Mr TEHAN** (Wannon) (12.46 pm)—I rise today to table a petition. This petition of certain citizens of Australia draws to the attention of the House that Australia Post have sold the Warrnambool Post Office Timor Street building to the Warrnambool City Council. Whilst an agreement is in place to retain private mail boxes, the business centre will be closed and the smaller 169 Koroit Street premises will become the city's main Australia Post business centre. This already small site will not be able to provide an adequate counter service for a city with a rapidly growing population presently exceeding 33,000 people. At Timor Street, as a considerable convenience to business people, general customers and senior citizens, adjoining streets provide 26 designated free 15-minute car spaces, including two disabled spaces—something that seems impossible in relation to the Koroit Street location.

The present size of the Koroit Street business centre will surely not enable remodelling to allow transfer of similar counter space to that used at Timor Street. Both premises are already barely adequate at many times of the day and there are frequent lengthy queues. We therefore ask the House to ensure Australia Post negotiates to retain a satisfactory business centre in Timor Street, where it has been most satisfactorily located since 1857, or else provide an additional adequate alternative.

This petition has 3,331 signatures. It is a sizeable petition. I would hope that Australia Post will take note of it and do the right thing. The consultation process around the closure of the Timor Street post office was nothing short of disgraceful. There was no consultation with the community at all. The community was taken by surprise with this closure. It was announced around Christmas time, when I think it was hoped there would be as little notice of this decision as possible. Warrnambool has a growing population—33,000 people and expanding. It has to ensure that it has proper postal services to adequately cope with this expanding population. Closing the main post office which, as the petition states, has been there since 1857, is just not good enough. Australia Post should have consulted with the community before taking this decision.

I congratulate Judy and Bill Poynton, who have organised this petition. They came to see me and asked what needed to be done to try and overturn this decision because I had put an advertisement in the local paper asking people whether they thought postal services were adequate for the local community. I have not come across anyone who says that the services are adequate, so how closing the Timor Street post office is going to help postal services in the Warrnambool and surrounding communities is beyond me. I call on Australia Post to negotiate with the Warrnambool City Council, who they have sold this building to, to make sure that they can maintain adequate services at the post office. If they do not, I will put the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, on notice that I will be calling on him to take some action on this matter.

It is not good enough that Australia Post comes along and just makes a unilateral decision to close a building without adequately providing alternative services and without talking to the local community and saying, 'What are your needs?' including 'What are your parking needs and what are your disabled parking needs?' This decision by Australia Post has caught the community by surprise. There is outrage, especially among older citizens, that they would take away what is a convenient location which they have been using, some of them, for 75 years.

I congratulate Judy and Bill Poynton. I ask Australia Post to negotiate with the Warrnambool City Council to make sure that there are adequate services provided at the Timor Street Post Office. I also say to Senator Conroy, 'Beware. If Australia Post does not make the right decision here, you need to intervene and fix this mess.'

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—The petition has been checked by the committee and is in order. It is received pursuant to standing order 207B(2).

*The petition read as follows—*

To the Honourable The Speaker and Members of the House of Representatives

This petition of certain citizens of Australia draws to the attention of the House that Australia Post have sold the Warrnambool Post Office Timor Street building to the Warrnambool City Council and whilst an agreement is in place to retain Private Mail Boxes, the business centre will be closed and the smaller 169 Koroit Street premises will become the city's main Australia Post business centre. This already small site will not be able to provide an adequate counter service for a city with a rapidly growing population presently exceeding 33,000. At Timor Street, as a considerable convenience to business people, general customers and senior citizens, adjoining streets provide 26 designated free 15 minute car spaces (including 2 disabled)—something that seems impossible in relation to the Koroit street location. The present size of the Koroit Street business centre will surely not enable remodelling to allow transfer of similar counter space to that used at Timor Street. Both premises are already barely adequate at many times of the day and there are frequent lengthy queues.

We therefore ask the House to ensure Australia Post negotiates to retain a satisfactory business centre in Timor Street where it has been most satisfactorily located since 1857 or else provide an additional adequate alternative.

From 3,331 citizens.

Petition received.

### **Carbon Pricing**

**Ms SAFFIN (Page)** (12.51 pm)—I wish to put on the public record in this place my views on climate change and putting a price on carbon, and make further comments about the Australian Labor government's plans to lower carbon pollution and transition our economy to a clean-energy economy.

In my area there is an organisation or collaboration called Sustain Northern Rivers. It started a few years back to tackle the issue of climate change. It is a collaboration and a particular model. It embraces local governments, government departments, agencies and community organisations. They are working on the ground in the community realising that climate change and human contribution to it is a factor and that we have to take action. I am very pleased to have that happening right across my area. I know that we will be doing some more work in the low-carbon communities with them.

People ask: why are we acting? It is absolutely clear to most people that the Australian Labor government is taking action to cut pollution, tackle climate change and create a clean-energy nation. In a choice between action and inaction, we will act. We do not have to lead the world but we cannot afford to be left behind. If we do not act we will see more of the extreme weather events like bushfires, droughts, floods and coastal erosion that we have seen. In my area we will have all of those extreme weather events. We will have more days of extreme heat and we will see our coastline flooded as the sea level rises. If we do not act, Australian jobs will go offshore as the rest of the world overtakes us.

The next question is: how will it work? At the moment, polluters do not have to pay for the pollution they produce. Under a carbon price, the top 1,000 biggest polluters will pay for every tonne of carbon pollution. The more a company pollutes, the more they pay. Those that lower their emissions will be rewarded—as they should be—through paying less tax than the big polluters. Polluters that do not cut their pollution and try to simply pass the costs on will be undercut by companies that do the right thing and invest in clean energy.

The government will then use every cent raised from industry to provide generous household assistance to help with family budgets, protect jobs as businesses make the transition to a clean-energy economy and invest in climate change programs. I will be asking for some of that investment in my area for Sustain Northern Rivers.

There are some key issues around a carbon price. First of all, we on the Labor side believe climate change is real and taking action is the right thing to do. We want the top 1,000 biggest polluting companies to pay for each tonne of carbon pollution they produce. A carbon price will provide incentives for the big polluters to reduce their carbon pollution.

Australia is the worst per-head carbon emitter in the developed world. Other countries are taking action—even China and India. Australia must make a start or our economy will be left behind. We will protect existing jobs while creating new, clean energy jobs. I have some of those already in my area and in my home town of Lismore.

Every cent raised by the carbon price will go to households, to protecting jobs in businesses in transition and to investment in climate change programs. That is what Labor governments do: look after households. There will be generous assistance to households, families and pensioners, and tax cuts are certainly a live option.

Whereas we believe that climate change is real, the coalition deny it. We believe that tackling climate change is the right thing to do, and they are playing politics with a very serious issue. We want the top 1,000 polluters to pay for carbon pollution, and they want to reward them. We want to provide households and pensioners with generous assistance, and their plan, which they are not telling us about, will slug families \$720 to subsidise the big polluters. We want to tax big polluters and provide assistance to families, and they want to tax families and provide handouts to big polluters. We want to create a clean energy nation, and their plan is to run a scare campaign against the national interest. We want to build a clean energy economy, and they will endanger our prosperity and jobs.

Tony Abbott is out there saying that we should wait for the rest of the world, but that makes no sense. He has committed to the same carbon reductions that we have, so either he is admitting his plan will not achieve these reductions or he is admitting that the world is moving—and it is one way or the other. (*Time expired*)

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—I would remind the honourable member for Page of the provisions of standing order 64, which provides that she should refer to honourable members, including the Leader of the Opposition, by their titles and not by their names.

#### **Boothby Electorate: Crime**

**Dr SOUTHCOTT (Boothby)** (12.56 pm)—I rise to speak on a matter which is of great concern to many residents in my electorate, and that is the topic of local crime, vandalism and antisocial behaviour. Local crime and vandalism have been on the rise, particularly over the last 12 months and particularly in the area of Blackwood and the surrounding suburbs. Blackwood and Belair sit in the foothills of Adelaide and are beautiful, generally quiet and relaxing suburbs to live in. But, despite a state government which claims to have put more police on the beat, Friday and Saturday nights are still marred by teenage vandalism and crime. Not more than a fortnight ago, a 26-year-old man was robbed at knifepoint by three teenagers while exiting a train at Belair one evening. The victim was, thankfully, unharmed but had his backpack and wallet stolen. In January, two fires were deliberately lit in the suburbs of Belair and Hawthorndene, and more recently, in late February, a deliberately lit fire burnt through 6,000 square metres of scrub behind the Blackwood High School. It took 19 CFS fighters to contain the blaze.

These brazen acts of crime and vandalism are concerning. But more concerning are more crime and vandalism along Main Road in Blackwood. The vandalism and crime became so bad last year, with graffiti and smashed windows, that the Blackwood Business Network, in conjunction with local businesses, funded private security patrols of armed guards and dogs to patrol the shopping precincts on Friday and Saturday nights, at a cost of up to \$2,000. These measures reduced the vandalism and criminal activity in the area by almost 90 per cent. Unfortunately, these measures were financially unsustainable for the local small businesses, and the patrols ended on 31 December. Since then, vandalism has again been on the rise in Blackwood, with a spate of graffiti attacks not more than a month ago.

On 9 August last year, the Hon. Brendan O'Connor, the Minister for Home Affairs, visited my electorate and, with the then ALP candidate, announced \$100,000 for CCTV cameras along Main Road in Blackwood. Now, more than seven months on, there are no cameras, no poles and no cables—nothing. This is just another example of saying one thing before the election and doing another thing afterwards. It is another example of all talk and no action. While it is only a fraction of the \$300,000 for CCTVs, graffiti-cleaning squads and other security related infrastructure for Blackwood that I announced would be funded by a coalition government, this \$100,000 of funding is sorely needed by the local community and long overdue. CCTV cameras assist law enforcement agencies to identify and apprehend criminals. More importantly, they act as deterrents to those who decide to engage in unlawful and criminal behaviour. I call on the federal government to meet their promise to fulfil their election commitment—to get on with it and fund the CCTV cameras in Blackwood to ensure that Blackwood remains a safe place for all residents to live.

#### **Carbon Pricing: No Carbon Tax Rally**

**Mr CHAMPION (Wakefield)** (1.00 pm)—Yesterday a rally was held out the front of this Parliament House and also in my home town of Adelaide. Apparently the rally in Adelaide got some 50 people along to it, as reported in today's *Advertiser* by Mark Kenny, a very experi-

enced and well-respected journalists for the Adelaide *Advertiser*. So we have this so-called people's revolt—some 50 people in Adelaide and a few more here in Canberra.

I thought I might just focus on some of the signs that were held up at yesterday's rally. There was 'Science of AWG isn't settled'—that is anthropological global warming. Another sign said 'Carbon dioxide is not pollution, I love CO2'. There was one that said 'Juliar...Bob Brown's bitch'. There was a sign that said 'Ditch the witch'. There was a sign that said 'Great liars are also great magicians. Adolf Hitler'. Others read 'No multiculturalism Assimilate and Integrate'; 'What you expect from an atheist in Canberra—ain't that right Ju-liar?'. Of course there was the old favourite 'Pauline knew 10 years ago' and my favourite, which was held up just behind the Leader of the Opposition, the member for Warringah's head—just behind him as he spoke so eloquently to his audience: 'Say no to Carbon Tax 4 UN/IMF Global Gov = Agenda 21 Genocide'.

I have for members a copy of that. I am happy to table it, if you wish. It is an interesting sign. I could not for the life of me the work out what it meant, though. It seemed to me to be somewhat confusing. So I went and had a look and it does actually refer to the UN economic and social development guide. There is an agenda 21 there. It espouses such radical concepts as:

- (a) Promoting sustainable development through trade liberalization;
- (b) Making trade and environment mutually supportive;
- (c) Providing adequate financial resources to developing countries and dealing with international debt;

Radical concepts like that! I thought: 'What could be confusing about free trade?' So I went and had a look and I found all these weird conspiracy theories like the World Trade Organisation and the World Bank are somehow going to shut America down—end America; I am not quite sure what would happen.

There is another one 'WHERE WE STAND—The Genocide Agenda—Agenda 21: The United Nations Program of Action.' There are all these sorts of very interesting observations! I highlighted some of them. One was talking about how we were all going to be forced to live in 'arcologies' and vast piles of apartments and the like.

It took me back to last year, of course, when the Leader of the Opposition met with Lord Monckton, who once claimed that AIDS could be resolved by compulsorily blood testing every adult in the population and then isolating AIDS carriers on an island, presumably. He later walked away from those. We do wonder what commitments the Leader of the Opposition gave to Lord Monckton in his private audience with this grand master of climate scepticism. I wonder what commitments were given there.

I have the ABC news report: 'Abbott pencils end date with Monckton'. That was 3 February of last year. So we know that there is a bit of a problem here with the Liberal Party meeting and associating with and talking to and having a dialogue with these very extreme groups on the loony Right; interactions with these conspiracy group people.

Of course there were other groups along yesterday. The League of Rights, I think, were there. There was the Consumers and Taxpayers Association. Apparently they have three members. There was One Nation. Where would we be without Pauline and the Liberal Party? There was the Coalition of Law Abiding Sporting Shooters. I do not see what they have got to do with climate change. Of course, there was the Lavoisier Group, which apparently thinks

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that the Kyoto protocol is all about a new imperial structure to relocate Australian sovereignty to Germany. That is very strange. We just wonder: who is going to save the Liberal Party from these extremists? It won't be Tony Abbott, because even today he is hedging his bets, he is sliding. He refuses to denounce these groups, because he is happy to be associated with them. We are just waiting for Hockey or Turnbull or somebody else to save the great, moderate Liberal Party of this country.

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—I remind the honourable member for Wakefield that he ought not to ignore standing order 64.

Question agreed to.

**Main Committee adjourned at 1.05 pm**

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**QUESTIONS IN WRITING**
**Ministers and Ministerial Staff: Mobile Phones and iPads**
**(Question No. 145, 153, 154 and 155)**

**Mr Briggs** asked the Attorney-General, Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice, in writing, on 25th 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 McClelland**—The answer to the honourable member's question is as follows::

- (1) As at 25 November 2010, a total of three (3) mobile phones, 15 Blackberrys and one (1) iPad were allocated to the Attorney-General's Office. As at 25 November 2010, a total of four (4) mobile phones, 15 Blackberrys and one (1) iPad were allocated to the Minister for Home Affairs' (also the Minister for Justice and the Minister for Privacy and Freedom of Information) Office.
- (2) Costs are provided in the table below (to provide data for the period prior to January 2009 would require an unreasonable diversion of resources as information cannot be disaggregated from existing data).
- (3) Costs are provided in the table below (to provide data for the period prior to January 2009 would require an unreasonable diversion of resources as information cannot be disaggregated from existing data).

Month	Attorney's Office	Minister's Office
Jan-09	\$3,041.26	\$1,078.42
Feb-09	\$2,819.23	\$1,031.72
Mar-09	\$2,848.31	\$1,045.89
Apr-09	\$2,140.61	\$2,063.32
May-09	\$2,723.20	\$1,694.14
Jun-09	\$2,388.13	\$3,426.31
Jul-09	\$2,747.23	\$2,480.94
Aug-09	\$3,713.98	\$2,128.64
Sep-09	\$2,709.05	\$1,663.08
Oct-09	\$2,864.09	\$2,636.71
Nov-09	\$2,768.91	\$2,134.50
Dec-09	\$3,204.68	\$2,623.86
Jan-10	\$2,129.80	\$2,826.78
Feb-10	\$2,621.05	\$1,912.76
Mar-10	\$2,553.05	\$1,925.54
Apr-10	\$2,236.34	\$2,339.06
May-10	\$3,116.84	\$2,865.90
Jun-10	\$2,782.57	\$3,356.57
Jul-10	\$2,820.25	\$3,442.66
Aug-10	\$2,921.02	\$4,091.14



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Month	Attorney's Office	Minister's Office
Sep-10	\$2,830.98	\$3,451.87
Oct-10	\$2,751.61	\$3,231.91
Nov-10	\$2,757.70	\$3,069.85

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**Volunteer Fire Brigades: Donations****(Question No. 182)**

**Mr Fletcher** asked the Assistant Treasurer, in writing, on 9 February 2011:

In respect of the Government's February 2010 commitment to extend tax deductible donation support to all volunteer bushfire brigades, (a) what progress has been made on this commitment, (b) what steps remain to be taken, and (c) by what date will the commitment be fulfilled

**Mr Shorten**—The answer to the honourable member's question is as follows:

The Government has fulfilled its commitment to extend tax deductible donation support to volunteer fire brigades and related emergency services. This recognises the essential community service performed by these organisations.

Legislation allowing all entities providing volunteer based emergency services, including volunteer bushfire brigades, to access tax deductible donations, and extending deductible gift recipient status to all state and territory government bodies that coordinate volunteer fire brigades and State Emergency Service units, received Royal Assent on 7 December 2010.

The legislation allows brigades to collect tax deductible donations, either through a centralised public fund administered by the coordinating body in that state, or through a public donation fund established by individual brigades.

**Broadband****(Question No. 185)**

**Mr Fletcher** asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 10 February 2011

Further to the Minister's answer to question in writing no. 75 (House *Hansard*, 8 February 2011, page 71), were any of those individuals personally known to the Minister; if so, how many.

**Mr Albanese**—The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

No.

**Broadband****(Question No. 186)**

**Mr Fletcher** asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 10 February 2011

Further to the Minister's answer to question in writing no. 75 (House *Hansard*, 8 February 2011, page 71), were any of those individuals hired on the personal recommendation of the Minister; if so, how many.

**Mr Albanese**—The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

No.

**Australian Defence Force: Reserve Response Force Units  
(Question No. 188)**

**Mr Robert** asked the Minister for Defence Science and Personnel, in writing, on 10 February 2011:

- (1) How many Reserve Response Force (RRF) Units does the Australian Defence Force maintain.
- (2) Where in Australia are the RRF Units located, what are their respective parent Units, and how many personnel are attached to each individual RRF Unit.
- (3) Are the total RRF Unit establishment numbers included in the total establishment numbers of the High Readiness Reserve; if not, what establishment do they come under.

**Mr Snowdon**—The answer to the honourable member's question is as follows:

- (1) Six units, each of company size.
- (2) The location, parent unit and respective strength of each RRF company, as at 28 February 2011, are as follows:
  - (a) Melbourne, Headquarters 4th Brigade, 115 personnel;
  - (b) Sydney (Holsworthy), Headquarters 5th Brigade, 107 personnel;
  - (c) Sydney (Dundas), Headquarters 8th Brigade, 128 personnel;
  - (d) Adelaide, Headquarters 9th Brigade, 147 personnel;
  - (e) Townsville, Headquarters 11th Brigade, 90 personnel; and
  - (f) Perth, Headquarters 13th Brigade, 117 personnel.

Each of the Army Reserve Brigades is responsible for maintaining an RRF company for deployment within their assigned region. The location of the headquarters does not limit the employment of the company. For example, the 9th Brigade's region encompasses Tasmania and an RRF company could be deployed from Adelaide to Tasmania if required.

- (3) The RRF unit establishment figures are not included in the establishment figures of the High Readiness Reserve (HRR). Personnel are unable to serve in both the RRF and HRR concurrently. The HRR is a separate category of Army Reserve service and therefore has its own discrete establishment.

**Epping Parramatta Rail Link  
(Question No. 192)**

**Mr Hawke** asked the Minister for Infrastructure and Transport, in writing, on 10 February 2011:

- (1) When is construction scheduled to commence on the Epping to Parramatta rail link.
- (2) What proportion of funding is the (a) Federal, and (b) NSW, Government contributing to the Epping to Parramatta rail link.
- (3) In which financial years will the (a) Federal, and (b) NSW, Government provide funding support for the Epping to Parramatta rail link, and for what sum.
- (4) By what date will the Epping to Parramatta rail link be completed, and when will first services to the public commence.
- (5) Has Infrastructure Australia, or any other Federal Government agency, received a submission, or any other communication, or request of support for funding between 2007 and 2011 from the NSW Government for: (a) an Epping to Chatswood rail link; and (b) any Sydney rail link, including a North West rail link; if so, on what dates were these received.

- (6) What research, reports, or other analyses (a) has his department commissioned or undertaken regarding Sydney rail infrastructure projects from 2000 to 2011, and (b) were utilised to support funding of the Epping to Parramatta rail link.
- (7) What is the expected patronage of the Epping to Parramatta rail link for each calendar year of its operation up to 2025.
- (8) What is the expected cost of a North West rail link based on most recent data available to the Federal Government.

**Mr Albanese**—The answer to the honourable member's question is as follows:

- (1) to (8) Refer to answer to question 80.