COMMONWEALTH OF AUSTRALIA

House of Representatives

Votes and Proceedings

Hansard

WEDNESDAY, 31 OCTOBER 2012

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SITTING DAYS—2012

Month	Date
February	7, 8, 9, 13, 14,15,16, 27, 28, 29
March	1, 13, 14, 15, 19, 20, 21, 22
May	8, 9, 10, 21, 22, 23, 24, 28, 29, 30, 31
June	18, 19, 20, 21, 25, 26, 27, 28
August	14, 15, 16, 20, 21, 22, 23
September	10, 11, 12, 13, 17, 18, 19, 20
October	9, 10, 11, 29, 30, 31,
November	1, 26, 27, 28, 29

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia, Commander of the Royal Victorian Order

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

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

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

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

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

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Members of the House of Representatives

Members	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Adams, Hon. Dick Godfrey Harry	Lyons, TAS	ALP
Albanese, Hon. Anthony Norman	Grayndler, NSW	ALP
Alexander, John Gilbert	Bennelong, NSW	LP
Andrews, Hon. Kevin James	Menzies, VIC	LP
Andrews, Karen Lesley	McPherson, QLD	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Bandt, Adam Paul	Melbourne, VIC	AG
Billson, Hon. Bruce Fredrick	Dunkley, VIC	LP
Bird, Sharon Leah	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Hon. Christopher Eyles	McMahon, NSW	ALP
Bradbury, Hon. David John	Lindsay, NSW	ALP
Briggs, Jamie Edward	Mayo, SA	LP
Broadbent, Russell Evan	McMillan, VIC	LP
Brodtmann, Gai Marie	Canberra, ACT	ALP
Buchholz, Scott Andrew	Wright, QLD	LP
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

Members of the House of Representatives

Members	Division	Party
Neville, Paul Christopher	Hinkler, QLD	Nats
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	Ind
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	Ind
Thomson, Kelvin John	Wills, VIC	ALP
Truss, Hon. Warren Errol	Wide Bay, QLD	Nats
Tudge, Alan Edward	Aston, VIC	LP
Turnbull, Hon. Malcolm Bligh	Wentworth, NSW	LP
Vamvakinou, Maria	Calwell, VIC	ALP
Van Manen, Albertus Johannes	Forde, QLD	LP

Members of the House of Representatives

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

Clerk of the Senate—R Laing

Clerk of the House of Representatives—B Wright

Secretary, Department of Parliamentary Services—C Mills

GILLARD MINISTRY

Title	Minister
Prime Minister	The Hon Julia Gillard MP
Minister Assisting the Prime Minister on Digital Productivity	*Senator the Hon Stephen Conroy*
Minister Assisting the Prime Minister on Asian Century Policy	*The Hon Dr Craig Emerson MP*
Minister for Social Inclusion	The Hon Mark Butler MP
Minister Assisting the Prime Minister on Mental Health Reform	*The Hon Mark Butler MP*
Minister for the Public Service and Integrity	The Hon Gary Gray AO MP
Minister Assisting the Prime Minister on the Centenary of ANZAC	*The Hon Warren Snowdon MP*
Cabinet Secretary	*The Hon Mark Dreyfus QC MP*
Parliamentary Secretary to the Prime Minister	*Senator the Hon Jan McLucas*
Treasurer	The Hon Wayne Swan MP
(Deputy Prime Minister)	
Minister for Financial Services and Superannuation	The Hon Bill Shorten MP
Assistant Treasurer	The Hon David Bradbury MP
Parliamentary Secretary to the Treasurer	*The Hon Bernie Ripoll MP*
Minister for Tertiary Education, Skills, Science and Research	Senator the Hon Chris Evans
(Leader of the Government in the Senate)	
Minister for Industry and Innovation	The Hon Greg Combet AM MP
Minister for Small Business	The Hon Brendan O'Connor MP
Minister Assisting for Industry and Innovation	*Senator the Hon Kate Lundy*
Parliamentary Secretary for Industry and Innovation	*The Hon Mark Dreyfus QC MP*
Parliamentary Secretary for Higher Education and Skills	*The Hon Sharon Bird MP*
Minister for Broadband, Communications and the Digital Economy	Senator the Hon Stephen Conroy
(Deputy Leader of the Government in the Senate)	
Minister for Regional Australia, Regional Development and Local Government	The Hon Simon Crean MP
Minister for the Arts	The Hon Simon Crean MP
Minister for Sport	Senator the Hon Kate Lundy
Minister for Defence	The Hon Stephen Smith MP
(Deputy Leader of the House)	
Minister for Defence Materiel	The Hon Jason Clare MP
Minister for Veterans' Affairs	The Hon Warren Snowdon MP
Minister for Defence Science and Personnel	The Hon Warren Snowdon MP
Parliamentary Secretary for Defence	*The Hon Dr Mike Kelly AM MP*
Parliamentary Secretary for Defence	*Senator the Hon David Feeney*
Minister for Immigration and Citizenship	The Hon Chris Bowen MP
Minister for Multicultural Affairs	Senator the Hon Kate Lundy
Minister for Infrastructure and Transport	The Hon Anthony Albanese MP
(Leader of the House)	
Parliamentary Secretary for Infrastructure and Transport	*The Hon Catherine King MP*
Attorney-General	The Hon Nicola Roxon MP
Minister for Emergency Management	The Hon Nicola Roxon MP
Minister Assisting on Queensland Floods Recovery	*Senator the Hon Joe Ludwig*
Minister for Home Affairs	The Hon Jason Clare MP
Minister for Justice	The Hon Jason Clare MP
Minister for Families, Community Services and Indigenous Affairs	The Hon Jenny Macklin MP

Title	Minister
Minister for Disability Reform	The Hon Jenny Macklin MP
Minister for Housing	The Hon Brendan O'Connor MP
Minister for Homelessness	The Hon Brendan O'Connor MP
Minister for Community Services	The Hon Julie Collins MP
Minister for the Status of Women	The Hon Julie Collins MP
Parliamentary Secretary for Disabilities and Carers	*Senator the Hon Jan McLucas*
Minister for Foreign Affairs	Senator the Hon Bob Carr
Minister for Trade and Competitiveness	The Hon Dr Craig Emerson MP
Parliamentary Secretary for Trade	*The Hon Justine Elliot MP*
Parliamentary Secretary for Pacific Island Affairs	*The Hon Richard Marles MP*
Parliamentary Secretary for Foreign Affairs	*The Hon Richard Marles MP*
Minister for Sustainability, Environment, Water, Population and Communities	The Hon Tony Burke MP
(Vice-President of the Executive Council)	
Parliamentary Secretary for Sustainability and Urban Water	*Senator the Hon Don Farrell*
Minister for Finance and Deregulation	Senator the Hon Penny Wong
Special Minister of State	The Hon Gary Gray AO MP
Minister Assisting for Deregulation	*The Hon David Bradbury MP*
Minister for School Education, Early Childhood and Youth	The Hon Peter Garrett AM MP
Minister for Employment and Workplace Relations	The Hon Bill Shorten MP
Minister for Early Childhood and Childcare	The Hon Kate Ellis MP
Minister for Employment Participation	The Hon Kate Ellis MP
Minister for Indigenous Employment and Economic Development	The Hon Julie Collins MP
Parliamentary Secretary for School Education and Workplace Relations	*Senator the Hon Jacinta Collins*
(Manager of Government Business in the Senate)	
Minister for Agriculture, Fisheries and Forestry	Senator the Hon Joe Ludwig
Parliamentary Secretary for Agriculture, Fisheries and Forestry	*The Hon Sid Sidebottom MP*
Minister for Resources and Energy	The Hon Martin Ferguson AM MP
Minister for Tourism	The Hon Martin Ferguson AM MP
Minister for Climate Change and Energy Efficiency	The Hon Greg Combet AM MP
Parliamentary Secretary for Climate Change and Energy Efficiency	*The Hon Mark Dreyfus QC MP*
Minister for Health	The Hon Tanya Plibersek MP
Minister for Mental Health and Ageing	The Hon Mark Butler MP
Minister for Indigenous Health	The Hon Warren Snowdon MP
Parliamentary Secretary for Health and Ageing	*The Hon Catherine King MP*
Minister for Human Services	Senator the Hon Kim Carr

Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.

SHADOW MINISTRY

Title	Shadow Minister
Leader of the Opposition	The Hon Tony Abbott MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition	*Senator Arthur Sinodinos*
Shadow Minister for Foreign Affairs	The Hon Julie Bishop MP
Shadow Minister for Trade	
(Deputy Leader of the Opposition)	
Shadow Parliamentary Secretary for International Development Assistance	*The Hon Teresa Gambaro MP*
Shadow Minister for Infrastructure and Transport	The Hon Warren Truss MP
(Leader of The Nationals)	
Shadow Parliamentary Secretary for Roads and Regional Transport	*Mr Darren Chester MP*
Shadow Minister for Employment and Workplace Relations	Senator the Hon Eric Abetz
(Leader of the Opposition in the Senate)	
Shadow Minister for Employment Participation	The Hon Sussan Ley MP
Shadow Attorney-General	Senator the Hon George Brandis SC
Shadow Minister for the Arts	
(Deputy Leader of the Opposition in the Senate)	
Shadow Minister for Justice, Customs and Border Protection	Mr Michael Keenan MP
Shadow Parliamentary Secretary to the Shadow Attorney-General	*Senator Gary Humphries*
Shadow Treasurer	The Hon Joe Hockey MP
Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation	Senator Mathias Cormann
Shadow Parliamentary Secretary for Tax Reform	*The Hon Tony Smith MP*
(Deputy Chairman, Coalition Policy Development Committee)	
Shadow Minister for Education, Apprenticeships and Training	The Hon Christopher Pyne MP
(Manager of Opposition Business in the House)	
Shadow Minister for Childcare and Early Childhood Learning	The Hon Sussan Ley MP
Shadow Minister for Universities and Research	Senator the Hon Brett Mason
Shadow Minister for Youth and Sport	Mr Luke Hartsuyker MP
(Deputy Manager of Opposition Business in the House)	
Shadow Parliamentary Secretary for Regional Education	*Senator Fiona Nash*
Shadow Minister for Indigenous Affairs	Senator the Hon Nigel Scullion
(Deputy Leader of the Nationals)	
Shadow Minister for Indigenous Development and Employment	Senator Marise Payne
Shadow Minister for Regional Development, Local Government and Water	Senator Barnaby Joyce
(Leader of the Nationals in the Senate)	
Shadow Minister for Regional Development	The Hon Bob Baldwin MP
Shadow Parliamentary Secretary for Northern and Remote Australia	*Senator the Hon Ian Macdonald*

Title	Shadow Minister
Shadow Parliamentary Secretary for Local Government	*Mr Don Randall MP*
Shadow Parliamentary Secretary for the Murray-Darling Basin	*Senator Simon Birmingham*
Shadow Minister for Finance, Deregulation and Debt Reduction	The Hon Andrew Robb AO MP
(Chairman, Coalition Policy Development Committee)	
Shadow Special Minister of State	The Hon Bronwyn Bishop MP
Shadow Minister for COAG	Senator Marise Payne
(Chairman, Scrutiny of Government Waste Committee)	(Mr Jamie Briggs MP)
Shadow Minister for Energy and Resources	The Hon Ian Macfarlane MP
Shadow Minister for Tourism	The Hon Bob Baldwin MP
Shadow Minister for Defence	Senator the Hon David Johnston
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 the Hon Michael Ronaldson
Shadow Parliamentary Secretary for Defence Materiel	*Senator Gary Humphries*
Shadow Parliamentary Secretary for the Defence Force and Defence Support	*Senator the Hon Ian Macdonald*
Shadow Minister for Communications and Broadband	The Hon Malcolm Turnbull MP
Shadow Minister for Regional Communications	Mr Luke Hartsuyker MP
Shadow Minister for Health and Ageing	The Hon Peter Dutton MP
Shadow Minister for Ageing	Senator Concetta Fierravanti-Wells
Shadow Minister for Mental Health	
Shadow Parliamentary Secretary for Primary Healthcare	*Dr Andrew Southcott MP*
Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health	*Dr Andrew Laming MP*
Shadow Minister for Families, Housing and Human Services	The Hon Kevin Andrews MP
Shadow Minister for Seniors	The Hon Bronwyn Bishop MP
Shadow Minister for Disabilities, Carers and the Voluntary Sector	Senator Mitch Fifield
(Manager of Opposition Business in the Senate)	
Shadow Minister for Housing	Senator Marise Payne
Shadow Parliamentary Secretary for Supporting Families	*Mr Jamie Briggs*
Shadow Parliamentary Secretary for the Status of Women	*Senator Michaelia Cash*
Shadow Minister for Climate Action, Environment and Heritage	The Hon Greg Hunt MP
Shadow Parliamentary Secretary for Environment	*Senator Simon Birmingham*
Shadow Minister for Productivity and Population	Mr Scott Morrison MP
Shadow Minister for Immigration and Citizenship	
Shadow Parliamentary Secretary for Citizenship and Settlement	*The Hon Teresa Gambaro MP*
Shadow Parliamentary Secretary for Immigration	*Senator Michaelia Cash*
Shadow Minister for Innovation, Industry and Science	Mrs Sophie Mirabella MP
Shadow Parliamentary Secretary for Innovation, Industry, and Science	*Senator the Hon Richard Colbeck*

Title	Shadow Minister
Shadow Minister for Agriculture and Food Security	The Hon John Cobb MP
Shadow Parliamentary Secretary for Fisheries and Forestry	*Senator the Hon Richard Colbeck*
Shadow Minister for Small Business, Competition Policy and Consumer Affairs	The Hon Bruce Billson MP
Shadow Parliamentary Secretary for Small Business and Fair Competition	*Senator Scott Ryan*

CONTENTS

WEDNESDAY, 31 OCTOBER 2012

Wednesday, 31 October 2012

The SPEAKER (Ms AE Burke) took the chair at 9:00, made an acknowledgement of country and read prayers.

DISTINGUISHED VISITORS

The SPEAKER (09:01): I inform the House that we have present in the gallery this morning the ambassador from Afghanistan. On behalf of the House, I welcome him here today.

Honourable members: Hear, hear!

MINISTERIAL STATEMENTS

Afghanistan

Ms GILLARD (Lalor—Prime Minister) (09:01): by leave—Eleven years ago, under Taliban rule, terrorists trained freely in Afghanistan to kill Australians and to attack our ally the United States. Today, international terrorism finds no safe haven in Afghanistan. The 50 nations of the International Security Assistance Force, the 80 nations engaged in development and governance, the United Nations, our Afghan partners—we are all determined to make sure it never does again.

Today the House, and through it the people, should know what progress we are making in Australia's mission in Afghanistan—and what this progress means for our commitment in the coming year and in the years ahead. The House and the people should know what the government is doing to help Afghanistan prepare for its future after transition is complete. And the House and the people should resolve not only to remember the 39 Australians who died in Afghanistan but to care for those they left at home and for their mates when they return.

2012 has brought important progress in transition in Afghanistan. Three years ago, at West Point, in December 2009, President Obama announced a new strategy: focused on counter-insurgency and designed to achieve transition. Two years ago, at Lisbon, in November 2010, the nations of NATO, ISAF and the Afghan government agreed to the transition plan: for Afghanistan to take charge of its security by the end of 2014.

These are the facts on the ground in Afghanistan today. Three of the five tranches of Afghan provinces and districts have begun transition. All the provincial capitals and 75 per cent of the country's population are in areas where the Afghan National Security Forces lead on security. The ANSF are close to their full surge strength of 352,000. They lead on more than 80 per cent of all security operations and make up more than three-quarters of all uniformed personnel in the country.

As transition proceeds, international forces will do less partnering in the field and provide more support through smaller advisory teams. This does not mean the end of combat for international forces, but it does mean, gradually and carefully, international forces are moving to a supporting role. By the middle of next year, when the fifth and final tranche is due to begin, the ANSF will have lead responsibility for security across the whole country.

I met General John Allen, the ISAF Commander, on 14 October, during my visit to Kabul. He is pleased with what he sees as the ANSF continues to demonstrate this increasing capability and capacity. With two years remaining before the end of transition, he is confident that ISAF's mission will conclude with the ANSF well prepared to maintain long-term security in Afghanistan. The Minister for Defence will also update the parliament on detailed developments in Afghanistan.

We can and should conclude that today, across Afghanistan, the process of transition is on track. In Uruzgan province, where Australia's efforts are centred, transition commenced on 17 July of this year and will follow this model. These are the facts on the ground there.

Transition has commenced and the 4th Brigade is assuming the lead on security operations. The main districts are under government control. The Afghan security presence in outlying districts has expanded over the past two years with the growth of the ANSF. Insurgent attacks have fallen. One of the 4th Brigade's kandaks is now operating independently and, based on current progress, the other three should commence independent operations by the end of this year.

As transition proceeds in the province, Australia will adjust our military and civilian posture there. Our main focus will be at Brigade Headquarters and the provincial Operations Coordination Centre. The ADF will advise and train the Afghan National Army's logistics, engineering and other combat support elements. Our Mentoring Task Force will shift to a smaller advisory task force model, we will cease routine partnered operations at the kandak level and our presence will consolidate in the multinational base at Tarin Kot.

Let me emphasise that this shift in posture, likely to occur around the end of the year, is not the end of our combat operations in Uruzgan. Our Special Operations Task Group will continue to operate against the insurgency and our advisory task force will retain a combat-ready capability. This is the course of transition in Uruzgan.

On 18 October, Australia assumed command of Combined Team-Uruzgan. We now oversee the critical phase of transition in the province. We will take account of the conditions on the ground and the

evolving capabilities of the 4th Brigade. The shift in our posture will be gradual and measured, closely aligned with the broader ISAF transition strategy and consulting closely with Afghan and provincial authorities. This is the key judgement which will be before us in the year to come: judging the progress of transition and delivering the phases by which it is completed.

When I addressed the Australian Strategic Policy Institute in April, the government's view was that, once started, transition in Uruzgan should take 12 to 18 months and that, when transition is complete, the majority of our troops will have returned home. Six months on, and three months in to transition, our analysis is that this remains the case. As we begin detailed planning for its final phases, which of course remain some time off, it is likely that we will identify the need for some additional personnel and resources to complete those final phases of practical extraction and repatriation. We will apply the lessons of previous operational drawdowns to ensure stability and security through the whole period. And, when transition in Uruzgan is complete, we will remain committed to the ISAF strategy for nationwide transition, advising the ANSF as they develop their command and logistics capabilities and providing institutional training.

The Australian Federal Police has done important work training the Afghan National Police at the Police Training Centre at Tarin Kot. As transition proceeds, our future effort will focus on leadership training and strategic advisory support at the national level. This will help the Afghan National Police manage their own transition: from paramilitary activity as part of the counterinsurgency, to a constabulary force performing conventional civilian policing roles.

Our development aid effort will continue. Australian aid is making a real difference to the lives of the Afghan people, and helping their nation on the path to development and peace. In Uruzgan, the Australian-led Provincial Reconstruction Team does great work: contributing to a sixfold increase in the number of schools operating, tripling the number of active health facilities and supporting a stronger provincial administration. As transition proceeds in Uruzgan, our aid workers and diplomats will continue their important task. This will be the work of transition through the year ahead.

A new threat to our mission has been emerging in Afghanistan for some time—insider attacks. In my discussions with President Karzai this month, it was clear to me that he understands the threat these attacks pose to our mission. In my discussions with General Allen, he expressed his personal sympathy for Australia's losses. He was also just as conscious as our own commanders of the need for the right mix of force protection measures.

Australia is not alone. Many of our international partners have also suffered casualties. Overnight, we received reports of an insider attack on British troops in Helmand province. Indeed, insider attacks have targeted Afghan troops in even greater numbers than international troops.

This is how we are protecting our troops. First, in order to know how best to counter the threat, our commanders have analysed the attacks and their circumstances. Each attack has specific motivations and specific circumstances. We must understand them to defeat them.

Second, in the wake of the insider attack on 29 August this year, we reviewed force protection to counter the risks of insider threats. Naturally, we do not publicly detail the nature of these. The government continually reviews the professional advice on force protection measures to ensure the risks of such attacks are minimised: I am confident that we are doing all that we can.

Third, the Afghan government has now been conducting biometric screening and other information gathering for all ANSF recruits for two years. Recruits are subject to an eight-step vetting process, supported by information sharing and overseen by the international force. The Afghan Ministry of the Interior, along with coalition partners, works to identify insurgent sympathisers and subversive elements within the security forces. These are important countermeasures.

We know it would be a strategic mistake to overestimate the enemy's strengths or achievements. To see an adversary's hand where it may not exist only enhances the propaganda value of an attack. This difficult military environment and determined insurgent enemy breeds asymmetric threats—spectacular attacks, roadside bombs, insider attacks—often designed to influence international opinion. We know the impact of these attacks on the troops and their units, on their families and on the Australian public is very significant. Australia has suffered four insider attacks in all so far, with seven killed and 12 wounded. The greater strategic threat of insider attacks comes not from the attacks themselves, but from the risk that we respond to them wrongly.

The best evidence that we will prevail against the threat from insider attacks is this: we have not allowed it to disrupt our training and operations with the 4th Brigade. Every day, our troops and police, diplomats and development advisers get on with the job. I saw them during my most recent visit to Kabul and Tarin Kot on 14 October and I can tell the House this: their courage will not fail. They are getting the job done every day. And they are determined to complete their mission of training and transition.

2012 has brought important progress in Afghanistan. It has also brought important decisions on our future course there. As a partner of Afghanistan, as a member of ISAF and now as a member of the UN Security Council, Australia will be an active participant in this planning in the coming year. In May, when President Karzai and I signed a Comprehensive Long-Term Partnership agreement, Australia joined a growing group of countries, including the United States, India and China, who have partnerships with Afghanistan to help consolidate and build on the gains of the past 10 years. The Chicago NATO-ISAF Summit set milestones for transition and agreed to a new NATO training mission post-2014. The Tokyo Conference saw international agreement to an aid and development plan and specific pledges of support.

2013 will now bring important preparations for the period after transition is complete. When transition is complete across Afghanistan at the end of 2014, the government of Afghanistan will have full responsibility for security.

The broad outlines of a comprehensive framework for supporting Afghanistan beyond 2014 are now agreed. There will be substantial international financial support to sustain strong Afghan defence and police forces. The international community is looking to commit US$3.6 billion each year from 2015 to 2017. As I announced in Chicago, Australia is contributing US$100 million in three years. There will be a new NATO-led mission after 2014—not for combat, but to train, advise and assist the ANSF. Australia will make a contribution to this mission including through the Afghan National Army Officer Academy.

To guard against any possibility of a return of international terrorism in Afghanistan, I expect the United States and Afghan governments to discuss possible future arrangements for counter-terrorism training and operations. As I have stated previously, the Australian government is prepared to consider a limited Special Forces contribution, in the right circumstances and under the right mandate.

There will be substantial international development assistance and support for Afghanistan's economic and social development: the ultimate proof against conflict and instability. At Chicago, I pledged Australian development assistance to Afghanistan will rise from A$165 million in 2011-12 to A$250 million by 2015-16, as part of the international community's commitment to provide US$16 billion over four years from 2014.

Beyond 2014, Australia will still have a national interest in denying international terrorism a safe haven in Afghanistan. It will still be in our national interest to remain part of the broad international effort to support Afghanistan—and to ensure the Afghan government remains an active partner. At Tokyo, Australia joined in the Mutual Accountability Framework, by which the Afghan government made important commitments in this respect.

Through our aid program we will encourage the Afghan government to fulfil its reform commitments. It must strengthen governance, combat corruption, promote the rule of law and uphold the rights and freedoms for Afghan men and women guaranteed in the Afghan constitution.

We will also help the Afghans prepare for the 2014 presidential elections. I welcome the Afghan government's commitment to announce the elections time line soon. Credible, inclusive and transparent elections, following the presidential elections of 2004 and 2009 and the parliamentary elections of 2005 and 2010, are among the most important signs of Afghanistan's decade-long transformation. So our aid will support the electoral process.

With Afghanistan firmly responsible for the security of its sovereign state after 2014, international political and diplomatic efforts to support peace and stability in Afghanistan and in its region will be central. We will continue to support an Afghan-led, Afghan-owned process of peace building which protects the gains of the past decade in areas such as democracy and human rights, including the rights of women and children. We support reconciliation and the reintegration of insurgents who are prepared to lay down their arms, renounce violence, cut ties with al-Qaeda and respect the Afghanistan constitution.

The constructive engagement and support of Afghanistan's neighbours, in particular of Pakistan, is also essential over time. For instance, the Istanbul process to strengthen trade links and tackle common security concerns through what is known as the 'Heart of Asia' region is an important international initiative. In a conflict-riven region, there is growing recognition from regional leaders that all have a long-term interest in a secure, stable, self-governing Afghanistan. I welcome the comments of the President of Pakistan that his country respects and supports reconciliation and peace efforts by the government of Afghanistan. I also welcome the Pakistani government's direct appeal to the Taliban to participate in these reconciliation and peace efforts. We will work with Afghanistan—and with Pakistan—in those areas where our best judgement is that cooperation against terrorism which threatens both states is effective and real. And we will do whatever else we judge best makes a difference in this difficult and sensitive task.

Our progress since 2009, our plans through to 2014 and beyond, should give Australians cause for measured confidence and resolve. We are part of a sound international strategy: transition to Afghan-led security, then support to Afghanistan for development and peace. Our contribution today is proportionate to

our own interest and to the contribution of our allies and the world: our troops number around 1,550 out of a 100,000-strong coalition force, supporting a near 352,000-strong ANSF. Our mission in Uruzgan is clear and achievable: to prepare the 4th Brigade for a handover of full security responsibility. Our commitment to Afghanistan is in Australia's national interest. We are there to deny international terrorism a safe haven, to stand firm with our ally the United States.

In Afghanistan and in Uruzgan, we see progress, but of course it is not perfect. We know this—I know this—and our plans reflect this. Throughout the three years of the new international strategy, the international coalition and the Afghan government have held a very realistic view of the evolving environment and changes in the nature of the insurgent threat.

We know that as Afghan forces increasingly take the lead through 2013, the Taliban will seek to test them. We know that not every valley or village in Uruzgan or Afghanistan will be peaceful or free from insurgency. There will be difficult days ahead, setbacks in the transition process, days when our resolve will be tested.

We will stand firm. As a nation, we have a job to do. It is a difficult and dangerous one and we are determined to complete it—not to make things perfect, but to ensure that Afghanistan will never again be what it was in 2001: a place where terrorists trained and prepared to attack us. Across Afghanistan, the national government and the Afghan and international forces are making progress in transition. And we are preparing for the future beyond 2014.

Thirty-nine Australians have been killed in action in our decade in Afghanistan. Each that we lose takes part of us. We have not known loss like this in 40 years. Seven Australians have died since my statement to the parliament on our mission last year. Sergeant Blaine Diddams was killed in a firefight with insurgents on 2 July. Lance Corporal Stjepan Milosevic, Private Robert Poate and Sapper James Martin were killed by an insider attack on 29 August. Private Nathanael Galagher and Lance Corporal Mervyn McDonald were killed in a helicopter crash on 30 August. Corporal Scott Smith was killed by an improvised explosive device on 21 October. His funeral will be held in coming days.

The poet John Manifold wrote of the 'cairn of words' we build over our silent dead. Yes, we will remember them. And it is right that we give words to our sorrow and pride. But we must do more. Their widows, their children, their wounded mates—these Australians live on, they live amongst us, as we who are left grow old.

I had the privilege of visiting some of them last week. I was overwhelmed by their determination to overcome, to return from their wounding to supreme physical fitness, to return to their duties. But they will never forget the bomb, the bullet, the helicopter crash. They could not forget, even if they tried. We have an obligation to them too. The next decade will see more young Australian combat veterans live in our community than since the 1970s. This is demanding changes in the way the Department of Defence and the Department of Veterans' Affairs care for service personnel and veterans.

Organisations such as Legacy and the RSL have performed nearly a century of service to care for those to whom we owe so much. Their invaluable work goes on. In continuing to provide this support and care for Australian soldiers, these organisations will be seeking to adapt to the changing, younger profile of the Australian veteran. New organisations such as Soldier On have been established to help our wounded service men and women and their families achieve great things despite their wounds.

Every Australian should know—you can lend a hand. Give generously, buy a badge, visit, become a volunteer. Respect for our soldiers and veterans is precious: please say hello and say thanks. We have known loss in Afghanistan—but we have known more. We have seen astonishing courage. Some Australians have performed acts of the most extreme bravery in the presence of the enemy. Many more demonstrate a quiet courage, in their devotion to duty every day under the strain of war—in the villages, on the airfield, in the workshop. Their service has kept us safer from terrorism. They have given us cause for confidence and an example of resolve. For us, they march down a hard path in Afghanistan. They know that, for our nation, any other path would risk much more. We will support them as they serve us in Afghanistan and when they return. We will see them through.

I thank the House and I present a copy of my statement.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:30): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Abbott speaking for a period not exceeding 28 minutes.

Question agreed to.

Mr ABBOTT (Warringah—Leader of the Opposition) (09:30): I rise to support the comprehensive statement of the Prime Minister and I welcome this chance to express the coalition's support for our continuing military commitment to Afghanistan. After another year of military operations, it is fitting that we in this parliament should recommit to the campaign. Again I place on record the coalition's pride in the magnificent work of the Australian forces

there. Their job is difficult and dangerous but they undertake it with great skill and dedication.

We mourn the 39 Australians killed. They are our finest. We honour them and we will never forget them. They join the 60,000 Australians killed in World War I, the 39,000 killed in World War II, the 340 killed in the Korean War, the 521 killed in Vietnam and others on our national roll of honour. We also pay tribute to the 242 who have been wounded in the line of duty. Those who have not recovered fully from their injuries must have the best possible support.

We grieve with the families of the dead and the wounded. The dead, the wounded and the grieving have paid a heavy price but it has not been in vain. The best available assessments are that al-Qaeda has largely lost the capacity to inflict harm on Western countries, if not the will. It remains dangerous and we must remain vigilant, but it is on a path to defeat. In Afghanistan, the best advice is that the International Security Assistance Force and its Afghan partners have continued to make security gains. As the Prime Minister has noted, Afghan security forces now have lead responsibility for all the provincial capitals and for the areas with most of the country's population. But progress is fragile. The Taliban remains difficult to dislodge across significant parts of the country's south and the border with Pakistan, where insurgents continue to find safe haven, remains porous.

Assessments are mixed about whether the Afghan security forces will be ready to cope with taking on prime security responsibility after 2014. There is no certainty that hard-won gains can be held. There was never going to be a clear victory in this war. Still, each village that is no longer subject to extortion, each child whose horizons have been lifted and each girl who is now able to go to school and make her own life constitutes a kind of victory. Every day when life is better than it would otherwise have been is a victory and every day is better thanks to the presence of Australian forces.

Australia went to Afghanistan with our allies and we will leave with our allies. The United States, Britain and other contributors to the International Security Assistance Force have laid out a clear time frame for transition to full Afghan responsibility for combat operations by the end of 2014. All the contributors to the International Security Assistance Force emphasise that Afghanistan will not be abandoned beyond 2014 and I welcome the Prime Minister's commitment to an ongoing training role for our forces and to a likely and important anti-terrorist role for our special forces.

In Uruzgan, our area of prime responsibility, progress has been better than in the country as a whole, according to our own military commanders' assessments. That is why the task force can be smaller and troops can be withdrawn sooner than previously expected. In July, the Afghan government confirmed that Uruzgan was moving to Afghan-led security responsibility. If the transition goes to plan and the Afghan forces there are able to do their job, the bulk of the Australian forces should be able to return by the end of next year.

Our troop numbers are already dwindling. Within weeks the 750-strong 3RAR Task Group will be replaced by a smaller 7RAR Task Group, numbering about 450. Our role will shortly change from 'mentoring' the Afghan forces to 'advising' them. Our infantry will no longer be permanently at any of the current forward operating bases. They will do little, if any, patrolling with the Afghan Army but will, instead, advise them in the conduct of their own independent operations.

Our soldiers should not be in Afghanistan a moment longer than is necessary but should not leave while there is a job to do. If the transition from mentoring to advising to withdrawing leaves behind an Afghan Army capable of managing its own security, that will represent a job well done. In any event, our soldiers will be able to leave with their heads held high and their professionalism universally respected. They will have done all that and more than has ever been asked of them.

Australians were recently reminded of the evil we face in Afghanistan when the Pakistani Taliban attempted to murder a 14-year-old schoolgirl, Malala Yousafzai, for advocating a fair go for women, including girls' rights to education. Thanks to our soldiers' work, more schools are open in Uruzgan and many girls are getting an education for the first time.

Since the departure of the Dutch in mid-2010, the Australian mentoring task force has had a bigger job. With more responsibility has come more danger. This helps to explain the loss of 28 soldiers in the past three years, compared to 11 in the previous eight years of our involvement. I thank the Prime Minister for the very full account she has given of the efforts to protect our soldiers from treacherous allies. Betrayal like this saps our will to fight. That is why the Taliban devote such time to turning Afghan troops. It is reassuring that our own soldiers speak highly of their Afghan allies, most of whom they regard as worthy comrades. Having spoken to our soldiers, I cannot imagine a situation where our opponents have more determination or more warrior cunning than our Australian soldiers.

The Howard government originally judged that it was in Australia's national interest to help evict the Taliban from power and to secure an Afghanistan that would never again grant sanctuary to al-Qaeda. It is to the credit of the Rudd and Gillard governments that they have maintained their predecessor's commitment and were even prepared to strengthen it following the withdrawal of most Australian forces from Iraq.

First, al-Qaeda represented a direct threat to all Western countries, as the September 11 atrocities demonstrated and as subsequent ones, such as in Bali and London, have confirmed. Al-Qaeda and its associates have murdered 108 Australians. It has also been a deadly threat to our own country from within, as shown by home-grown terrorist plots—all of which, thankfully, have so far been foiled. Second, it is in Australia's enduring national interest to be a reliable ally and friend. It is in our national character not to let down our friends when they need help. It is right that we have made a contribution to the worldwide struggle against Islamist extremism. Third, it is consistent with our best values as a nation to back efforts to remove an oppressive regime and to help establish a freer and fairer society in Afghanistan—especially for women.

I have to say that Afghanistan is unlikely to become a pluralist, liberal democracy any time soon. But that does not mean that Afghans have no wish to be free to choose their own rulers and their own way of life. Of course, after we have expended so much blood and treasure for so long, it is fair enough for Australians to ask why more has not been achieved. Still, the enthusiastic participation of great numbers of Afghans in multiparty elections in 2010, despite lethal intimidation, suggests that the desire for freedom and democracy is not merely a Western conceit.

We must count the cost of our continued commitment, but we must also count the cost of prematurely abandoning that mission. Should the international coalition's mission fail or end too soon, there is a strong risk that Afghanistan would once again descend into feudalism and once again become a base for international terrorism. If the Taliban were able to reassert control in Afghanistan, there would be a high risk that neighbouring Pakistan, a nuclear armed country under great internal pressure from its own extremists, could itself become critically destabilised. That is why this is not a distant struggle that we can safely ignore. I fully understand why many Australians would prefer to have our military forces out of harm's way, but we should be very wary of rushing for the exits and seeing much that has been achieved turn to dust. That would not be the right way to honour the sacrifice of our soldiers.

Whatever the future holds, there is no doubt that the Australians in Afghanistan have acquitted themselves in the best Anzac tradition. There is no doubt that the experience of Afghanistan has honed the skill and professionalism of our armed forces. We all hope and pray that they will never again have to be put in harm's way, but we would be foolish indeed to expect a world without conflict or to imagine an Australia that does not need powerful armed forces. One day, perhaps, the lion might lie down with the lamb and swords might be beaten into ploughshares. But, until that day comes, we would be unwise not to maintain armed forces fit to intervene wherever Australia's interests and values are at stake.

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (09:42): I move:

That the House take note of the document.

Debate adjourned.

Reference to Federation Chamber

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (09:43): by leave—I move:

That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

DOCUMENTS

Afghanistan

Presentation

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (09:43): In the course of her remarks, the Prime Minister indicated that I would also update the House today on detailed developments in Afghanistan. I table my fifth report to the parliament this year.

BILLS

Courts and Tribunals Legislation Amendment (Administration) Bill 2012

First Reading

Bill and explanatory memorandum presented by **Ms Roxon**.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:44): I move:

That this bill be now read a second time.

I am pleased to introduce legislation to implement important reforms to improve the effectiveness and efficiency of the Family Court, the Federal Magistrates Court, the Federal Court and the National Native Title Tribunal.

The bill is also an important component of the Gillard government's wider federal courts reform package, which includes my recent announcement of injecting an additional $38 million in funding across the forward estimates for the federal courts to maintain their services, particularly for regional residents and disadvantaged parties.

This legislation will:

- facilitate the transfer of the National Native Title Tribunal's administrative functions, staff and appropriation to the Federal Court, and

- provide for the merger of the administration of the Family Court and the Federal Magistrates Court.

The bill implements recommendations of the review of small and medium agencies in the Attorney-General's portfolio, completed by Mr Stephen Skehill and released in June 2012, which recommended changes to the operation, structure and administration of agencies in my portfolio.

While the amendments in this bill are largely of a technical and administrative nature, they will allow the courts to increase the efficiency and effectiveness of their administrative structures, and allow court resources to be directed where they matter most: providing services to court users, particularly regional and disadvantaged parties.

This bill implements several Skehill review recommendations relating to the National Native Title Tribunal.

The review recommended both transferring native title mediation functions from the tribunal to the Federal Court and creating corporate efficiencies by removing the tribunal's classification as a Financial Management and Accountability Act 1997 agency and providing for its financing and staffing through the Federal Court.

The reforms will not only generate savings, but also result in a closer relationship between the agencies and promote more cohesive and timely operation of the native title system.

A preliminary transfer of functions has already allowed the tribunal to focus on its core area of strength—its crucial future acts functions—while the Federal Court, with strong results in the area, has been given control of native title mediation.

This better alignment and allocation of functions builds on the government's 2009 reforms, which first gave the Federal Court greater involvement in mediation. Those reforms have generated a four-fold increase in the rate of consent determinations, and this means less waiting for claimants and faster certainty for all affected parties.

This bill completes implementation of these reforms by clarifying the agencies' administrative framework and ensuring that they can work together efficiently.

For example, the bill consolidates the tribunal and Federal Court as a single statutory agency under the Public Service Act 1999. This aligns the staffing and financial responsibilities of the Registrar of the Federal Court, who will now be the head of the consolidated agency for the purposes of both the FMA Act and the Public Service Act. The registrar's powers are also better defined. These measures provide clarity for agencies and stakeholders.

These reforms also allow the tribunal and Federal Court to work more efficiently. The agencies will now share corporate services related to human resources, finances and information technology. Where possible, staff will work from the same buildings and share the same facilities. The compliance burdens under legislation such as the FMA Act will now also be shared.

The resulting efficiencies of these reforms are expected to generate $19 million in savings over the next four years.

In enabling the tribunal and the court to both operate more efficiently and to achieve better results, these reforms will support the government's ongoing success in tackling the backlog of outstanding native title claims for the benefit of all stakeholders.

This is why the changes are widely supported by stakeholders, and why we have organised a staged and ordered transition to make sure no matters currently underway will experience any delays.

As noted by Mr Skehill, the effective merging of the administration of the Family Court and the Federal Magistrates Court from November 2008 has been a significant achievement in cooperation between the two courts.

Since 2009, the Family Court and the Federal Magistrates Court have operated with a single chief executive officer. The Chief Executive Officer of the Family Court has also been the acting Chief Executive Officer of the Federal Magistrates Court. The Family Court and the Federal Magistrates Court already share many resources, including staff and facilities.

The amendments for the Family Court and the Federal Magistrates Court in this bill will clarify and formalise existing administrative structures, rather than fundamentally changing the way the courts operate. This is appropriate, as the two courts have cooperated effectively for several years.

I emphasise that the courts will retain their separate and distinct identities, with the Federal Magistrates Court in the process of changing its name to the Federal Circuit Court of Australia, to reflect the growth in its scope, workload and regional work over the past decade.

However, formalising the shared administrative arrangements for the courts will allow them to achieve savings and operate more efficiently.

For example, establishing the courts as a single agency for the purposes of the FMA Act with a single budget appropriation will mean that funds can be shared between the courts as necessary.

This measure will also allow the courts to produce a single set of financial statements for the purpose of satisfying the requirements of the FMA Act, which will eliminate significant duplication of the courts' work.

A range of provisions in the courts' current legislation are not compatible with the courts having a

single chief executive officer and operating as a single agency for the purposes of the FMA Act.

This bill amends these provisions and ensures that the courts will be able to work effectively and efficiently under shared administration, unhindered by unnecessary procedural formalities. As such, it is appropriate to conduct this change as efficiently as possible, without creating new and separate legislation to add to the statute book.

We are also in ongoing discussions with both courts to ensure their internal structures meet the needs of both the judiciary and court users.

This bill forms one part of this government's wider federal courts reform package.

As noted earlier, the Gillard government is also putting the courts back on a firmer financial footing, by directing an additional $38 million over four years to the courts. The injection of new funds, derived from a change to fee structures, will ensure our courts can continue to deliver key services, including regional circuit work, which are vital for disadvantaged litigants and small businesses.

Other important aspects of this package of reforms include:

- establishing a transparent complaints process against judicial officers—the legislative framework for which was passed by the House earlier this sitting period;
- As noted already, the renaming of the Federal Magistrates Court as the Federal Circuit Court of Australia, and the renaming of federal magistrates as 'judges';
- expanding the diversity judicial appointments, to better reflect the Australian community; and
- establishing the Military Court of Australia, so that justice is available to Australian Defence Force members.

It is important that our federal courts and tribunals operate efficiently, are accessible to all parties, and provide effective forums for the resolution of disputes.

The bill enables the National Native Title Tribunal and the Federal Court of Australia to work more closely to achieve better native title outcomes.

And it will formalise the administrative structure that has proved successful for the Family Court and the Federal Magistrates Court since 2009, and will drive further efficiencies for these courts. I commend the bill to the House.

Debate adjourned.

Migration Amendment (Unauthorised Maritime Arrivals and Other Measures) Bill 2012

First Reading

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

Bill read a first time.

Second Reading

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (09:52): I move:

That this bill be now read a second time.

This bill amends the Migration Act 1958 in accordance with the report of the Expert Panel on Asylum Seekers, which recommended that arrival anywhere in Australia by irregular maritime means should provide individuals with the same status. That is, arrival anywhere in Australia in these circumstances should make the person liable to regional processing arrangements.

At the forefront of the panel's reasoning in making this recommendation was the need to reduce any incentive for people to take even greater risks with their lives by seeking to reach the Australian mainland to avoid being subject to regional processing arrangements.

Under the existing excision framework, unauthorised arrivals in excised offshore places are prevented from making valid applications for visas and are liable to be taken to a designated country for regional processing. Unauthorised arrivals who arrive at the Australian mainland are not currently subject to these provisions.

As the panel emphasised, and the government has reiterated, the recommendations in the report are an integrated set of proposals. To be effective in discouraging asylum seekers from risking their lives, the incentives and disincentives the panel recommended must be pursued in a comprehensive manner. The legislative amendments proposed in the bill are part of this integrated approach.

Under the amendments proposed, all noncitizens who arrive in Australia by irregular maritime means—to be known as 'unauthorised maritime arrivals'—will be subject to the regional processing framework inserted by the regional processing act in August this year unless they are specifically excluded.

Certain persons not intended to be subject to regional processing arrangements will be excluded from these arrangements. These excluded classes of persons include certain New Zealand citizens and permanent residents of Norfolk Island who do not need visas to travel to Australia.

The bill also provides the power to prescribe further classes of excluded persons in the Migration

Regulations in the future should it become clear that further classes need to be excluded from regional processing arrangements.

Excluded persons will not be subject to regional processing. Nor will they be subject to a statutory bar on applying for a visa.

In addition, the important safety valve provided under section 198AE of the act remains. This provides the minister with a personal, non-compellable power to determine that an unauthorised maritime arrival should not be taken to a designated regional processing country if the minister thinks it is in the public interest to exempt them. This section will continue to provide flexibility to exempt individuals or classes from regional processing. Unlike excluded classes, exempt individuals or classes will still be subject to a statutory bar on applying for a visa unless the minister also decides to lift this bar.

Sound border management requires such flexibility, in recognition of the range of complex circumstances that can apply to a person's arrival in Australia by sea without a visa. For example, a person who has been rescued at sea, and who has inadvertently engaged these provisions by arriving in Australia without a valid visa, could be such a case. The person may have had no intention to come to Australia, and their circumstances may warrant a more flexible approach.

The bill also amends the definition of a 'transitory person' in the act to provide flexibility to transfer persons back from a regional processing country to Australia for a temporary purpose. This amendment will allow the government to bring people assessed as refugees—but who have not yet met the 'no advantage' principle—back to Australia for a temporary purpose such as medical treatment, and then return them to a designated regional processing country pending provision of a durable outcome.

The application of the 'no advantage' principle is to ensure that no benefit is gained through circumventing regular migration pathways. This, combined with an increased refugee intake from offshore, is designed to remove the attractiveness of attempting an expensive and dangerous irregular boat journey to Australia.

The bill also repeals section 198C of the act. The current effect of this section is that transitory persons may request the Refugee Review Tribunal to assess whether they are a refugee if they are brought to Australia under section 198B of the act and remain here for a continuous period of six months. This provision encourages transitory persons to attempt to extend their stay in Australia in order to gain access to the Refugee Review Tribunal and the courts and therefore should be amended.

This bill also makes amendments to section 189 of the act to provide for discretionary immigration detention of Papua New Guinea (PNG) citizens who are unlawful noncitizens and are in a protected area of the Torres Strait.

Prior to the commencement of the Regional Processing Act in August 2012, immigration detention of all unlawful noncitizens in an excised offshore place was discretionary. However, the Regional Processing Act amended section 189 of the act to change the immigration detention of these persons to mandatory. The exception is allowed inhabitants of the Protected Zone in the Torres Strait who are unlawful noncitizens. The act recognises the special status of PNG citizens who are 'allowed inhabitants of the Protected Zone' of the Torres Strait Treaty by including provision to permit their visa-free travel within a protected area in certain circumstances. However, there are other PNG citizens who are not 'allowed inhabitants' of the Protected Zone, and are not provided for under the treaty.

Due to the complex relationships, longstanding cultural connections and way of life of the communities in and adjacent to a protected area, the bill extends discretionary immigration detention provided for in section 189 of the act to persons in a protected area who are citizens of PNG and are unlawful noncitizens. This provision will only apply to PNG citizens while they are in a protected area of the Torres Strait.

The bill also includes a clarifying amendment to section 198AE of the act to provide an express power for the minister to vary or revoke a determination that a person is not subject to regional processing, if it is in the public interest to do so. The government's view is that this power is already implied but, for avoidance of legal doubt, it is preferable to make this power explicit.

Finally, the bill provides for consequential amendments arising from the amendments relating to unauthorised maritime arrivals and transitory persons.

This bill marks an important further step in giving full effect to the recommendations of the Expert Panel on Asylum Seekers. It removes the incentive for asylum seekers to take greater risks with their lives and reach the Australian mainland.

I commend the bill to the House.

Debate adjourned.

Water Amendment (Water for the Environment Special Account) Bill 2012

First Reading

Bill and explanatory memorandum presented by Mr Burke.

Bill read a first time.

Second Reading

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (09:59): I move:

That this bill be now read a second time.

Today in introducing this bill, I am seeking a commitment from this parliament to restore the Murray-Darling Basin to health.

The Murray-Darling Basin reform has relied on a number of steps being taken: the National Water Initiative; the development of the water market; the Water Act; the soon to be presented Murray-Darling Basin Plan; with the final step of parliament using this bill to maximise environmental outcomes in the plan.

For over a century, the Murray-Darling Basin has not been managed with a basin-wide plan. This has resulted in environmental degradation, a lack of resilience and an ongoing layer of uncertainty for communities.

The Basin Plan, to be made later this year, will restore the health of our rivers, support strong regional communities and ensure sustainable food production.

The Murray-Darling Basin Authority is proposing a plan which starts at a benchmark of 2,750 gigalitres of environmental water. The proposed plan includes an adjustment mechanism which will allow the SDL to move up if environmental outcomes can be delivered with less water and move down if constraints are removed and additional water is acquired in a way which is not detrimental to communities.

This legislation allows the Commonwealth to use that mechanism. It will provide funding to projects that improve environmental outcomes over and above that in the proposed 2,750-gigalitre benchmark.

We will fund removing constraints in the system and we will also fund projects such as on-farm infrastructure required to acquire up to an additional 450 gigalitres of water beyond the benchmark in the plan. This will give us an even better outcome for the basin.

The additional environmental water made possible by this bill does not only work to achieve better outcomes for the Coorong and Lower Lakes. There are environmental assets, Ramsar listed wetlands, river red gum forests, national parks and homes for Australian wildlife throughout the basin that will benefit because of this bill.

Importantly, the plan being proposed by the Murray-Darling Basin Authority stipulates that additional water beyond the benchmark should only be acquired through methods that deliver additional water for the environment without negative social and economic consequences such as infrastructure.

By way of example, the benefits of modernising on-farm irrigation infrastructure are already well established. The government agrees with this approach and this bill is framed in these terms.

A secure funding stream extending a decade into the future is required since recovering water is a long-term endeavour.

Accordingly, this bill amends the Water Act 2007 to provide a secure funding stream to enable up to an additional 450 gigalitres of water to be recovered.

It complements the Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Bill 2012 introduced into this House on 20 September this year.

Through the Sustainable Rural Water Use and Infrastructure program, this government is already recovering water for the environment through upgrading on-farm and off-farm irrigation infrastructure.

The bill also secures funding to enable the increased environmental water to be delivered to wetlands in an efficient and effective manner by addressing existing constraints that limit higher water flows.

Such constraints include outflows from storage dams, low-lying infrastructure and the need to provide for flood easements or agreements with landholders.

All basin governments will be fully involved in the development of projects that would underpin sustainable diversion limit adjustments, including initiatives to remove constraints.

Projects to be funded through this special account will be considered alongside projects that allow an increase in the SDL by using environmental water more efficiently so that governments have a complete picture of what the final sustainable diversion limit will be in all catchments.

The enhanced environmental benefits from the provision of an additional 450 gigalitres of water and the removal of physical constraints are many. The government intends, with a combination of real-time management and the additional 450 gigalitres of water, to achieve outcomes such as:

- salinity in the Coorong and Lower Lakes being further reduced so that it does not exceed levels which are lethal to insects, fish and plants that form important parts of the food chain;
- water levels in the Lower Lakes being kept above 0.4 metres for 95 per cent of the time, helping to maintain flows to the Coorong, to prevent acidification, and to prevent acid drainage and riverbank collapse below Lock 1;
- the maximum average daily salinity in the Coorong south lagoon being less than 100 grams per litre for 98 per cent of years and less than 120 grams per litre at all times in the model period;
- the maximum average daily salinity in the Coorong north lagoon being less than 50 grams per litre for 98 per cent of years;

- maintaining the Murray Mouth at greater depths, reducing the risk of dredging being needed to keep the mouth open;
- two million tonnes of salt being exported from the basin each year as a long-term average;
- barrage flows to the Coorong being increased, supporting more years where critical fish migrations can occur for estuarine fish,
- opportunities to actively water an additional 35,000 hectares of flood plain in South Australia, New South Wales and Victoria, improving the health of forests and fish and bird habitat, improving the connection to the river, and replenishing groundwater; and
- enhanced in-stream outcomes and improved connections with low-level flood plain and habitats adjacent to rivers in the Southern Basin, which can be achieved.

After a century of getting it wrong, this bill, combined with the soon-to-be-finalised Murray-Darling Basin Plan, says that this parliament will not fail the basin. The system will return to health and the environment and the communities which are nourished by these mighty rivers will have a strong and resilient future.

Debate adjourned.

Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HOCKEY (North Sydney) (10:08): This is not the way to run the House of Representatives. We have three bills that we have hardly been given notice on. There is one speaker on each bill because most of the members of this House, including the Labor members, have not seen the legislation. In our case, we did not see it until yesterday. We received a briefing on this legislation last night. We have not had any time at all to consult with the banking sector, with the superannuation sector, with financial planners, with consumers—no-one. The government is trying to ram it through this House. We got it referred to the Parliamentary Joint Committee on Corporations and Financial Services last night, but they have not even had time to meet to consider a reporting date on this legislation.

This chamber cannot be a rubber stamp. It was the Independents who said: 'Let the sun shine in. Let's have proper scrutiny.' And something goes through after being introduced like this! This is standard legislation. It is not of any great urgency to border security.

It is not of any great urgency in relation to the destiny of the nation. This is standard legislation dealing with billions of dollars of everyday Australians' money. It has a profound impact on them—and the parliament is meant to do it right now. I do not understand this.

Even when the government had a majority, it did not introduce and ram through legislation on this scale in this way. If there was legislation that had to go through, it was because there was a security issue associated with it—parliament would be recalled because of the security issue. This is about the unclaimed money of Australians. For example, until we had a briefing last night it was not clear that people can lose their first home saver accounts if there has not been action on those accounts for what appears to be three years. We have not got clarity from the superannuation industry about the impact of money going back into people's accounts if they go and claim it from the ATO, about what fees are charged or about what interest is charged. We do not know, because we did not hear about this until yesterday. We have not seen the details of the legislation. We do not know what the impact will be on people who travel for 12 months or for three years. We have no idea and yet we are being asked to change the law in this place. This is policy on the run. It is government on the run. Please do not make it parliament on the run. It is unacceptable.

Now we have these details, and this claiming is not the only thing it affects. Let me tell you some of the details that we are aware of in relation to this bill, the Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012, which we have had less than 24 hours to consider. For example—

Mr Entsch: Mr Deputy Speaker, on a point of order: last night there was a special meeting of the Selection Committee where it was agreed that the Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012 be referred to the committee. I understand that the report of this meeting has been prepared and is on the table with the clerks. I have been advised this by the Table Office. I ask the Deputy Speaker—

The DEPUTY SPEAKER (Mr Oakeshott): Order! Can you clarify what point of order you are moving this under?

Mr Entsch: On indulgence. I have concerns.

The DEPUTY SPEAKER: So you seek leave for indulgence. No, indulgence is not given. If we allow the member for North Sydney to finish speaking, we can clarify the issues raised.

Mr HOCKEY: I am sorry to correct my colleague but, as I understand it, the PJC has not actually even met yet. They have agreed to have it referred, that is right, and that is the point I was making. There has been agreement on both sides of the House to have this referred to the parliamentary joint committee. However, the parliamentary joint committee has not even met yet to consider this legislation. We do not

know what its reporting date is and we do not know anything about what its considerations of this legislation are. We know nothing about it. The PJC, which is set up by this parliament to consult at an official level with all the stakeholders, has not even met to consider when they are going to meet stakeholders. For crying out loud! And we, as the House of Representatives, are now being told to vote on this legislation as it stands. Fair dinkum!

I have seen some things rushed through this place before, and we were guilty of it in government too. But I have not seen routine legislation rammed through in this way. And it is being followed up with the Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 2), with one speaker, and the Fair Work Amendment Bill, with one speaker. It is the same with all of this legislation.

Twenty-four hours ago, we started working through the legal processes. We have our own internal processes, as the Labor Party does, and as I am sure the Independents do, to go through consultations with key stakeholders. And yet we get this—the impact on section 69 of the Banking Act to provide new arrangements for unclaimed moneys. This will reduce the period before an amount payable by an ADI—that is a bank account—is treated as unclaimed money from seven years to three years. We do not know the circumstances of individuals—if they are transferred overseas. What about soldiers who are sent overseas, who have their own bank accounts and cannot be traced? We do not know what their circumstances are.

But it is a big step to go from seven years to three years in relation to an unclaimed bank account. There are plenty of Australians who might leave the country for a certain period of time and their bank might not be able to find out where they are immediately, or their mail is sent to an address and gets returned to sender. For crying out loud, in my own home I am still getting mail addressed to two previous owners from at least 15 years ago. As much as I have fond regard for Australia's banks, they do send stuff to the wrong address sometimes. We have all seen that. Despite our best endeavours to get them to send it to the right address—

Mr Martin Ferguson: They send it to Parliament House!

Mr HOCKEY: They send it to Parliament House. They know where to get us, don't they, Martin? There are two ways they get us. They know where to contact us. But even then they get it wrong, and there is no opportunity for correction in that regard. Someone might leave money sitting in a bank to accumulate interest in a high-interest-yielding account. What is the administrative cost to the bank if, after three years, they cannot find them, and the money is taken out of a high-yield account and sent to the Australian Taxation Office? What happens to the individuals? We do not know after that. It is not clear exactly what the impact is, what the procedures are for contacting the Australian Taxation Office.

What we do know is that the Australian Taxation Office is going to pay a lot less interest on the account than the bank might pay. Now we discover that the mining companies are going to get over 10 per cent compound interest on royalties. That was a good deal, Martin—10 per cent compound interest on royalty rebates to the mining companies if they do not pay the mining tax! If we get a rebate from the tax office, I think they give us CPI or something like that, but, if the mining companies do not pay the mining tax, the government not only has a one-year liability to refund their royalties—but there is no mining tax, so they cannot refund the royalties—but the royalty liability is carried over to the next year and the mining companies get over 10 per cent compound interest, payable by the Commonwealth taxpayer. That is fantastic—Commonwealth guaranteed, of course! But, for everyday Australians, if the government seizes your bank account after three years or seizes your superannuation after 12 months, you will be lucky if you get CPI. Fair dinkum!

We did not see this coming either: schedule 2 of this bill amends the First Home Saver Accounts Act to provide for new arrangements for unclaimed moneys held by First Home Saver Accounts providers. So people putting money into their First Home Saver Accounts, trying to save for their first home, if they get hit with a few bills and do not access the account for three years—bingo! The First Home Saver Accounts are meant to be new measures. Many parents have established these accounts for their children, but they may not be able to make a contribution for a number of years. It might be getting a bit tough out there, as we know it is for some families. What happens? We would have thought, again, that the parliamentary joint committee inquiry would have looked at the impact of that on the trends of saving by parents for their children in First Home Saver Accounts—gone. That is another one that came out of the blue that we found out about last night.

Schedule 3 to the bill amends the Life Insurance Act to provide new arrangements for unclaimed life insurance moneys. There are two limbs to the definition of unclaimed moneys in the Life Insurance Act. Unclaimed moneys include sums payable on the maturity of the policy which are not claimed within seven years from the maturity of the policy. The new arrangement will reduce the period before life insurance moneys are treated as unclaimed moneys from seven years to three years. How many people are going to be affected? We do not know. What are the circumstances? We do not know. We have not been

able to speak to life insurance companies to find out the trend impact.

Maybe people want to leave their money in life insurance; they do not want to collect it at the age of 55 or 65 or whenever it might mature. Maybe some people who lost a partner did not know they had life insurance.

Mr Van Manen: Particularly super.

Mr HOCKEY: That is right. They did not know whether it was super or life insurance. We do not know; we have not had a chance to speak to the life insurance companies about this. Yet this government sees this as so damned urgent that it needs to ram the legislation through the House of Representatives today.

I came to this with goodwill. I understand this. If there is a consolidation process, I accept that. I am prepared to be reasonable on these things. Forget for a moment that this is $700 million they are desperately trying to find for their budget this year. I do despise this place being treated like a rubber stamp on any occasion—by the Liberal Party or the Labor Party. I actually do believe in this parliament. I despise the thought that we come down here and waste our breath; I really do. I love this chamber, I love this parliament, but it just riles me to the core when I see legislation being banged through without any justification for the urgency. Previously governments would say, 'We'll look at it in the Senate.' They are not even saying that. They are just saying, 'We need this through and we need it through now.'

Lost superannuation accounts of unidentifiable members with balances of less than $2,000 that have been inactive for 12 months will now have to go to the ATO. We do not know what the process is for someone claiming it back. We do not know if there is an obligation on superannuation companies to continue to chase people to say, 'We've got your money.' We do not know what the situation is.

Finally, schedule 5 to the bill amends the act to close the Companies and Unclaimed Moneys Special Account and establish new processes for the receipt and payment of unclaimed property. As I have stated before, this bill amends the Banking Act, the First Home Saver Accounts Act, the Life Insurance Act, the Superannuation (Unclaimed Money and Lost Members) Act, the ASIC Act and the Corporations Act, and we have less than 24 hours to deal with it. In fact, none of our colleagues have had the opportunity to consult with constituent members or to consult with stakeholders. We do not know what the implications are. This went to a committee that has not met and does not know when it is going to meet.

The coalition is going to oppose this process. It is going to oppose this bill. This is not the way to run the parliament. It is unacceptable, writ large, to treat us with this sort of contempt. Even if there is merit in this bill, we are going to oppose it simply because we do not know what the consequences of this legislation are, simply because the government has screwed up the budget and made a mess of the economy.

Mr STEPHEN JONES (Throsby) (10:23): I am very pleased to be able to speak on yet another Labor reform to preserve the value of our superannuation accounts.

Opposition members interjecting—

Mr STEPHEN JONES: I can hear those on the other side riling, because they have never supported workers getting fair and decent superannuation. It was the Labor Party that introduced occupational superannuation into this country to ensure that when average workers retire from a lifetime of work they have a fair and decent retirement income. Those on the other side of the House have always opposed it. They have always opposed our reforms to the superannuation system, because it riles them that average workers might have the same sorts of benefits and the same sorts of privileges that those opposite and those that they represent have taken for granted.

This legislation is another step in reforming and ensuring that ordinary workers have a fair, decent and safe superannuation system.

They ask what the urgency is. I will tell you what the urgency is: it is $3.4 billion in workers' superannuation money which is in lost accounts and is being eroded. It is being eroded week in and week out. I will tell you what is happening to that money. It is paying for administration fees for superannuation fund administrators. It is being eroded week in and week out. It is not going to benefit those for whom it was intended. It is paying for the big end of town so they can continue to clip the ticket in the administration of superannuation and it is not going to those for whom the superannuation was intended. I will tell you what the urgency is. The urgency is that this side of the House is not willing to allow that money to be continually eroded without having proper protections in place. That is what this package of bills is all about. There is over $3.4 billion in lost superannuation accounts and we can do a lot better than we are doing today to ensure that that money is preserved for the benefit of the true owners of that superannuation.

We estimate that, under the current rules, a 20-year-old with $1,000 in superannuation can unknowingly have that balance eroded to just $418 over a five-year period. That is $1,000 down to $418 over a five-year period because of administrative fees and charges through no fault of the employee, the owner of that account, and no fault of the employer. Because that is a lost account that is continually being eroded because of those fees, a 20-year-old with $1,000 in superannuation can have that go down to half its value over a five-year period. Fees and insurance charges typically exceed the

average investment earnings even for accounts with $2,000. So a 30-year-old with a $2,000 account can unknowingly have their superannuation savings eroded to a little over $1,200 in a five-year period.

Those on the other side ask what the urgency is. That is the urgency. The urgency is in ensuring that that money is not eroded unknowingly and unwittingly to the benefit of somebody else.

Mr Hockey: It's been there for five years under you, and now it's urgent?

Mr STEPHEN JONES: It was there a lot longer under you, Joe. The member for North Sydney had an opportunity to do something about this when he was in government, if he was so concerned about it. They did absolutely nothing about it. In fact, their great contribution was to try to unwind the system which is providing these sorts of benefits to employees. That was their great contribution to superannuation in this country. The benefits should be applied to the employees, the workers who have worked hard to get that money put away. It is about preserving the value of the superannuation system as a whole.

A lot of fear and smear has been put around about what we are trying to do here. Let me tell you exactly what we are doing.

Mr Hockey: Fear and smear? We hadn't even seen it until today.

The DEPUTY SPEAKER (Mr Lyons): Order, the member for North Sydney! You had your go.

Mr STEPHEN JONES: We will be increasing the account balance below which lost accounts are required to be transferred to the ATO from $200 to $2,000, effective from 31 December 2012. We are increasing the level at which the money becomes compulsorily transferred to the ATO for management. We are reducing the period of inactivity before an account which is unidentifiable is required to be transferred to the ATO from five years to 12 months. The reason we are changing it from five years to 12 months is the example I have just given—that 20-year-old who, over a five-year period, has their $1,000 eroded to just $418. This legislation will stop that happening.

There are safety nets in there. The only basis on which the money is transferred to the ATO is if we know neither the name nor the tax file number of the account holder. That is the basis on which the money is transferred to the ATO.

If at some time down the track—and this is what our fervent hope is—the owner of that superannuation account is found and they come forward and say, 'That money is mine,' not only have they not paid fees on it, as they otherwise would have over that period—and the fees would have halved their account balance—but they will get interest at CPI. That is a good thing.

Mr Hockey interjecting—

Mr STEPHEN JONES: The member for North Sydney, Mr Huff-and-Puff over there, said he would vote against this legislation whether it was good or not. That bells the cat. The member for North Sydney just nailed it, because that is what they are on about over there: whether this is good or not, whether it is in the interests of the account holder or not, whether it is going to provide a benefit to the employee or not, they will vote against it, because they do not care. They come in here and all they are about is making some cheap political point, trying to grab a headline. Mr Huff-and-Puff himself is trying to make a big headline out of the fact that he has not read his material, that he is not up on his stuff. We know what they are going to do. They are going to vote against this legislation whether it is good or not. We on this side of the House think it is a good thing that we put in place a system which preserves the value of somebody's superannuation account and provides them with some interest on it if they come forward and claim that money. For those reasons, I commend the legislation to the House.

Mr OAKESHOTT (Lyne) (10:31): I have concerns about the process involved with the Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012. I am more than likely to be comfortable with some of the messages about why unclaimed moneys are being moved towards the Australian Taxation Office, but I have listened closely to the debate—I was in the chair when the member for North Sydney was speaking—and there do look to be some issues that I would like some time to consider, to see whether they are right or wrong. That is the very point of the process when legislation is brought into the chamber—that it is put on the table for a period of time for consideration and reflection by all members, who do genuinely want to make decisions based on the merits or otherwise of the legislation before the House.

So I strongly urge the government to adjourn this legislation to allow that proper reflection and consideration to take place. If they do not, I think it is an undue demand on members of parliament who just have not had the time to look at the detail and therefore will be making rash decisions on something of significance. I do not want to be put in that position. If I am put in that position, the default course is not to support something without being fully aware of the detail and being able to have confidence in exactly what I am voting on. I appreciate the words of the member for North Sydney. I am a member of the selection committee and I was in the Speaker's chair when he was speaking. I concur that the process is being rushed for reasons that do not have good merit. Therefore, unless this debate is adjourned, I cannot at this stage support the passage of this legislation through this chamber.

Mr BANDT (Melbourne) (10:33): Very briefly, I think that the shadow Treasurer raises some very legitimate concerns about the Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012. On the whole, this is a bill the intention of which the Australian Greens support, especially as it is a money bill and it is the government's intention to use it as part of the MYEFO package. We have differences of opinion with the government about whether this necessarily ought to be the priority way of raising revenue. The superannuation fund issue was aired in the blaze of publicity surrounding MYEFO, but there are probably other parts of this bill that did not attract the same level of publicity. I believe, and the Greens believe, that there should be opportunities for scrutiny with respect to those other parts.

Although there have been a lot of claims about ways it could disadvantage people, it may well be that under scrutiny those claims evaporate, but there should be an opportunity to have a look at it.

I understand that further to the request from the member for Lyne the debate will be adjourned, which I think is a sensible course of action. We reserve our position awaiting further advice from the government in respect of how they intend to process it and also in terms of how we would ultimately vote. We do not have any intention to hold up a budget measure and if there are other ways of dealing with these questions that have arisen perhaps by way of a Senate inquiry that is something that ought to happen. But as a matter of principle, especially in light of some of those measures that did not attract the publicity at the time of MYEFO that the superannuation measure did, there is an argument to be made that there should be an opportunity for scrutiny. We will reserve our position as to what that should be and how we will ultimately vote if this is put, but we do think there is some legitimacy to the concerns that have been raised.

Debate adjourned.

STATEMENTS ON INDULGENCE

Selection Committee

Mr SECKER (Barker—Opposition Whip) (10:36): Mr Deputy Speaker, I rise on a point of order. Standing order 222(iii) states that the Selection Committee:

> … select bills that the committee regards as controversial or as requiring further consultation or debate for referral to the relevant standing or joint committee in accordance with standing order 143.

Can I advise the House that this occurred at approximately 9.30 pm last night in accordance with standing order 143. My question is: what now is the status of all that Selection Committee determination, as it has not been tabled?

Mr FITZGIBBON (Hunter—Chief Government Whip) (10:37): For the benefit of the House, I might be able to give Mr Secker at least a partial answer. My understanding is that around 9.30 last night a meeting of the Selection Committee was held, although unfortunately as a member of the Selection Committee I was not advised of that meeting. There are privileges issues here of course if it was a formally constituted meeting of the committee because, if that is the case, that report, as Mr Secker indicated, has not been tabled. Indeed, I would need clarification on the exact contents of that report and whether it accurately reflects the matter raised by the honourable member.

I make these points only because, Mr Deputy Speaker, I know that you are in no position to answer the question because you know nothing of the events of last evening and I again make the point that I do not know much more either. So I only rise in the spirit of goodwill to at least attempt to give the honourable member an answer, if only a partial answer, to his question.

Mr OAKESHOTT (Lyne) (10:39): I rise on the same point of order. We do need some urgency in clarifying this issue through the Speaker's office. I am a member of the Selection Committee and the processes of this House should not work whereby I find out about a disputed meeting right now that apparently took place at 9.30 last night whilst I was involved in a public hearing in the building and working in another role.

I am surprised to hear this and, if this is behind the machinations this morning—where we are seeing detailed legislation brought into the chamber for the first time, with second readings only half an hour later and with only one speaker on each of these substantial bills—we need to urgently clarify what has happened. We need to get the processes of this chamber back on track as quickly as possible. The safe port in all of this is the standing orders—the known procedures of this chamber. I urge the Speaker and this House to return to that safe port as quickly as possible.

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (10:40): On indulgence, given the issues which have been raised, I suggest that, in accordance with the *Notice Paper*, we move to item No. 2. As has been requested by a number of members, I suggest that advice be sought from the Speaker's office on the status of the Selection Committee meeting—whether it was properly constituted and what its standing is—and that the House be then appropriately informed. In the meantime, I suggest we press on with the work of the House.

The DEPUTY SPEAKER (Mr Lyons): Debate on the Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012 has been adjourned to another day. The question is one which should be taken up with the Selection Committee. I am

proposing that we move on to the next item of business.

Mr PYNE (Sturt—Manager of Opposition Business) (10:41): On indulgence, this development in the House this morning is quite unprecedented and I think it requires urgent clarification. I agree with the member for Lyne in that regard. My understanding is that the report from the Selection Committee which recommended that the bill be referred to a House committee for debate and investigation was handed to the chair before the second reading of the bill began. Why is that significant? It is significant because, once the second reading of a bill begins, the bill can go through all stages of the legislative process regardless of the report from the committee. So the government either deliberately or unwittingly ensured that the Selection Committee report was not tabled in the House.

I understand the member for Lyne was in the chair at the time and I am sure he was unaware of the machinations. Because that report was not tabled in a reasonable time, the bill was called on for its second reading. As a consequence—and I am sure the Chief Government Whip knows this—the Selection Committee's referral to the House committee is now a dead duck. It does not matter what that committee finds; the bill can now go through all the stages of the legislative process. This is an example of the chaos currently gripping the government's management of the parliament. We are getting bills the night before we are expected to pass them in the House of Representatives. It is a matter I am deeply concerned about.

With respect to this matter, I am very concerned that the parliament has been diddled, has been tricked, and that the proper processes of the parliament for bringing on the second reading of a bill opposed by the opposition have not been followed. This is not just any uncontroversial bill. Sometimes the Leader of the House and I agree for debates to occur, either in this place or in the Federation Chamber, on uncontroversial legislation. We did so yesterday, for example, with the debates that took place between 11 am and 2 pm. This is not uncontroversial legislation. The opposition is opposing this bill. As a consequence, there needs to be an immediate investigation into the events of this morning and the Speaker needs to consider whether what has been done this morning should be undone by the parliament so that a proper referral to the relevant House committee can occur—as the Selection Committee decided. That report can then be given—

Mr Jenkins: Mr Deputy Speaker, on a point of order: can I suggest that the Manager of Opposition Business has had his indulgence, and I am starting to cut up rough as a chairman of a parliamentary committee. Every time I try to make my report, there is some chaos going on here. I just ask that standing order 271 apply.

Mr Secker: There isn't one.

Mr Jenkins: There is not one, but it is common sense, alright? Now could I try to get the call again.

The DEPUTY SPEAKER: In relation to this matter, the question is one that should be taken up with the Selection Committee. I am proposing to move on to the next item of business.

Mr PYNE: The point, Mr Deputy Speaker, is that this is not just a routine matter that can be brushed aside and that we can be told to take up with the Selection Committee at some unidentified time when they may meet. If you do not indicate that the Speaker will be asked to investigate it and potentially undo what has been done today in what I regard as a fastie to the parliament and the opposition then I will move—

The DEPUTY SPEAKER: Order! The member for Scullin on a point of order. The Manager of Opposition Business will resume his seat.

Mr PYNE: I would have thought you wanted to get on with the business of the day.

Mr Jenkins: I am trying to. I have only been an observer. I think that the discussion puts it back in the hands of the Speaker, and that is now Speaker Burke.

Mr PYNE: He's not indicating that, Harry.

Mr Jenkins: Yes, but we are helping him. I think that there is nothing in what the Deputy Speaker said, and there is nothing that the committee can do. Everybody knows now that the only person that could intervene, if there is any intervention, is the Speaker, and I am sure that she is fully aware of what is going on.

Mr PYNE: I am just seeking a commitment from him.

The DEPUTY SPEAKER: Thank you for your assistance. I will now refer this matter to the Speaker for her adjudication, and I will now move on to the next item of business.

Mr Randall: On a point of order, can I clarify something with you, Mr Deputy Speaker?

The DEPUTY SPEAKER: Certainly.

Mr Randall: The next item of business that you have proposed is government business order of the day No. 2, and I see the member for Scullin wants to make a report. So can we have some adjudication on that? His report to the parliament was put back. Can we get an idea of what the actual business of the House will be?

Mr Martin Ferguson: Mr Deputy Speaker, with respect to the issue raised by the opposition member, I think that to be fair there was an understanding with the member for Cook that, following consideration of item No. 1 on the *Notice Paper*, he was called in from

alternative responsibilities to make his contribution. We would then seek to attend to the reports from committees.

The DEPUTY SPEAKER: In that case we will move on to the appropriations bills and then go back to reports.

BILLS

Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 1) 2012-2013

Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 2) 2012-2013

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr MORRISON (Cook) (10:47): Here we have another bill, following the farce we have just seen here in this place, rushed into this parliament. The difference here is that I understand the urgency when it comes to the Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 1) 2012-2013, which the Minister for Immigration and Citizenship brought into this place yesterday regarding the government's blow-outs on our borders and the budget it needs now to meet those blow-outs. It is because, when it comes to the budget that this government needs to pay for its border failures, it has run out of money. It has run out of money to pay for the blow-outs on our borders, and it has brought in a bill for an additional appropriation of $1.7 billion to pay for the blow-outs that have occurred on our borders and the blow-outs in the budget that have occurred as a result. So I understand the reason why this government wants to rush this bill into the place: because it has run out of money.

As a result, the coalition is not going to be standing in the way of this, because, regardless of how aggrieved we feel about the serious policy failure of this government on our borders—which happens every single day, as more than one boat arrives every single day—these bills are going to have to be paid. Once again, Minister Bowen is putting his hand deep into the pockets of the Australian taxpayers to pay for more of his failures. I found it amazing yesterday that he sought to blame this appropriation bill, in its Orwellesque title, on Angus Houston and the Houston panel. This was extraordinary. Of the $1.7 billion in these appropriation bills, $1.3 billion is because more boats are arriving than this government estimated in their budget back in May.

I have read the Houston report carefully, and I do not remember reading anywhere that Angus Houston said that more boats should come to Australia. But what we have in these bills is more money for more boats coming to Australia. The funding specifically for some of the measures out of the Houston report is a national component of the funds that this government is seeking from this parliament and the Australian taxpayers.

The minister for immigration has stood in this place on other occasions and talked about the national stains of policies put forward by the Howard government to address border issues in this country. I notice that the minister has now backflipped on this in the most spectacular act of hypocrisy, on his own words, today, but the national stain that is occurring here is the following: it is 28,000-plus people turning up on over 480 boats in the last four years; it is over 1,000 people dead, and over 8,000 people being denied a protection visa because they applied offshore and they did not come on a boat under this government's soft policies. It is the riots that occurred in our detention centres—the riots where only one person was denied a protection visa out of the hundreds who burned the place to the ground. One person was denied a visa despite the tough talk of the minister for immigration, saying he was going to apply the character test. He gave permanent protection visas to three people convicted of offences relating to their involvement in those riots. What a joke. This is the national stain—it is the national stain of a decision taken by this Labor government to abolish the measures that worked under the Howard government. That is the national stain that touches every single member on that side of the House. They will have to be accountable for that when they go to the people at the next election. They must account for the stain that they have put on this nation through their weakness and the ease by which they have been taken down a path that would see measures that worked removed, and the result of that national stain is one of cost, chaos and a tragedy on this government's watch. That is what has occurred under this government; that is what they must be accountable for.

This legislation in particular involves border protection budget blow-outs. This is the mother of all budget blow-outs. This year, with these new appropriations, it will cost almost $2.7 billion to run the various programs that are a consequence of boats coming to Australia. That is more than a 2,000 per cent increase on what this government budgeted back in 2009-10; more than $2.5 billion extra per year is now being spent by the Australian taxpayer because this government cannot manage our borders. The rolling blow-out between what they said it would cost and what it was expected to cost before MYEFO was $4.97 billion. That figure is now $5.4 billion up to this financial year, and out over the forward estimates it is $6.6 billion. Just think about those numbers: $6.6 billion in blow-outs because this government decided to get rid of a policy that was working.

The current budget estimate of an extra $1.3 billion is directly related to the increased number of people that the government is now expecting to come by boat this year. The government said in its budget that it would have 450 people arriving, on average, per month in 2012-13. That figure has already been blown by over 6,000 people to date, and we now have on average more than 2,000 people turning up every single month. If the government wants to know where its surplus has gone when the surplus disappears, it will find that it sailed away on a boat.

That is where it went. If they want to go looking for this surplus, they will find it in the detention centres around the country. They have sent the surplus to Nauru and they have sent it there on the backs of the hundreds who will go there, because thousands keep turning up in this country because of this government's failed border protection policies. That is where they will find it. The surplus has been processed offshore. The surplus is disappearing before this government's eyes as it sails away.

The 30-month average is what the government uses to estimate the number of arrivals that are expected to turn up in any given year for the purposes of establishing their budget. That has been confirmed on numerous occasions in Senate estimates by department officials and was most recently confirmed back in February of this year. That is where the figure of 450 arrivals per month came from.

The question I sought to ask the Prime Minister yesterday in this House was: given you have just increased the budget by over $1 billion because of your blow-outs on boats, what are you now basing this figure on? She is going to stand in this place and say to the Australian people that she is going to deliver a surplus. The Prime Minister refused to answer the question. I will go to the department's own policies. I asked the Prime Minister to come into this place and correct me if I had this wrong, or the minister for immigration, if he wants, can come and correct me. But based on their own department's policies, stated before the Senate, it is the 30-month average. Is the 30-month average the 2,075 people who have been arriving this year per month? No. I assume the $1.3 billion extra they are asking this parliament for in this bill is based on a monthly estimate of 713 people. That is almost two-thirds less than have been turning up in this country every single month this financial year.

If that is indeed the estimate, which based on the testimony of department officials one can reasonably assume, unless the government has changed its policy—and if so they should come into this place and say so—then this surplus is totally gone. At that rate of arrivals, this budget will be blown on boats alone. With over 2,000 arrivals occurring, that is what we can expect for the rest of the year, because the problem is getting worse. It is not getting better. The reason it is getting worse is that this government remain in office. They are the problem on our borders and the only way it can be fixed is the removal of this government from the treasury bench.

I also note that the government has put in these bills the capital appropriation for the establishment of the processing centres on Nauru and Manus Island. The figure for 2,100 beds is $268 million. That is an average of $126,000 per bed. That is a lot of money and it is more than the average cost at, say, Curtin or in other places. It cost just over $100,000 per bed to establish those facilities.

But what I find interesting is that in January of this year the minister who is now at the table, Minister Bowen, told us that to develop a facility on Nauru was going to cost us $422,000 per bed. That was his cost back in January, when he said he was not going to reopen the centre on Nauru because it would cost far too much. It was going to cost $422,000 per bed to develop these facilities. The cost he has put in this bill in this place today is $126,000. What that says to me is that this government will trash and demonise the coalition's measures right up until the day that it implements them.

The minister at the table likes to talk about national stains. Well, this is quite a stain. It is a stain on his record and a stain on his credibility. It is a stain because in January, when he did not want to do it, he said it was going to cost $422,000 a bed; today, when he wants to do it, he says it will cost $126,000 a bed.

So the minister, given he is the biggest spending immigration minister in our history, particularly on border blow-outs, is in no position to lecture anybody on anything to do with these costings matters. This minister's hands are so deep in the pockets of the taxpayers of this country that he can almost tie their shoelaces through their pants. That is how deep he is in the pockets of the people of this country who are paying taxes.

Mr Randall: They must have long pockets!

Mr MORRISON: The member for Canning says they must have long pockets. That is true. They would have to have long pockets to pay for the border blow-outs of this government. The border blow-outs in this government's budget are historic, they are unprecedented and they are a national stain.

I also note that this government in their hypocrisy, as we all know, have implemented offshore processing on Nauru and Manus Island. We welcomed that and provided the support in this place to do exactly that. But, as I have noted on many occasions, the policy in isolation was never the answer. For the policy to be effective, the full suite of measures need to be in place, as the coalition has always said. Under this government's policy, you have about a one in 10

chance of being sent to Nauru. Since the minister first announced this policy, you have a one in 6.8 chance of being sent to either Nauru or Manus Island. As every additional boat arrives, and we have had 41 boats this month and over 2,100 people, the odds get even better for the people smugglers. They know that, because they have this government's measure. They have had this government's measure from day 1.

The Houston panel made a range of recommendations, and those recommendations are now government policy. The minister and the Prime Minister can no longer swan around hiding behind Angus Houston to justify their policies—they are the government's policies. They need to own those policies. They need to make the case for their policies on their own terms and in their own words, because they are their policies; they have adopted them.

They are the same policies that they opposed when in opposition and said were xenophobic. I note the other minister at the table today, Minister Crean. He described the bill, that I understand he is now going to support, for the excision of the Australian mainland as a xenophobic bill. If that is the case, he must be a recent convert to xenophobia. He has argued for the bill and he asks for it to be introduced. He has supported it.

Mr Crean interjecting—

Mr MORRISON: He interjects at the table. It is the interjection of hypocrisy, because when they were on this side of the House and we were on the government benches, they accused us of being xenophobes for introducing measures that they now advocate. That hypocrisy is breathtaking, and they can explain that to their own electorates. No-one knows where they stand on this issue; they make it up as they go along.

The Houston panel recommendations are now government policy. The government is working through the process of implementing those policies, and they have had not one breath of obstruction from those on this side of the House to the measures they have sought to introduce—not one breath. The government brought in the bills that dealt with the opening of offshore processing in Nauru and Manus Island, and they got speedy passage from this parliament. On every occasion when the opposition has been asked to deal with these matters, we have dealt with them promptly. We are dealing with these matters promptly today, as requested, and we are happy to do so. I know the minister has run out of money and has had to come back to the parliament for some more. We will have to facilitate that to ensure that at least the basics can be implemented.

I want to touch in the time remaining on some of the other recommendations of the Houston panel which I think the government is struggling to come to terms with and to understand. The one that is particularly troubling and has them in absolute convulsions is the no advantage principle. It is not a hard concept. I think Mr L'Estrange has outlined it well. I understand he was particularly involved in the construction of this measure. The no advantage principle is simply to get a message out to the region that if you come to Australia by boat then you cannot expect to have a greater opportunity to get an assessment or to apply for a protection visa than you would otherwise. It is a pretty straightforward principle, and this government has taken months to try and work out what it means and to try and articulate it in a form which has some meaning.

I was in Jakarta a few weeks ago and I was told by the country manager for the UNHCR, in the presence of embassy officials, that the time you can expect to wait in Indonesia if you get your claim assessed and you are resettled in a third country is around two to three years. That was not surprising; that was consistent with conversations I have had with other people. But he also said that in Malaysia you can expect to wait three times as long. The figures that I have been talking about when it comes to Malaysia of five years waiting time, based on my own discussions in Malaysia, would indicate that the time you would wait in Malaysia normally would be longer than the time you would wait in Indonesia. The government has itself contorted in what should be a fairly straightforward principle. They are saying, 'Well, we want to come up with some calibrated method of putting together your age, your gender, your state of health and a range of other things, and we want to put that all in some voodoo black box and this will pop out some number which will decide how long you wait' et cetera. No-one can understand that for love or money. It is complete bureaubabble. The message which is being sent to the region about the no advantage principle is incomprehensible, totally neutering its effectiveness.

The government is once again not thinking through the consequences of these things. Think about it—if the government is to be held to its word on its statements on the no advantage principle, they are saying that if you arrived as an Iranian in Jakarta with a visa on arrival you should expect to wait around two to three years but if you arrived as an Afghan in Kuala Lumpur it would be five years. What's with that? What are they saying? Are they saying: 'Get yourself to Indonesia—it will be quicker to then get yourself to Australia'?

I am sure the Indonesians are wild about that idea! I can tell you that I do not believe they are. The idea of creating asylum magnets in Indonesia is the policy of this government based on the way they have ham-fistedly tried to explain the no advantage principle, which, frankly, my five-year-old would be able to explain at show-and-tell at preschool. The government

would be able to explain it by simply saying, 'If you come to Australia, you can expect to wait around about five years.' That is pretty simple. I am trying to help the minister out in explaining his own policy because he seems so befuddled by the whole thing. He is tying himself in so many knots that he cannot get it out. As a result, the policy just falls flat on the floor like everything this government touches in this area.

The no advantage principle has been butchered by this government with their own bureaubabble, and as a result they continue to frustrate important measures that the coalition has supported. When we support them they still cannot get it right. I wish they would read the instruction manual on border protection. It was written by a great panel that involved John Howard, Alexander Downer and Philip Ruddock, the Father of the House. That was the expert panel, and this government should be reading their instruction manual. That manual talks about restoring the policies—policies that this government abolished—that worked so effectively under the Howard government.

There is also the refugee and humanitarian program, which this government has said they will increase to 20,000 places a year, from this year. That is an additional 25,000 places over the next four years. In addition to that they are creating an extra 16,000 places for family reunions of people who come here on boats. Do not let the government fool you that they are denying family reunion to people coming on boats. Only temporary protection visas will achieve that outcome. This policy is a con. All they are asking them to do is to line up in another queue. So, rather than filling out this form for family reunion, you have to fill out another form for family reunion and you have to pay a fee—a fee which is actually about 80 per cent less, or thereabouts, than what they are paying the people smugglers. The asylum seekers are prepared to pay the people smugglers $10,000 to get here; I am sure they are going to be prepared to pay a fee to bring their families out under this government's policies—and the government have created the additional places to do exactly that.

But the government, in this bill, is not being upfront about the costs of this. When the minister announced it, he said it would cost $1.3 billion to increase the intake to 20,000. But you will not find that figure in MYEFO. Maybe that figure is on Nauru, as well, with the surplus. You will not be able to find it in MYEFO, but that is the cost that the minister put on this package. In MYEFO he has only detailed the costs to Department of Immigration and Citizenship, which are covered in these bills before us for the current year. But the minister is not telling Australians that it is going to cost them more than $50,000 per place to meet that commitment.

This government is going to spend $1.3 billion taking an extra 25,000 refugees. That is more than they have committed to the National Disability Insurance Scheme. That tells you something about this government's priorities. The Australian people understand that, I think. I think they understand that, when you look at what the government is prepared to spend on taking additional refugees as opposed to what they are prepared to spend on the National Disability Insurance Scheme, that is a message about this government's priorities. I do not think the Australian people have missed that point. In large part the Australian people have been able to acknowledge that in their own reading of these issues.

But the increase in the intake is also a con, because under this government the number of offshore humanitarian places has fallen by 5,000 per year. The government, when they announced this the other day, went through and told you where all the placements are going to go. The total number of those places they were prepared to identify was 12,150. Why is that figure important? It is less than the 13,750 that is already provided for. So where are the extra visas going? I can tell you—in large part they are going to people who are coming on boats. The increase in the intake is to ensure that there are enough permanent visas in the system to keep giving permanent visas to people coming on boats.

Do not be conned about the government's feigned compassion on this. They know that they do not have the places in the program to keep giving permanent visas to people coming on boats. They have two options: they can embrace temporary protection visas today or they can increase the refugee and humanitarian intake at a cost of over $50,000 per person for the Australian taxpayer and keep handing out the permanent visas, which keeps the sugar on the table.

There is also the issue of the Malaysian people-swap, which I notice the minister has benched this morning. He has given up. He now has the absurd proposition that he is not prepared to go and do what the Houston panel said. That was not a message to the opposition; that was a message to the government. It was their committee. They commissioned it and they received its recommendations. The minister said, this morning, on *AM* on ABC radio:

> We can't implement the Malaysia agreement without the agreement of the parliament, which means we need a change in position from the Greens party or the Liberal Party.

He said:

> I would want to see some sort of evidence from the opposition that they would do what I've done and the Labor Party has done and said, 'Well, we'll do what it takes to save lives …

We have been doing what it takes to save lives for a decade. If the minister wants to say that he is not going to progress his own policy because he wants a blank cheque, up front, on an agreement he has not made with contents that are not known, he is dreaming. That is the biggest cop out I have seen from this minister so far, and it is a pretty big list of cop outs.

He knows—because he has told me—that the Malaysian government will not agree to legally-binding protections for people sent to Malaysia. That can happen in two ways. They can sign the convention, which I do not believe they are going to do, or they can put legally-binding protections in their own law, which the minister has told me they will not do. I have told him that the coalition has major concerns and rejects the policy on the basis also of the 800 cap. As we know, 800 people can turn up in a week under this government, and the cap remains a significant problem. The universality of the application of this policy means that it breeds exceptions, which creates products for people smugglers to sell.

These are the weaknesses of the policy. I have been saying this ever since they announced it and the minister has not sought to change one element of the policy to bring it back here. If the minister has given up on Malaysia, that is his decision. The bar has been set by Houston, and the bar has been set by the opposition. This minister is not even going to have a crack; he will not even try and bring in an improved policy and let it face the test of this parliament, because he knows it is a dog of a policy.

There is also the chronic issue happening at Christmas Island and other places around the country as we speak, which is one of the reasons the government is seeking more money from this parliament. That chronic issue is what is effectively the asylum freeze mark II. We have had 5,700-plus people turn up since the 14 August announcement that people may be subject to transfer to Nauru. As I said, there is only a one in 10 chance of that.

This is more people than we had in the detention network that was subject to the last asylum freeze, which led to riots and burning the place down.

This government just does not learn from its mistakes. It is repeating a policy failure of freezing these applications, leading to tension, cost and the build-up of difficult issues in detention centre. Last time this ended in chaos. The government needs to come clean on what it is going to do with the escalating number of people who are turning up in Australia every single day.

The other issue is that of turn-backs. We stand by every letter and every word of the policy that turns back where it is safe to do so—and the Australian people know it. It is a key ingredient. The Houston panel acknowledged that it can be done and acknowledged its effect on deterrence. This government will not even look at it because it does not have the heart to pursue that type of resolve when it comes to saving lives on these desperate issues. We stand by it.

The government demonstrated this the other day. It turned back 14 Sri Lankans who turned up—these were the alleged pirates. The minister said we could turn them back immediately 'because they had no credible claims'. I asked the minister about the other 2,900 Sri Lankans who have turned up since the beginning of May. Did they all have credible claims? Really? Did they seriously? Of the 2,900-odd who have turned up since the beginning of May, only 14 did not have credible claims. It is a con. The government knows it can send people back. The government knows it can turn around boats where it is safe to do so. Its heart is not in it. That is what the people smugglers know. That is what the Australian people know. That is why the government has come scurrying into this place again to ask for more money—to pay for more failure.

Mr SIMPKINS (Cowan) (11:18): I appreciate the opportunity to speak today on these appropriation bills. I think everyone in this country would remember what happened in November 2007—the federal election that saw a change in government. I was fortunate enough to be elected by the people of Cowan on 24 November, against the tide and with quite a reasonable swing. I appreciate the honour and the confidence that has been bestowed on me by the people of Cowan as a result of that election, and subsequently in the last general election as well.

At the time of the 2007 election this country had a strong border protection policy. We had a policy whereby the boats had dwindled to as few as one a year, where the emphasis of the humanitarian program was rightly on those who were stuck behind barbed wire in refugee camps around the world. Around 13,000 refugees were brought to this country under the humanitarian program at that time. This was the right and just thing to do. We offer humanitarian support and we offer a future to those who had no future and to those who had no money to bypass the system. Since then, we have seen a complete reversal of those Howard government policies—the great and humane policies that allow people to come out of refugee camps and to come to this country for a better life.

I will briefly touch on the three aspects of those policies that were reversed. The policies, whilst rejected by the other side at the end of 2007 and 2008, have continued to be embraced wholeheartedly on this side. First is offshore processing. You will have heard a bit about offshore processing in the last year or so. Offshore processing, as I recall, was ended by the current government. In fact, former minister Senator Chris Evans ended up bragging about how Manus and

Nauru islands would fall into disrepair because they had no value because we would have no need of them in the future. That was several years ago. It is amazing how things have turned.

The second aspect of the policy that worked—and why the government continues to have its current problem, its five years of problems with poor border security—is temporary protection visas, which the Labor Party also ended. That has been mentioned on many occasions. The shadow minister has spoken about temporary protection visas on many occasions, I have and anyone on this side of the House who has spoken about these matters has talked about temporary protection visas.

The third pillar of the coalition's policy, a consistent 10-year policy on border protection, is turning the boats back where it is possible to do so.

When this country, under a future government, can return to having a good relationship with Indonesia, we can prosecute that pillar of the coalition's immigration policy as well.

It was interesting yesterday when the Prime Minister, in response to a question put by the shadow minister for immigration, the member for Cook, said very strangely, 'I would also say to the shadow minister it really does strike me as a little bit strange that month after month after month he came into this parliament saying that Nauru was the answer'. Of course, that is not true. The member for Cook has never said and we have never said, that Nauru was the be-all and end-all. Whilst it may be convenient for the Prime Minister to be very revisionist on this—to mislead this place and mislead everybody on this, along with other matters—that was never the case. What she said yesterday was not accurate to any degree. It was certainly said with the intention of not being accurate. The reality is that our policy has always been very clear. There have always been three aspects to it: offshore processing, temporary protection visas and turning the boats back where possible.

It is very clear that there is a real willingness among those opposite to backflip, change and walk away from what many on that side have said. They believe so strongly in calling it a moral issue. They have a depth of feeling about it, yet repeatedly we see them walking back from that. We see them backflipping from that. We see them being inconsistent in these matters. Those opposite stand up in this place, put their hand on their heart and say 'I have a conscience on this, and I cannot do this particular thing'. So many who spoke were so completely against the excising of the Australian mainland; but shortly they will vote for it. That is something they will have to live with in the future. It will keep them up at night if they really believe it. I guess, if it has always been about the politics, then maybe they will sleep well.

These bills are about appropriations. It is little wonder that this government has run out of money. What we have seen in the last month are 41 boats and more than 2,100 people arrive. There were 17 boats just last week with 621 people on board. Last financial year each illegal boat arrival cost an average of $12.8 million. The burden the Australian taxpayer continues to bear under this government is $175,000 per person. Customs and Border Protection, with the government's cutbacks and having to focus so strongly on this—with either the Navy or Customs providing the water taxi service to escort these people into the country—are at breaking point. We have record populations in detention centres, with tents going up even on Christmas Island.

Now we see that Nauru has decided they will up their visa charge from $100 to $1,000 per month for those that this government sends there. As part of that, I note that something like only 6.8 per cent of people that came by boat in recent weeks have been sent to Nauru. It is hard to work out who has been selected to go to Nauru. One of my constituents told me that she had heard that it was just those from Sri Lanka. So those that come from Afghanistan and the Middle East—those people that buy a commercial airline ticket, fly to Indonesia, go and see the people smugglers and then pay the people smugglers to get on a boat before losing their passport in the Timor Sea—are not being required to go to Nauru. It is very selective, and there is a fair bit of smoke and mirrors around the whole Nauru issue. The reality is that Christmas Island is full and continues to be topped up with those that come from the Middle East by boat whilst a small number of those that come from Sri Lanka end up going to Nauru.

I listened to the member for Cook talk about the minister's approach to those that participated in the detention centre riots about a year or so ago. Out in my electorate of Cowan those riots caused a lot of angst. So many people would say to me: 'What is it with these people? We provide them with accommodation, we provide them with three square-meals, we provide them with unfettered internet access apparently, a gym and—in the case of Northern—the best sporting facilities in the state. The federal government provides them with all that, yet still they riot, still they destroy our facilities and still they cost the taxpayers even more money.' It was interesting what the member for Cook said: three people that were actually convicted of the destruction of the taxpayers' property, Australian property, were, by this minister, given permanent protection visas.

One of the things people say consistently about law and order matters out in the suburbs of Australia is that they want accountability for bad behaviour, for criminal behaviour. If people do something wrong they want the person who has done something wrong to be

held to account for it. If that is deportation or if that is incarceration then that is exactly what people want. I am sure my constituents will be very disappointed that those three were given permanent visas.

I know I am starting to run out of time now but that I will have another opportunity, maybe later today or tonight or tomorrow, to talk about the federal government's latest backflip. I am glad they have walked away from years of earnestly held views on the excision of the Australian mainland as a policy option. That debate is coming back to the House, and we look forward to that debate.

I would like briefly to go back through some of the additional blowouts. This measure we are debating today will amount to $1.7 billion of additional costs, as I understand it. The government have allocated the blame for that to the panel led by Angus Houston but, in actual fact, so much of that is just because, again, the government budget figures do not work out. They always underestimate everything and overestimate the amount of money that they can save or generate from tax, and now—surprise, surprise!—the boats are arriving at four times the rate the government estimated in the May budget. So they have stuffed it up again, and $1.3 billion of the $1.7 billion was about the failure to get the figures right.

Former minister, Chris Evans, was so happy about how Manus and Nauru facilities are being run down. But now $268 million will be needed to upgrade those facilities. He took such joy in them being run down. Of course, we still have the issue of the cost of the additional 25,000 places for refugee and humanitarian intake over the next four years. As the member for Cook mentioned before, that would amount to about $1.3 billion to cover the cost of those extra places. Here we go again—whether it is the rights in detention centres, the destruction of property or the weak borders that have led to increasing amounts of blowouts of billions and billions of dollars, those extra places amount to $1.3 billion of extra money. That is more than the amount of money that has been allocated to the fairly small trials of the National Disability Insurance Scheme.

It really does say it all about priorities and how this situation has completely gone beyond the control of the government. The only way this is all going to end is when the policies that worked are returned to this place, and the only time that is going to happen—as clearly the Independents are in lockstep with the government on all these matters—will be with a change of government. I think a lot of people in Australia and a lot of people who believe in this country are hoping that that will be at the next election.

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:33): I bring the debate on the Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 1) 2012-13 and on the Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 2) 2012-13 to a close. I thank those members who have made a contribution.

These supplementary estimates appropriation bills seek authority from the parliament for the expenditure of money from the consolidated revenue fund to provide additional appropriation to the Department of Immigration and Citizenship. The total additional appropriation being sought through these bills is just under $1.7 billion. These bills provide $668.6 million to implement the recommendations of the expert panel on asylum seekers, led by former Air Chief Marshal Angus Houston, including funds for capital works and services for regional processing facilities on Nauru and Manus Island in Papua New Guinea.

I turn to note a few things in reply to the comments of those opposite. The member for Cook had quite a bit to say about the cost of opening Manus Island and Nauru—and it is expensive. This government has always said it would be expensive. I remember the shadow minister for immigration saying that it would cost around $10 million. The Leader of the Opposition said that it would require some emergency gardening, and that was all that was required to get the Nauru facility up and running, which was always patently false. The member for Cook engaged some costings, and I have had a fair bit to say about those elsewhere in terms of their veracity. They were patently false as well.

Of course, the government have always recognised that opening Manus Island and Nauru would be expensive. We have taken the view that—given the opposition's refusal to allow the passage of the Malaysia agreement, which was always our preferred policy response and which would be done more cheaply and more effectively—we would open the Manus Island and Nauru detention facilities as part of the suite of measures recommended by the expert panel. But, of course, it was always going to be very, very expensive. Funding sought in these appropriation bills is consistent with MYEFO and already budgeted through that process.

I will also briefly to respond to the member for Cowan, who just spoke. He said a number of things that are not particularly germane to the appropriation bills but, given he raised them, I will respond. He said that only Sri Lankans are being sent to Nauru and that a constituent had told him that. But he could have checked with me, because that is patently false. It is also sending out a very bad message for him to say that in the national parliament. It is sending a message to people who are not from Sri Lanka that they would not be sent to Nauru. For his information, there are

currently 19 Iraqis, 24 Iranians, 58 Afghans and 43 Pakistanis on Nauru.

We have also removed more than 70 people from Australia since the announcement that we were implementing offshore processing. During the same time frame, after the Howard government had introduced offshore processing, they had not removed anybody from Australia. So 70 is a relatively small number compared to the number of arrivals—I accept that—but it is more than the Howard government had achieved at the same time and does show and underline the fact that people smugglers are selling lies.

I also want to raise that the member for Cowan criticised—and the member for Cook, I am sure, did as well—the government's decision to increase the humanitarian intake to 20,000. The member for Cowan said it was an additional 25,000 places. It is not. It is 20,000 in total, not an additional 25,000. Nevertheless, he said this was a bad thing. He spoke throughout his speech about consistency and how the opposition was consistent.

He seems to have forgotten his leader, standing at that despatch box and saying that the Liberal Party, if it attained government, would increase the refugee and humanitarian program to 20,000. That was a couple of months ago. The Leader of the Opposition, the member for Warringah, stood at that despatch box and made that commitment, and now the member for Cook and the member for Cowan are saying how terrible it is that the government has increased the humanitarian program to 20,000. Let us not hear this argument about consistency when you have a Leader of the Opposition who stood there and made that commitment a couple of months ago. I understand that they have now ripped that commitment up—it only lasted a day. Nevertheless, I will not have this lecturing from the opposition about consistency in this area.

Finally, the member for Cowan raised the issuing of visas in relation to the Christmas Island and Villawood disturbances. I remind him that this government changed the law to strengthen the character test. Since then, I have denied permanent visas to four people under that character test in relation to offences committed in detention. Having done that, I remind the opposition that they were in office for 12 years and they had riots at Woomera and Baxter and elsewhere. I ask this question of the House: how many permanent visas were denied to people convicted of offences in those riots? I will give the House a clue: it is a round number. It is zero; zero is the number of visas denied by the previous government. I have denied four permanent visas, and there are other people in the courts whose cases will come to me for decision if and when they are convicted. There are more people there to be dealt with under that process.

We heard some particularly inaccurate statements made by honourable members opposite. Nevertheless, I acknowledge the opposition's support for these appropriation bills. They are necessary to implement the recommendations of the Houston panel and because of the increased number of arrivals that we have seen in recent months. I therefore commend the bills to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:39): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 2) 2012-2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:39): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Human Rights Committee

Report

Mr JENKINS (Scullin) (11:40): On behalf of the Parliamentary Joint Committee on Human Rights, I present the committee's sixth report, entitled *Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011, Bills introduced 9-11 October 2012; Legislative Instruments registered with the Federal Register of Legislative Instruments 20 September-16 October 2012*. I ask leave of the House to make a short statement in connection with the report.

In accordance with standing order 39(f) the report was made a parliamentary paper.

Mr JENKINS: by leave—On behalf of the Parliamentary Joint Committee on Human Rights I draw the attention of the House to the committee's sixth report of 2012.

This report reflects the committee's consideration of ten bills introduced during the period 9 to 11 October and 129 legislative instruments registered between 20 September and 16 October 2012.

In tabling this sixth report of the Parliamentary Joint Committee on Human Rights I would like to draw the attention of the House to the approach the committee has taken to limitations on the right to privacy in bills considered in this report.

Article 17 of the International Covenant on Civil and Political Rights, the ICCPR, provides that no-one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation. It provides that everyone has the right to the protection of the law against such interference or attacks.

The right to privacy is one of the rights most commonly engaged in the bills considered by the committee to date. It may therefore be helpful if I outline some of the factors the committee has considered in determining whether provisions that limit this right are compatible with the right.

A wide range of government legislation, policies and programs have the potential to limit the right to privacy, including measures that:

- involve the collection, storage, disclosure or publication of personal information;
- provide for sharing of personal information across or within agencies;
- authorise powers of entry to premises or search of persons or premises; and/or
- provide for mandatory disclosure or reporting of information.

Such measures all amount to an interference with the right to privacy.

In order for any interference with an individual's privacy to be lawful and not to be 'arbitrary', the interference can only take place on the basis of law and must be for a legitimate objective and be reasonable, necessary and proportionate to that objective.

The relevant legislation must specify the precise circumstances in which interferences with the right to privacy may be permitted and should not give decision makers too much discretion in authorising interferences with privacy.

The legislation should provide proper safeguards against arbitrary interference.

In this sixth report the committee considers three bills that engage the right to privacy. The committee's comments on each of these bills highlight some key considerations that the committee applies to provisions that seek to limit this right.

The Crimes Legislation Amendment (Serious Drugs, Identity Crime and Other Measures) Bill 2012 includes a range of measures that seek to strengthen the Commonwealth's serious drug offences framework and ensure this framework remains up to date and effective in combating the illicit drug trade.

The bill creates new offences and police powers relating to the use of false identities for the purposes of travelling by air and gives police new powers to request identity information at airports.

The statement of compatibility for the bill acknowledges that this requirement engages the right to privacy and sets out a detailed justification for the necessity of the powers. The statement points to the inclusion of appropriate safeguards to ensure that the powers are connected to the objective and are no more restrictive than necessary.

In this case, the committee concurs that these powers are unlikely to raise issues of incompatibility with the right to privacy, and any interference with privacy would appear to be necessary to achieve the legitimate objective of investigating specific offences under the bill. The committee has noted in its report that the provisions appear to be drafted with sufficient precision and contain appropriate safeguards to ensure that the degree of interference in this case is proportionate to that objective.

The Fair Entitlements Guarantee Bill 2012 provides a scheme for the provision of financial assistance to former employees whose employment has ended as a result of the winding up or bankruptcy of their employer and who have not been fully paid for work done.

This bill provides for the sharing of personal information about an employer or employee between the department and other parties who have a need for the information in relation to the administration of the bill.

The committee considers that the information-sharing provisions in this case appear to be broadly consistent with article 17 of the ICCPR, as the proposed interference with the right to privacy is likely to be necessary to achieve the aim of administering this scheme and the provisions appear to be drafted with sufficient precision to ensure that the degree of interference is proportionate to that objective.

However, the committee notes that information may be disclosed under the bill to persons who are contracted by the Commonwealth for the purposes of passing an advance made under the scheme on to a recipient. The statement of compatibility notes that each specified party or agency to which information will be disclosed has its own legal and professional obligations about the collection, storage and use of personal information under privacy laws.

In addition, the statement claims that persons who are contracted by the Commonwealth will be bound by

relevant privacy clauses in their contract. However, the committee notes that this requirement does not appear to be prescribed in the bill. The committee notes that there is no provision for an offence for the unauthorised disclosure of personal information, as is a common feature in legislation that permits the disclosure of personal information for certain purposes.

The committee has therefore written to the relevant minister seeking his advice regarding the desirability of including express privacy obligations for contractors in the legislation and seeking clarification for the decision not to explicitly prohibit the unauthorised disclosure of personal information.

The final bill I draw the attention of the House to today is the Regulatory Powers (Standard Provisions) Bill 2012.

This bill establishes a framework of standard regulatory powers exercised by Commonwealth agencies. The key features of the bill include monitoring and investigation powers as well as enforcement provisions through use of civil penalty, infringement notices, enforcement undertakings and injunctions.

The explanatory statement to the bill states that the investigation powers contained in the bill are commonly found across the statute book. The investigation powers provided in the bill include powers to search and seize evidential material as well as inspect, examine, measure and test anything on the premises. The bill provides for the use of civil penalties, infringement notices and injunctions to enforce provisions and the acceptance and enforcement of undertakings relating to compliance with provisions.

To activate the bill's provisions, new or existing Commonwealth laws must expressly apply the relevant provisions and specify other requisite information such as persons who are authorised to exercise the applicable powers.

While the committee appreciates the significance of this bill in potentially simplifying and streamlining the statute book, the committee has found it difficult to determine the operation of the individual provisions and how they may impact on human rights from the level of detail provided in the statement of compatibility.

Because the bill is one of general application, the committee considers that it would be difficult to reach a definitive view on the bill's human rights compatibility. The committee considers that each application of the bill's provisions would need to be assessed on a case-by-case basis. Indeed the explanatory memorandum to the bill notes that future legislation incorporating provisions in this bill will be subject to parliamentary scrutiny and that this ensures that distinct assessments of human rights engagement and compatibility will be apparent in the drafting and scrutiny process.

Nevertheless, the committee considers that the overall compatibility of this bill with the right to privacy might be improved by the inclusion of adequate safeguards to ensure that the relevant powers are, as far as possible, appropriately targeted and circumscribed to minimise the risk that they could be exercised inconsistently with human rights.

In this regard, the committee notes that the bill would appear to apply the full range of powers to each triggering law regardless of their necessity to the particular regulatory scheme.

The committee has therefore written to the Attorney-General to seek further clarification regarding the intended operation of the bill and, in particular, whether consideration has been given in drafting the bill to including safeguards to ensure that the powers will be exercised in a manner that is proportionate to its purpose and whether safeguards for the storage, use and disclosure of any personal information collected through the exercise of these powers have been considered.

My intention in drawing these three examples to the attention of the House today is merely to illustrate how the committee approaches the question of compatibility with the right to privacy and the circumstances in which the committee may determine that further information or clarification from a minister may assist the committee's deliberations. I hope this insight into the committee's approach will be of assistance to the parliament in making use of the committee's reports. I hope that it will be of assistance to ministers and their departments and to members and senators in the consideration of the human rights implications when drafting legislation and preparing statements of compatibility.

I commend the report to the House.

Corporations and Financial Services Committee

Report

Ms O'NEILL (Robertson) (11:53): On behalf of the Parliamentary Joint Committee on Corporations and Financial Services I present the committee's report entitled *Statutory oversight of the Australian Securities and Investments Commission.*

In accordance with standing order 39(f) the report was made a parliamentary paper.

Ms O'NEILL: by leave—It is always a pleasure to be able to report on the work of the Joint Parliamentary Committee on Corporations and Financial Services and, indeed, to be in the parliament and hear the reports of fellow chairs of committees indicating the work that goes on in this place. We live such busy lives in this place that we often move around and do not hear

about the great work that is going on. I am sure people sitting in the gallery today will find that they have heard much more by sitting in the chamber than they might through other sources.

Regarding this report, I am very pleased to report that we are fulfilling our responsibilities for the oversight of the Australian Securities and Investment Commission. As the House would be aware, section 243 of the ASIC Act directs the committee to inquire into and report on ASIC's activities and matters relating to those activities to which the parliament's attention should be directed. In fulfilment of this statutory function, the committee currently holds four oversight hearings per year and routinely directs matters of interest to the parliament's attention.

Today I am pleased to speak to the committee's report, which draws on evidence from the oversight hearing held in September this year. I would like to draw this House's attention to three matters arising out of the oversight hearing: firstly, the collapse of Trio Capital and our continuing inquiries into that matter; secondly, the Australian superannuation industry and reports regarding that sector; and, thirdly, ASIC resources.

Regarding the collapse of Trio Capital, the committee's response and our continuing determination is to ensure that people who were caught up in that collapse understand that we do not believe that our inquiry into the collapse of Trio Capital ended with the tabling of the committee's report in May this year. Indeed, the committee continues to monitor ASIC activities in response to the corporate collapse. At the September hearing ASIC noted that it is undertaking a report on the custodian industry, consultation on the regulation of research houses and the development of regulatory guidance to improve disclosure by hedge funds—all vital work arising out of the context of that collapse.

The committee considers that such steps are fundamentally important. The Trio collapse highlighted weaknesses in key checks and balances in Australia's financial and superannuation system and expectation gaps between the perceived and actual role of gatekeepers such as custodians and research houses. The committee will certainly continue to monitor developments in this area with interest and will continue to report to the House on ASIC's activities. People who are particularly interested in this area will, I am sure, be reassured by that ongoing activity by ASIC in this area.

Regarding Australia's superannuation industry, ASIC reiterated its advice that the continuing growth of the superannuation industry will strongly influence Australian financial markets in the coming 12 months and indeed the coming decades. The committee was informed that the superannuation industry is an area of high-level focus for the commission. I am pleased to report that ASIC has established a self-managed superannuation fund task force to examine the advice currently available to investors and consumers and to consider options to improve investor awareness and financial literacy. The committee is particularly interested in the work of the self-managed superannuation fund task force. It is the committee's view that the task force should comprise representatives from other regulators of Australia's superannuation and SMSF sectors, such as the Australian Taxation Office and the Australian Prudential Regulation Authority. The committee will actively seek from ASIC updates on the work of this important task force and will appraise this House of ASIC's activities.

The committee also received considerable information from ASIC regarding their resources. In August this year, when tabling the committee's third oversight report for 2012, I drew the House's attention to the resources that are available to ASIC. Further detailed information about ASIC's resources and expenditure was provided at our September oversight hearing. Indeed, we received a detailed analysis of the commission's allocation of its resources, which it then uses to undertake surveillance activities.

In summary, ASIC considers that Australia's financial system is based on self-execution and relies on gatekeepers doing the right thing. ASIC chairman Mr Greg Medcraft advised that the commission is not resourced to look into everybody's accounts and situations. Accordingly, it takes a considered risk based approach to surveillance.

The committee appreciates ASIC's candour regarding its interpretation of its statutory duty to enforce the Corporations Act and related legislation. The committee reiterates its previously stated view that the commission must be appropriately resourced to take all necessary and reasonable action to promote fair, efficient and safe financial markets.

However, enforcement and surveillance are only one part of an appropriate regulatory model. The committee considers that proactive education is a necessary aspect of a well-balanced, effective regulatory framework, and the committee is interested in measures that the commission has previously taken, is currently taking and could take in further extension over the coming months to improve financial literacy and investor education.

The importance of the Australian Securities and Investments Commission to the proper functioning of Australia's financial markets cannot be overestimated. Parliament established the commission to ensure the fair and efficient regulation of Australia's markets. The parliament also tasked the Parliamentary Joint Committee on Corporations and Financial Services to

monitor ASIC's activities and ensure that the commission is fulfilling its statutory responsibilities to maintain, facilitate and improve the performance of Australia's financial system.

The breadth of the regulator's responsibility is substantial, covering gatekeepers in Australia's financial system, Australia's superannuation system and Australia's national business names register, as well as trading on Australia's domestic licensed markets. These are a few, but by no means all, of the areas within the regulator's purview.

At the next ASIC oversight hearing, the committee will be seeking ASIC's advice regarding the following matters: the regulator's continuing response to the collapse of Trio Capital; the work of the self-managed superannuation fund task force; ASIC's continued supervision of real-time trading on Australia's domestic licensed markets, and in particular Australia's unlit markets; and the commission's enforcement and litigation strategies, particularly in the light of the High Court of Australia's decision in the Fortescue Metals case—to name some substantive things we will be engaging in, not to exclude any further matters that might be of interest to the committee. The committee will hold its fourth ASIC oversight hearing for 2012 on Friday, 23 November 2012. The report for this hearing will be tabled in the 2013 autumn sittings.

Mr FLETCHER (Bradfield) (12:01): by leave—I am pleased to rise to comment on the most recent report of the Parliamentary Joint Committee on Corporations and Financial Services in the discharge of its statutory oversight of the Australian Securities and Investments Commission. I want to highlight two aspects of the matters that were discussed by the committee with ASIC at the most recent hearing. Once concerns the collapse of Trio and the other concerns the implementation of the so-called FoFA, Future of Financial Advice, reforms.

Let me speak firstly in relation to Trio. At the hearing, ASIC reiterated its view that the loss suffered by investors in ARP Growth Fund ultimately resulted from investment decisions rather than fraud. In response to a question from me, where I asked, 'So it is your view that it was a genuine, albeit risky, investment rather than a vehicle promoted by fraudsters?' Mr Price, of ASIC, responded, 'We have seen some of the agreements relating to the collateralised leveraged credit default swaps and we consider them to be genuine,' and Mr Medcraft responded, 'We have looked at some of the reference entities on the swap as well, and they were genuine.' Let me repeat my view that this is a convenient conclusion for a regulator to reach, but it appears to me to be a conclusion which the facts do not presently allow to be reached. I do not say it could never be reached in the future but, based upon what is known right now, I am unpersuaded by ASIC's view—and I will indicate some reasons for that.

Firstly, it is clear that a number of dubious individuals are heavily involved in the overall factual matrix concerning Trio. Secondly, Mr Paul Gresham, later known as Mr Tony Maher, was involved in the management of the ARP Growth Fund—indeed, he was the key figure. This is a man from whom ASIC have now obtained an enforceable undertaking. So, on the one hand, ASIC think there is something dubious about his conduct, yet on the other hand they appear to be satisfied that there was no fraud in the way the money was invested. Another factor is information that I am aware of, which I know ASIC is also aware of, about the path traced by the funds invested by the ARP Growth Fund. I will not say or disclose more about that as I do not want to prejudice potential further investigations.

ASIC also informed the committee that it does not think there is a sufficient basis to charge the man who is widely thought to be the mastermind of the Trio fraud, Jack Flader—although ASIC conceded that it had not discussed the matter with the Director of Public Prosecutions before reaching this view. ASIC also told the committee that it does not intend to take any civil action against the auditors of the Trio fund, nor against any other parties. It made this statement in answering a question that I had put on notice. It had this to say:

> ASIC does not propose at this stage to pursue civil action against the Trio auditor.
>
> In respect of possible recoveries from other parties, ASIC has looked at a range of persons and entities. Of these persons and entities considered we have not identified any significant funds, assets or insurance that would satisfy a judgement debt even if ASIC identified and successfully pursued a claim against these persons.
>
> We are aware that a claim bought in the Supreme Court of New South Wales by an investor in the Astarra Strategic Fund has been settled in favour of the investor. Notwithstanding this successful proceeding we are of the view that the funds/assets available are not sufficient to adequately compensate all the affected investors in the Astarra Strategic Fund given the size of the total losses.

This is, again, a disappointing answer. In particular it is hard to reconcile this answer with the fact that, although there is now a limitation on auditors' liability of 10 times their professional fees, that limitation has only been in place since 2008, whereas the Trio fraud goes back several years earlier. I repeat my view that I am underwhelmed by the vigour with which ASIC and other regulators are pursuing this fraud.

Indeed, I am surprised at the leisurely approach which is being taken, when $176 million has been defrauded from Australian superannuation investors.

In particular, I do not understand why, in the case of other major instances of Australian investors losing

millions of dollars, such as Westpoint and Storm, ASIC has, quite correctly, had a clear focus on seeking to recover moneys lost by investors, but that does not appear to be a priority for ASIC in the case of Trio. I refer to the answer to the question on notice that I have just cited.

Once again, I call on the Minister for Financial Services and Superannuation to show some urgency on this issue. Remember that this is the minister who earlier accused the self-managed superannuation fund investors involved in Trio of 'swimming outside the flags'. For example, I wonder why the minister has not directed ASIC to form, jointly with other regulators, a task force of officials directed towards aggressively litigating against any party involved with a view to recovering any moneys which may be involved for recovery.

Let me turn to another matter I want to briefly speak about, which is the implementation of the Future of Financial Advice reforms, the FoFA reforms. The committee's report refers to the assurances of ASIC officials that ASIC is a consultation paper 189 entitled 'FOFA: Conflicted Remuneration'. I quote from one letter I have recently received:

> We are concerned that we will be dragged into a very rigid remuneration structure that is unworkable for a boutique investment management firm which traditionally operates on a performance based approach (in the way of most professional service firms).
>
> [Our firm] manages investment portfolios for non-retail clients on a discretionary basis. We charge an asset based fee for management.
>
> I have attached the pages of Paper 189 that worry us. Despite the reference to retail clients we understand that where conflict of interest is concerned ASIC will make no distinction between wholesale and retail. Effectively where one of the KPIs—

that is, key performance indicators—

> for portfolio managers is raising of new money we will be caught in the net and the bonus structure will be limited to 5-7% of base salary and that bonus will be widely defined as in para 68. This is a totally unworkable business model.

That letter highlights one of the problems we are seeing, which is that the approach to the implementation of FoFA is going to catch businesses and organisations which operate well beyond the set of factual circumstances which originally led to the Ripoll inquiry, namely, the investments failures of ventures like Storm and Westpoint, which of course were targeted at unsophisticated retail investors.

By contrast, the firm referred to in the letter that I have quoted from is a boutique investment adviser serving sophisticated non-retail clients. I would urge ASIC to give careful consideration to the way it has drafted consultation paper 189 and to take account of these concerns.

Treaties Committee

Report

Mr KELVIN THOMSON (Wills) (12:11): On behalf of the Joint Standing Committee on Treaties I present the committee's report, incorporating a dissenting report, entitled *Report 130: treaty tabled on 14 August 2012*.

In accordance with standing order 39(f) the report was made a parliamentary paper.

Mr KELVIN THOMSON: by leave—This report contains the committee's views on the Malaysia-Australia Free Trade Agreement, which was tabled on 14 August.

This agreement is Australia's latest bilateral free trade agreement with a member of ASEAN. Australia has previously made bilateral free trade agreements with Thailand and Singapore.

Like those agreements, this treaty has been made to build upon the ASEAN, Australia and New Zealand Free Trade Area agreement, which entered into force in 2010.

According to the Department of Foreign Affairs and Trade, the agreement will deliver benefits to Australian producers, exporters, consumers and investors and provide a platform for trade and investment liberalisation between Australia and Malaysia in the future.

The department was especially pleased with progress made towards reducing Malaysian non-tariff barriers, particularly in relation to rice and milk.

Australian milk exporters will be able to access additional Malaysian quotas, including for higher value products, on MAFTA's entry into force.

Australian rice exporters will have open access to the Malaysian market from 2023, with the complete elimination of tariffs by 2026.

Other participants in the inquiry raised some issues of concern about the agreement, including:

- how this agreement will interact with others applying to trade between Australia and Malaysia;
- the method of demonstrating the country of origin of traded products; and
- the inclusion of environmental and labour standards in free trade agreements.

This last issue is one close to the heart of a number of members of the committee. This agreement contains two legally binding side letters that form part of the agreement on labour standards and the environment.

Nevertheless, the committee reiterates its previous recommendation that labour and environmental standards be included in FTAs rather than in 'side letters'.

Given that my electorate contains many manufacturing employees, a particular concern of mine is the role that free trade might play in job losses in manufacturing.

In August, the respected US foreign policy think tank, the Council on Foreign Relations, published an article containing evidence that free trade has played a role in job losses in manufacturing, at least in the United States during the past decade.

In terms of the agreement under consideration here, the Federal Chamber of Automotive Industries believes that non-tariff barriers and local content rules that are in place in Malaysia make it unlikely that Australian-built vehicles will be exported to Malaysia. Conversely, the chamber believes the agreement will facilitate a significant increase in Malaysian vehicle imports to Australia.

In response, the department argued that studies showed the importance of free trade and complementary policies to support inclusive growth and job creation, particularly macroeconomic policy, a positive business environment, a flexible labour market, high-quality education, skills training systems and adequate safety nets.

Treaty negotiation is a set of trade-offs between both parties. It is important to the people in my electorate that Australian negotiators provide balanced outcomes when agreements are reached, rather than making compromises for the sake of reaching an agreement without meaningful compromises being made by the other party.

When I look at the outcome of negotiations in relation to rice, one of the highlights of this agreement, I can see that the Malaysians will not need to take any action for another 10 years.

In the interim, I note the potential for immediate increases in Malaysian car imports.

I worry about the impact on people in my electorate and wonder whether this constitutes a balanced outcome.

Given this, the committee has made three recommendations in this report, two of which go the issues I have just mentioned.

The committee has in the past recommended that an independent analysis of the potential benefits and disadvantages be prepared prior to engaging in the negotiation for a free trade agreement.

The committee recognises that the government has in recent years released statements prior to the commencement of free trade agreement negotiations.

But the committee still believes that such agreements require detailed independent analysis.

Accordingly, the committee has again recommended that an independent analysis of the potential benefits and disadvantages be prepared prior to engaging in the negotiation of a free trade agreement.

The committee has also in the past recommended that the Department of Foreign Affairs and Trade undertake and publish a review of the operation of free trade agreements.

In relation to the Chile free trade agreement, the committee recommended that the review take place after two years of operation and address specific concerns raised in relation to that agreement.

In response, the government argued that the agreement required a review that would be presented to the relevant minister, at whose discretion it could be published.

The committee is not satisfied with this approach. It does not, for example, specifically address the issues of concern expressed in the report, nor is there any commitment to be transparent about the outcome.

The committee strongly believes that the government needs to be responsive to the concerns and transparent about the actual results of free trade agreements.

If free trade agreements are as beneficial as the government asserts, it should be prepared to stand by that conviction by undertaking and publishing an analysis of what a free trade agreement has achieved.

Notwithstanding this, the committee concluded that the Malaysia-Australia Free Trade Agreement should be supported with binding action.

On behalf of the committee, I commend the report to the House.

BILLS

Fair Work Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms LEY (Farrer) (12:17): I rise to speak on the Fair Work Amendment Bill 2012. It absolutely astounds the coalition that this legislation, which was introduced at I think 4.30 yesterday afternoon, has now appeared on the *Notice Paper* for debate at the second reading stage. We have had less than 24 hours to consider the ramifications of this bill. It is a bill that will affect each and every employee, independent contractor and employer in Australia, yet this parliament has had so little time to consider it. The minister would have us believe that the process which brings this amendment bill before the House has integrity. I say that it does not. The minister explained it this way in his own second reading speech. He promised a review of the Fair Work Act. He then appointed an independent panel to conduct the review. The independent panel had wide-ranging terms of reference approved by a regulatory office within the Department of Finance and

Deregulation. It came up with 53 recommendations and today we are discussing the first tranche of 17 of those recommendations.

That is what the minister said, but the reality is quite different—and I note that, along the way, the minister has been mugged by reality. Having promised this review, which the government could not back away from, the minister hand-picked the three members of the independent panel. I do not want to name those individuals or cast aspersions on them, but anyone can look at their remarks on the public record over a long period of time and make up their own mind as to whether they are independent or not. The minister's office then skewed the terms of reference originally drafted by the department, which probably were quite wide ranging. Freedom of information documents prove that beyond a doubt. The terms of reference having been skewed and, in the process, narrowed—so that they did not include productivity, red tape, flexibility or the effect of union militancy—these narrow terms of reference were then used by this not independent panel to come up with, unsurprisingly, a statement that said the Fair Work Act is working well, meeting its objectives and economic outcomes and is all quite favourable.

But, as I said, the minister was mugged by reality, because among these 53 recommendations that the minister has to take note of are some that he is not taking note of in this legislation today, which he is rushing before the parliament even though we could have a serious and sensible Senate investigation in the three weeks before the parliament rises at the end of the year. Yes, it would be good to get it through in the spring sitting—and we have got four weeks to go—but what we see now is a 24-hour process. I condemn that utterly because it is not reasonable, it is not sensible and it is not in good faith.

The minister was presented with a review into the Fair Work Act back in June. Having strung out the time line lends even more incredibility to the sudden introduction of the legislation into the parliament. The minister was presented with a review in June. It was publicly released in late July or early August. The minister then took until October to deliver his response. He had what he described as genuine consultation. To say it was a sham consultation would probably be a little bit unfair, but a lot of people were not consulted—and have not been consulted on this bill either. The coalition certainly were not consulted, even though we have made ourselves available in good faith as oppositions do from time to time when it comes to important pieces of legislation.

So the response was delivered in October and now we have to consider this legislation within a matter of hours. Rushing it through the parliament does nothing for the integrity of the parliament and it does show disrespect for members.

The first tranche of reforms that the minister brings to the parliament today has some major omissions. In fact, I think what the minister has done is pick the least contentious ones—creating an atmosphere of activity and an agenda that is happening but really picking the least contentious. We think, as a priority, these initial reforms should address the strike first, talk later mentality that has pervaded the more militant unions and has been demonstrated in the JJ Richards case. I want to remind the House of that case because it demonstrated a major inconsistency between the stated Labor government policy on workplace bargaining and the written legislation. The waste disposal provider JJ Richards was unsuccessful in its attempts to overturn a Fair Work Australia decision, a decision that sets the precedent of allowing unions to take strike action without the support of a majority of workers. We would contend that that inconsistency between the government's stated legislative intention and reality, as proved in the Federal Court, is something that—if the minister really does want to address something in a hurry—should be addressed in a hurry. In fact, the justices of the Federal Court said:

> … the ability to take protected industrial action 'is to be seen as part and parcel of the statutory regime for bargaining in pursuit of, or in resistance to, the making of such agreements'.
>
> However, they said the drafting of the Fair Work Act (s.443) meant it was simply not possible to construe the Act's requirements in that way.

I am not a lawyer, but I would say that that is a clear indication from the Federal Court that there is a need to change the law to properly meet, and bring legislative clarity to, this area. The hypocrisy of this government is that the legislation does not reflect its previously stated position on the issue of unions taking strike action in circumstances where they cannot muster the support of the majority of workers for such action.

In the first instance, the Federal Court's judgement accepted that the argument advanced was understandable and reasonable but for the specific wording in the Fair Work Act which entitles unions to obtain protected action ballots in circumstances where reasonable people would argue that that should not be allowed. The fact that the minister has refused to even comment on the review recommendation that would fix this up is alarming and could be seen as an indication that this was their original intent—appeasing their union comrades. This is despite the then government leader, Kevin Rudd, promising that the Fair Work Act would not allow the return of strike first, talk later.

Furthermore, there is nothing in these initial reforms to address concerns raised by the High Court in a unanimous judgement in the Barclay v The Board of Bendigo Regional Institute of TAFE case, where it was

found that union bosses should not be an untouchable class in the workplace—something also recommended by the Fair Work Act review. Yet the minister himself intervened in this case, on the side of the union boss, Mr Barclay, arguing that it was actually the intention of the Fair Work Act to make union bosses untouchable, even if they did the wrong thing. Regarding this intervention, Justice Heydon said:

> … the Minister's stance before and during the oral hearing was not that of an intervener, but that of a partisan. For example, some of the Minister's oral submissions were directed to factual material. This is hardly the province of an intervener.

This intervention, by the way, came at a cost of $160,000 to the Australian taxpayer—that is, arguing that it actually was the intention of the Fair Work Act to make union bosses untouchable even if they did the wrong thing. This is a minister who could not leave the judicial process to run its course and reach its conclusions without that demonstratively partisan intervention.

It is important to briefly consider the Fair Work Act review itself. I have touched on a couple of the recommendations that have not been listened to by the minister in this initial round of reforms, but I think we also need to contemplate the terms of reference for the review of the Fair Work Act. There were a number of key omissions, as I said earlier, because the terms of reference did not mention productivity, flexibility, concerns around union boss militancy and red tape. A freedom of information request has proved beyond reasonable doubt that the initial terms of reference submitted by the department to the minister's office underwent significant changes at the hands of the minister's staff. Clearly, they are skewed in a particular direction, and I suspect that considerable union consideration was given to the draft terms. In addition to the terms of reference, we should acknowledge the make-up of the panel, which I alluded to earlier. While the panel claimed to be independent, I consider that their left-leaning credentials coupled with those skewed terms of reference that they were asked to consider demonstrate a blatant attempt by the government to influence the findings.

In total, as I said, the Fair Work Act review proposed 53 reforms to the act. The government has put forward 17 recommendations in this initial tranche. However, these 17 reforms are not much more than tinkering at the edges. For the most part, they are not actually overly contentious. So, in this first wave of reforms, we have seen little real indication of a serious attempt on the part of this government to introduce meaningful, necessary reforms. It must be said that this is a somewhat haphazard attempt at reform, not only dealing with the reform of the act but also including changes to superannuation, plus to Fair Work Australia itself.

It is also interesting to see that the review panel's clear recommendation that Fair Work Australia be renamed and include the word 'commission' and not 'fair work' has been partially rejected. Labor could not bring themselves to get rid of the 'fair work' name. They have stuck to their Orwellian and borderline obsession with the 'fair work' mantra. It is interesting that, along with the panel, the President of Fair Work Australia himself has suggested that the name be changed.

Why? I think members opposite have to acknowledge that the entire 'fair work' brand has been well and truly damaged by the HSU saga, by that tawdry series of events that has not yet played out. If you ask people in the community what issues they might associate with Fair Work Australia, they will bring up the HSU scandal. We do not want that. We do not want the independent, quasi-judicial body Fair Work Australia to have its brand trashed or damaged.

We do not want people not to have confidence and faith in the independent umpire. We have always stated that we have confidence and faith in the independent umpire. We do not have any confidence or faith in the minister, and we make that clear. But why wouldn't you change the name? I think the reason is that this whole Fair Work mantra belongs to the Prime Minister. It was well and truly her baby, and for that reason it stays. Comments made in the Fair Work review espoused the views of the new President of Fair Work Australia, Justice Iain Ross. It states:

> He is also a strong advocate for changing the name of the tribunal, arguing that the current title undermines its independence and creates confusion. He proposed that as a minimum the tribunal be changed to 'Fair Work Commission', but said it would be preferable to separate it from the 'Fair Work' brand altogether, and rename it the 'Australian Employment Commission' or the 'Australian Workplace Commission'.

That has not happened.

Another concern held by the coalition surrounds the extension of powers to the president of Fair Work Australia. The coalition believes the powers of the president should not be further widened and that it would be better to maintain the current arrangements, by which failures to comply with sections of the Fair Work Act are grounds for termination. Currently there are two vice-presidents, nine senior deputy presidents and five deputy presidents, and there is a line-up of commissioners and panel members that can be called on for particular inquiries and investigations. So the architecture of Fair Work Australia is quite substantial.

There are some elements of the bill which the coalition applauds. For example, on the issue of costs, consideration 'on the papers' and vexatious applicants, the coalition has long advocated for change, with Senator Abetz on the record calling for this. These calls have seen him attacked by Labor and its union

bosses, but, when they are stated in a $1 million review, they are praised and adopted by the government. So we do appreciate the adoption of the position that we have been putting for some time on costs and vexatious applicants, but we note that there are other serious inconsistencies.

The bill makes some important steps in the right direction. The coalition strongly supports the alignment of the time limit for unfair dismissal and general protections claims at 21 days. In fact, I believe that brings the situation back to where it was under the previous Workplace Relations Act. It was the coalition that amended the Fair Work Act, with the support of the Independents, to extend the unfair dismissal time limit from seven to 14 days.

Regarding the changes being made to Fair Work Australia, I do not believe that the minister has made suitable justification for the appointment of an additional two vice-presidents. I mentioned the substantial architecture of the membership of Fair Work Australia and the fact that further concentration of power seems to now rest with the president. We do not think that is reasonable. Why couldn't the system operate as it does now, with the vice-presidents effectively managing the workload that the president cannot? The concentration of power at the top of the organisation has to be questioned and then responded to by this government. Two more vice-presidents are to be appointed even though power is going to be concentrated in the president. The scuttlebutt is that the minister wants to appoint a couple of his friends to these positions and that that appointment needs to happen sooner rather than later—evidence, we would say, of further intervention in the operations of an independent Fair Work body.

In addition, the government has made no genuine attempt to address the current closed-shop, anti-competitive arrangements for the selection of default superannuation funds under modern awards through Fair Work Australia. The minister has taken the opportunity to use the Productivity Commission review—which he finally got around to initiating—of superannuation and the default superannuation funds that appear in modern awards to respond to that. But he has not done so satisfactorily.

The current process for the selection of default funds under modern awards, initiated by this government and run by Fair Work Australia, lacks transparency, is littered with inherent conflicts and inappropriately favours union dominated industry super funds. If this bill is passed by parliament, it will see the continuation of a process where conflicted parties within Fair Work Australia continue to select default super funds under modern awards. There will not be genuine competition. There will be an additional layer of government intervention, because, in appearing to address this very real problem—this very real unfairness—the minister has announced that an expert panel will be appointed, that the expert panel will create a shortlist, that the shortlist will go back to the President of Fair Work Australia and that then the president will decide what funds will be inserted into modern awards.

Why can't the employer choose the default funds? Why can't the employer choose from the list of funds that would be ticked off under MySuper so that their governance and their accountability is fine, so that they are good funds and so that those who put their money in them would not be putting their money at risk? They might, of course, be retail funds—that is the problem with the minister's approach. Why can't the employer select them? Instead, we have to go through another expensive, convoluted process: a panel, a shortlist and a decision by the President of Fair Work Australia. What is the decision based on? It is based not on working conditions but on what default super funds sit in modern awards. This smacks of intervention in this area by the government, which we oppose.

The government is also seeking to limit the number of MySuper products in modern awards to just 10, contrary to the clear recommendation of the Productivity Commission which was that there should be an unlimited list of default funds. Given that the government is currently in the process of imposing additional consumer protection requirements to all default superannuation funds, there is no rhyme or reason in restricting the MySuper products in the modern awards to 10. All compliant superannuation funds should be made eligible.

There are further recommendations made by the review that the government has also failed to heed. The Productivity Commission's proposed default superannuation panel will not be created as recommended; it will be subsumed into the existing Minimum Wage Panel.

The new panel is not the final decision maker under this bill, as recommended. The full bench of Fair Work Australia will approve default funds in each award after a recommendation. The process of including funds in awards will only occur every four years, starting in 2014, when modern awards are due for review, as opposed to an ongoing application process. All awards must have default funds; currently there are 13 awards that do not list default funds.

The coalition thinks it is regrettable that the review's recommendations on the name change from Fair Work Australia to Australian Workplace Relations Commission has not been accepted. Despite the Labor's rushing this bill through with such haste and sitting on the review for four months, there has been no excuse from those opposite as to why it is suddenly so urgent. I suspect that there is a sense of urgency to appoint these additional two mates to the vice-

presidency roles. I cannot think of any other reason that Labor would take this position. So I ask the minister to rule out those rumours that are flying around in the IR community that people have been promised vice-presidential positions from February next year.

Whilst there a number of elements within this bill that we do support, having had less than 24 hours to consider this bill we make a very strong statement that this is shabby treatment of the parliamentary process and of an opposition that would act, in this instance, in good faith. Had time permitted we would have sought to have drafted a number of substantive amendments. To give some sense to people of the undue haste I can say that the officers involved in the drafting process within the parliament could not have drafted the amendments by the time I rose to my feet today to speak on this bill. So it is not just the opposition that has been treated shabbily; it is the whole process, including the people who would draft the amendments that we would have brought here. Given these time constraints, there has not been time to do the requisite work. We will seek to refer this bill to a Senate committee when it gets to the other place. At this stage we will not be opposing the bill.

Mr STEPHEN JONES (Throsby) (12:39): With all the confected outrage that one might expect in a cheap pantomime performance, the member for Farrer has posed the question: why can't the employer choose where their workers' superannuation goes? She may as well ask: why can't the employer choose which bank their employees put their savings into? Why can't the employer choose what sort of car their employees drive? Why can't the employer choose what school they send their kids to? These questions demonstrate one thing, and one thing alone: those opposite have learnt absolutely nothing from the Work Choices debacle. That demonstrates in a nutshell their views about the relationship between the employees and the employers of this world, because they believe that it is entirely appropriate for an employer to be the one who chooses where their employees put their life savings. I say, and all those on this side of the House say, that that is entirely inappropriate.

Continuing the confected outrage, the member for Farrer stood here and at one moment claimed that she is a defender of the independence of Fair Work Australia—defending the right of that quasi-judicial institution to independence and defending it from slings and shots—and at the next moment she said that there are somehow conflicted parties within Fair Work Australia who could not make an independent determination about where an employee's superannuation goes. It shows that, when it comes to industrial relations, members of the opposition have not learnt a thing and that they speak out of both sides of their mouths.

This is a good piece of legislation that we have before the House, and I commend the minister for bringing it before the House and responding in such a prompt way to the outcomes of the review by the expert panel. Of course, it stands in line with all the other reforms that our government has introduced since it was elected in 2007—starting with the scrapping of Work Choices, then more recently the support for equal pay for community workers and ensuring that those who drive trucks on our roads are paid safe rates so that they go home safe and that everybody who shares the road with them can do so in a safe manner. Then, of course, we increased superannuation from nine per cent to 12 per cent. These were all landmark Labor reforms to workplace relations arrangements in this country.

But the matters that I would like to concentrate my attention on are the matters which are referred to as the 'transmission of business' provisions. 'Transmission of business' is shorthand for the arrangements that are put in place when a business is transferred from one legal owner to another legal owner, through whatever means, and the conduct of the industrial relations arrangements—that is, the transfer of employees and their rights and entitlements—throughout that transfer of ownership arrangements.

The provisions have existed in Australian federal law since at least 1914 and been mirrored in similar state legislation since around about the same time. The reasons for the existence of these laws were well summed up in the High Court decision of George Hudson Limited and the Australian Timber Workers Union—a decision of the High Court of Australia in 1923—where Justice Higgins said:

> But nothing would be so likely as to prevent agreement as the knowledge, on the part of the unions, that the employer could get rid of at any time of his obligations under it by assigning his business—even by assigning it to a new company having the same shareholders holding shares in the same proportion as in the former company.

The provisions that we are debating today have their history in those 1914 amendments and that 1923 decision, where Justice Higgins stated quite clearly that what we are trying to do with these sorts of provisions is maintain industrial harmony and ensure that for employees, once an agreement is made or an award is struck, the settlement of that dispute and the outcome of those negotiations—the reaching of that agreement—is maintained and assists any transfer of that business or undertaking from one ownership to another or the restructuring of that business from one ownership to another.

As Justice Higgins would say, nothing is more likely to prolong a dispute or drag out negotiations than the apprehension on one side of the negotiations that, as soon as that agreement is reached, those on the other

side of those negotiations might be able to avoid that agreement by corporate rearrangement.

Australia is not the only jurisdiction to have these sorts of provisions. A number of countries regard the maintenance of wages and conditions, in the event of a transmission of an enterprise, as an important part of corporations and industrial relations law. In the European Union, the European directive 77187EEC protects an employee's entitlements where a transmission of business occurs. Many European countries have subsidiary arrangements in place to give effect to that directive. In the United Kingdom, Transfer of Undertakings (Protection of Employment) Regulations 1981 were designed to comply with the European Union's directive and preserve an employee's wages and conditions in the event of a transfer. In Canada, the Canada Labour Code applies a collective agreement to a new employer upon transmission, and even in the United States the National Labour Relations Act protects, to some extent, wages and conditions in a collective agreement when a transmission constitutes a substantial continuity of the company.

This is evidence that what we have in our Australian law is consistent with history and consistent with international practice. The problem is simply this: when an award or agreement exists and binds the employment arrangements within a workplace and the corporate identity of that workplace changes, we need orderly and secure arrangements to ensure that the employees are not left worse off in those arrangements. For most of the last century this problem was dealt with by other means: the existence in the state jurisdiction of common rule awards. These applied across an industry or a calling, so it did not matter if a business was transferred or if the identity of a business changed; the award continued to bind by force of the common rule. In the federal jurisdiction it occurred through the practice of roping-in awards or, more commonly, through constructive industrial relations practices, where employees and their representatives would simply reach agreement to flow the old conditions across to the new employer.

When collective agreements gained primacy in the 1990s the framers of the industrial relations legislation simply transported the old award provisions over to the new collective agreement arrangements. This occurred through the 1993-94 amendments to the industrial relations legislation. Indeed, it even occurred when the Howard government introduced its Workplace Relations Act 1996 reforms and again, with some significant modifications, in the 2007 legislation by this government.

Throughout the greater period of the last century the problem of a transmission of business was dealt with by other means. Dispute and conflict over this issue was re-enlivened by the late 1990s and early part of this century.

Mr Fletcher: Mr Deputy Speaker, on a point of order on relevance: Would the member for Throsby inform the House whether he is speaking about the Fair Work Amendment Bill or the Fair Work Amendment (Transfer of Business) Bill?

The DEPUTY SPEAKER (Mr Mitchell): There is no point of order. The member for Throsby is to continue.

Mr STEPHEN JONES: The importance of this is that—

Mr Fletcher: Mr Deputy Speaker—

The DEPUTY SPEAKER: Are you calling another point of order?

Mr Fletcher: On a point of order on relevance: the question is whether he is speaking about the bill that is presently before the House.

The DEPUTY SPEAKER: I am sure that if you listened, as I was listening, you would have heard that he is speaking about the bill before the House. It has been wide ranging. There have been other speakers who have drifted away from the bill on your side whom we have allowed to go through, so you should show the member for Throsby the same respect that you would expect to be shown to you and others.

Mr Fletcher: With due deference, Mr Deputy Speaker, the simple point I make is that there is a bill—two bills later on—that deals with transfer of business and, as I have listened to the member, the issues he has been talking about have been about transfer of business.

The DEPUTY SPEAKER: As I said, there is no point of order. The member for Throsby will continue.

Mr STEPHEN JONES: As I was saying, these matters were re-enlivened throughout the 1990s and the earlier part of the last decade as awards were replaced by collective agreements, as the gaps between wages contained in collective agreements and awards grew, as restructuring and corporatisation ensued, as fragmentation around traditional understandings of industries occurred and through the opening up of our economy and the public sector to competition and contestability.

These provisions have a long history. The reforms that we find ourselves debating before the House today have a long history. This legislation is important because it applies and extends the legislation to current state system employees. It matters a lot because there is currently a lot of action in this space. We see state governments—currently, state conservative governments—who are taking very aggressive action. In your state, Mr Deputy Speaker, we see the Baillieu government sacking state public servants and corporatising state public entities and ensuring that the

long-settled wages and conditions of state system employees are now under threat.

This legislation is important because it provides some security to those public sector employees and others. They know that, if there is some change to the ownership or legal entity of their employer, they have some security of their wages and conditions and the comfort of knowing that these will be protected by federal law in the event of such a transfer.

With those brief comments, I commend the package of legislation to the House.

I think it is good legislation. It is legislation in keeping with those reforms I outlined before: the riddance of the dreaded Work Choices legislation, the introduction of equal pay for community sector workers, the introduction of safe rates for transport industry workers and the improvement in superannuation arrangements—all of which, I might say, were hotly contested by those opposite. Further to that, there is a willingness to ensure that, when issues do arise and we do need to refine the law—when we consult with business, when we consult with unions and when we talk to employees—we are ready, willing and able to make the appropriate modifications to ensure that they are continuously fit for purpose. I commend the legislation to the House.

Mr FLETCHER (Bradfield) (12:52): It is a pleasure to rise to speak on the Fair Work Amendment Bill and to follow the member for Throsby. As it happens, I find myself following a former union official—but that is not a statistically unlikely thing to happen when one stands up to speak following a Labor member of this place. However, it is somewhat unlikely to find oneself following a member who was actually speaking about the wrong bill and who spent some 13 minutes telling us about the transfer of business provisions, which are not dealt with in this bill at all. They are dealt with in a bill which is to be debated two bills later on. But I suppose he would argue that it is 'the vibe'.

I do want to speak about the bill that is before the House this afternoon. In particular, I want to focus on the provisions in this bill which supposedly reform the arrangements under which modern awards specify default superannuation funds. The provisions in this bill dealing with those matters are a classic example of this government looking after its mates in the union sector—union officials who run superannuation funds at the expense of the broader community and going in completely the opposite direction to that which sensible procompetitive economic reform would dictate.

In the time that is available to me I want to make three points. Firstly, the current default arrangements for default superannuation funds are a cosy and anti-competitive racket. Secondly, the present introduction of the low-cost, generic MySuper product is a perfect opportunity to introduce more competition by saying that any MySuper product can be a default fund. Thirdly, the Minister for Financial Services and Superannuation has in this bill squibbed the chance to introduce increased competition. In fact, he has made the process less competitive. He has handed even greater power to the cosy club of retired union officials who run Fair Work Australia.

Let me turn firstly to the proposition that the current arrangements for default superannuation funds are a cosy and anti-competitive racket which serves the interests of a cabal of union officials. The superannuation system has grown enormously. There are now some $1.4 trillion under management in that system. In 2011-12 some $90 billion of funds flowed into the sector largely because of the compulsory superannuation arrangements. Of this, nearly two-thirds went into two classes of funds: industry funds and public sector funds. These two classes of funds generally use the so-called equal representation model, with half of the directors appointed by a union and half by an employer association. If you look at the statistics put out by APRA, the industry regulator, you find that in February 2012 there were 76 funds listed as industry or public sector for the 2010-11 financial year. If you analyse the annual reports of all of those funds, what you find is there was a total of 575 directors on the boards of whom 180 were appointed by unions.

The Labor Party over many years has consistently used the compulsory superannuation system to increase the power, influence and financial position of the union movement and its key personnel. Indeed, the current Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations is a former secretary of one of the largest unions in the country, the Australian Workers Union, and a former director of the largest industry superannuation fund, AustralianSuper. The default fund arrangements—or, I should say, the union involvement in superannuation—were specifically designed into the superannuation fund system when it was set up by the Hawke and Keating governments in the early 90s. Today the boards of industry super funds are stuffed with union bosses including: AWU boss, Paul Howes; Queensland ALP heavyweight and AWU strongman, Bill Ludwig, who is the father of the present minister for agriculture; TWU secretary Tony Sheldon and; until recently, Health Services Union officials Kathy Jackson and Michael Williamson.

Under the Fair Work Act, the so-called modern awards must contain a clause specifying the superannuation fund into which the employer must pay the employee's superannuation contributions. To be nominated as a default fund under a modern award is very valuable because it guarantees a stream of contributions. The current process for the selection of

default funds lacks transparency, is littered with inherent conflicts and quite inappropriately favours union-dominated industry superannuation funds. Analysis conducted by the Institute of Public Affairs in 2010 found that across 166 modern awards approved by Fair Work Australia, there were a total of 566 superannuation funds specified. Of these, 513 were industry funds or public sector funds. AustralianSuper was specified as a default fund in over 70 awards.

Why is it that Fair Work Australia so readily signs off on modern awards which entrench the flow of contributions to union-friendly superannuation funds? It might be that Fair Work Australia is stacked with ex-union officials. Between December 2009 and December 2011, 10 people were appointed as Fair Work Australia commissioners by the Rudd-Gillard government and, of these people, eight had union backgrounds. These arrangements give the unions a degree of control of superannuation which goes much further than the small and shrinking share of the workforce who are union members. Union membership is now down to about 18 per cent of the workforce and around 12 per cent of the private sector workforce. But these arrangements serve the interests of unions very well because, amongst other things, it means a large number of well-paid directorships to be allocated amongst the union mates. The annual report of one industry fund, Cbus, revealed that two directors—presumably one was the chair—received over $90,000 a year and that several other directors received more than $50,000 a year.

In some cases these fees are pocketed by the individual union nominated directors; in other cases the fees are paid to the union. But in either case the arrangements suit the union movement very nicely.

The Cooper review into superannuation recommended that the current equal representation model should be comprehensively reformed. Curiously, former union official Bill Shorten has ignored that particular recommendation.

Opposition members interjecting—

Mr FLETCHER: That is an extraordinary surprise, as my colleague points out. Let me turn, therefore, to the opportunity which the introduction of MySuper products offered to introduce more competition. MySuper was recommended by the Cooper review, and the notion is to have low-cost, default superannuation products designed to meet the needs of those Australians who are not actively engaged with their own superannuation and do not make an active choice.

The government is currently in the process of legislating the consumer protection requirements, which it considers important in a default fund product, through the various pieces of MySuper legislation. These products are going to be very widely offered, including by retail superannuation funds. There is no reason at all that every product which qualifies as a MySuper product should not be able to compete freely in the default fund market. After all, if the policy objective is to ensure that somebody who defaults into a fund—that is, somebody who does not make an active choice but simply ends up in the fund specified by the modern award which covers his or her industry—ends up in a fund which is low-cost and tailored to his or her needs as a customer with low engagement, then by definition any MySuper product should fit the bill nicely. But the minister has a very different policy objective. His objective is to ensure that the current cosy arrangements stay in place so that the industry and public sector funds continue to get the lion's share of contributions—and they are doing so, of course, at the expense of people whose money is taken by force of legislation. That money is being used to contribute to the size and scale of economic entities largely controlled by union officials.

The Labor Party promised in 2010 that it was going to do something about this. It paid lip service to the principle of allowing greater competition and the choice of funds. Its 2010 policy contained a promise to introduce an open, transparent and competitive system with a process to select default funds under modern awards. Bill Shorten dragged his heels for as long as he could before reluctantly proceeding with this. Since that time—

The DEPUTY SPEAKER (Mr Mitchell): Order! The member knows to use people's correct titles.

Mr FLETCHER: Thank you, Mr Deputy Speaker. The minister has taken every opportunity to white ant, undermine and ignore the recommendations of the Productivity Commission. When the draft report was released earlier this year suggesting as one possibility the establishment of a new body independent of Fair Work Australia with the sole purpose of selecting and assessing the funds to be listed in modern awards, the minister promptly rushed out a press release on 22 August 2012 stating that the Gillard government would preserve the role of Fair Work Australia in selecting default funds.

With the final report now released and the legislation now before us, it is clear that this government has ignored much of what the Productivity Commission has recommended in framing the provisions of this bill. For example, this bill will impose a limit on the number of MySuper products in modern awards of just 10, contrary to the clear recommendation of the Productivity Commission that there should be an unlimited list of default funds. The Productivity Commission proposed a default superannuation panel. That will now not be created as recommended; instead it will be subsumed into the existing minimum wage panel. The new panel is not

the final decision maker under this bill, as was recommended by the Productivity Commission; rather, the full bench of Fair Work Australia will approve default funds in each award after a recommendation from the expert panel.

The process of including funds in awards will only occur every four years, starting in 2014 when modern awards are due for review as opposed to an ongoing application process. The bill will now require that all awards have default funds, whereas currently there are 13 awards that do not list default funds and are therefore open to competition. That is clearly a serious oversight, and the minister has not wasted any time in fixing that up to make sure the interests of his mates are looked after. Instead of ensuring genuine competition, this bill will impose an additional layer of government intervention into the default fund market. There is absolutely no justification for doing this and for imposing the additional cost, complexity and delay which comes with that additional intervention.

Let us be absolutely clear in the House this afternoon. This bill, despite the rhetoric, has absolutely nothing to do with delivering a more competitive process for choosing default superannuation funds. On the contrary, it makes the process less competitive and hands even greater power to the retired union officials who run Fair Work Australia. This is nothing short of a grubby stitch-up by Minister Shorten and the Gillard Labor government to look after their mates in the union movement and put a distant second the interests of the millions of Australians who are compulsory investing in super.

If this bill is passed it will see the continuation of a process under which conflicted parties within Fair Work Australia continue to select default super funds under modern awards. The minister has been so desperate to protect the vested interests of his friends in the union movement that he has lost sight of his responsibility as a minister of the Crown to act in the public interest. What we are reminded of by these developments is the very close relationship between the industry superannuation sector and the parliamentary Labor Party. Let me just remind the parliament that there are four former directors of Australian Super who have become federal Labor parliamentarians or candidates—the minister, Greg Combet, Doug Cameron and Cath Bowtell.

The DEPUTY SPEAKER: Order! Again, the member for Bradfield will once again be reminded to refer to members by their correct title as is required under standing order 64.

Mr FLETCHER: Thank you, Mr Deputy Speaker. You are doing a sage job of trying to defend these current arrangements. This government is clearly not doing what needs to be done when it comes to ensuring that employers and employees in default superannuation can benefit from genuine competition in that market.

It is deeply disappointing that the coalition has been given no time to consider this legislation in detail or to have detailed consultations with stakeholders on this bill. It is clear that the arrangements for this bill coming into the House—the process—do nothing to improve the confidence that the House might have in the merits of the policy that we are considering today. The coalition is therefore gravely concerned about the provisions in this bill. We are certainly reserving our right to move amendments in the Senate. I also make the point that if it is clear that the government is not going to do what needs to be done to improve competition in the field of default superannuation then, if the coalition is elected to government at the next election, we will take the actions that need to be taken to improve competition in this area.

Mr NEUMANN (Blair) (13:07): I speak in support of the Fair Work Amendment Bill 2012. The member for Bradfield overnight has not had a road to Damascus conversion experience, because he, along with his colleagues and comrades opposite, opposed protecting worker entitlements last night and here he goes again, railing against the representatives of millions of Australians in the workplace. There is no doubt about it: the coalition instinctively votes against or opposes every bill with the word 'fair' in it. Last night, we had the situation in which we passed legislation to protect the entitlements of workers who were at risk due to the liquidation or bankruptcy of their employers. The coalition opposed that.

Here today, in response to the independent review panel and the Productivity Commission, they are still responding in a negative way, recklessly opposing this legislation—or that is what people listening to the member for Bradfield would believe. If you listened to the member for Farrar before, she was saying that they will pass it through the House. So you have to wonder what their position is. But their position has been a negative one since the electorate had a look at them in 2007 and voted down their position on Work Choices. We on this side are in favour of Fair Work; those on that side are in favour of Work Choices. It is clear from listening to speeches like that one by the member for Bradfield that that is what they are all about.

The background to this particular legislation is that we have been crystal clear about workplace reform, our policies and our plans. What about the coalition? The Leader of the Opposition is currently in witness protection on that particular policy, because he does not want to talk about it at all. What we are talking about here is making changes recommended to us by the Fair Work review panel following consultations with unions, small business, large business and a range of other stakeholders. Many of these changes in this

first tranche of amendments are technical, structural, procedural or clarifying changes to the unfair dismissal framework. For example, these changes give Fair Work Australia the power to strike out award variation applications not made in accordance with the act if they are frivolous or vexatious. Any tribunal, court or quasi-judicial body should have that power. They are also given the power to make amendments to applications made by parties to vary or revoke a modern award to make sure that, if there are ambiguities or uncertainty in those applications, they can be changed by Fair Work Australia.

These changes also better align Fair Work legislation with other laws relating to unfair dismissal, extending the time period to 21 days, another sensible provision. They will give the president of Fair Work Australia the power to require applicants to provide more information about the circumstances of dismissal—further and better particulars. That is an important change also. These changes will also make sure that, if a lawyer or a paid agent misbehaves or does the wrong thing after they have been given leave by Fair Work Australia to represent a party, costs can be ordered against them. This bill also changes the name of Fair Work Australia to the Fair Work Commission. That is important as well.

Ms Ley: That's a big one!

Mr NEUMANN: There are a lot of amendments here that are important and that those opposite belittle. But industry in fact supports these changes. On many occasions, representatives from industry have been party to consultation undertaken by the minister. They have been at the table when these amendments have been discussed and have made submissions to the panel that have been adopted in whole or in part. There are also amendments putting in place the recommendation to appoint acting deputy presidents and acting commissioners for specified periods. There are many changes that provide pathways for judicial complaint, similar to what we see in courts such as the Federal Magistrates Court or the Family Court. This bill makes many sensible changes that will have a big impact.

If you listened to speakers opposite, you might come to the belief that there are a very small number of people associated with this system. But we are talking about Fair Work Australia having approved 16,000 enterprise agreements covering 2.2 million employees. About seven million Australians are currently protected from unfair dismissal. Those provisions were brought forward by this side of politics and were steadfastly opposed by the Liberal Party, because it is in their blood and bones to oppose these sorts of things. More than 810,000 jobs have been created under this government's watch.

We have brought forward reform after reform in workplace relations to protect the entitlements of workers and to assist them. These include reforms to protect those working in the textile and clothing industry and reforms to the road safety remuneration system. We have acted to particularly protect the 120,000 women who work in the social and community sector, who will now get wage award increases of between 23 per cent and 45 per cent in the next decade. But those opposite have consistently opposed every reform that I have talked about. We are lifting up Australian low- and middle-income workers.

We said that we would undertake a review into the Fair Work Act. Guess what the panel decided? I bet that you will not hear this from those opposite, but the panel, which extensively approached industry and small and large businesses, found that the Fair Work Act is working well and meeting its objectives. The economic outcomes under the Fair Work Act have been favourable to Australia's continuing prosperity. There has been no dramatic wages blowout and no drastic increase in industrial disputes. The IR armageddon predicted by those opposite has not occurred.

Notwithstanding that, the panel recommended 53 changes, and the government has taken up the response to that, and this is what the legislation before the House is.

We have also picked up the Productivity Commission's inquiry into the superannuation industry. The Productivity Commission found that existing default fund arrangements resulted in net returns generally exceeding those for non-default funds. Over the eight years to 2011, default funds in modern awards have on average an after-tax return of 6.4 per cent, compared with 5.5 per cent on non-default funds. So, what we are doing here is making some changes.

Mr Fletcher interjecting—

The DEPUTY SPEAKER (Mr Mitchell): The member for Bradfield will stay quiet and is warned.

Mr NEUMANN: But those opposite leap, moan, carp and whine and undertake some sort of anti-union, anti-worker tirade, like you heard from the member for Bradfield.

Under the changes in this bill all funds under a generic MySuper product will be able to apply for selection as a default fund, on an equal basis. Those opposite seem to take the view, constantly, that workers should be dictated to by bosses, that workers' superannuation should be dictated to and that their wages and conditions should be entirely set without negotiation. The expert panel looked into this—an expert panel within the Productivity Commission. I wonder why those opposite say they support the Productivity Commission sometimes and they oppose it on other occasions?

An expert panel within the Fair Work Commission will assess funds on the basis of the legislative criteria, which are based on those proposed by the Productivity Commission. The Productivity Commission is not a bunch of bleeding-heart, left-wing, socialist ideologues. The Productivity Commission is full of people who those opposite would probably think were on their side of politics when it comes to economic issues. A full bench of the Fair Work Commission will then determine what particular funds from the default superannuation list are best suited for inclusion in each modern award, with the best interests of those employees covered by that particular award as their overarching consideration.

This process will occur every four years to align with four-year reviews of modern awards. What we are going to do in relation to this particular legislation is respond in a positive way, not like those opposite. We have heard the member for Bradfield go on and on in a typical Work Choices tirade against unions—they are naming people and constantly going on like this. That is one of many speeches we have heard in the last few years and will continue to hear from those opposite in relation to this.

This is good legislation. It responds to inquiries. It responds to the Productivity Commission. It responds to the expert review panel. It takes up the reforms and it makes a difference. It is legislation that should be supported, and I note that those opposite, despite what they say today in this debate, will actually pass this legislation. I look forward to seeing whether or not they will call a division on it, because the member for Farrer forecast the fact that they would support it.

Mr BRIGGS (Mayo) (13:17): I rise to speak on the Fair Work Amendment Bill 2012. I note that the member for Blair managed to get through about nine minutes of his contribution on this bill, so important was this bill, which was tabled with urgency last evening by the minister for industrial relations. The procedures of the House had to be overturned—the normal procedure of the bill sitting on the table had to be overturned—because these matters were so urgent that they needed to be spoken on today.

For most of his nine minutes, the member for Blair did not actually address anything to do with the substance of the bill, which at least is better than the member for Throsby, who, in the rush to get into the House, was given the wrong talking points. You would expect a little bit better from a bunch of former union officials who are in this place to represent their vested interests. The member for Throsby came in and gave a speech on the wrong bill. But this bill is so urgent that we have to debate it today ahead of all other business on this government's so-called agenda.

I have a suspicion as to why we are debating this bill in such a rush. I will not cover the ground that the member for Bradfield so carefully and thoroughly covered in his contribution in respect of the default superannuation issues, because he did it so well. I will focus on the Fair Work Australia provisions in this bill, because I think there are very serious charges against this minister in relation to the provisions in this bill. He has some significant issues to address in his summing-up remarks other than the bit of political fluffery in his second reading speech, which does not answer and explain why it is that this parliament is urgently debating this bill.

The reason, I understand, for the urgency is that the minister says these are the most urgent matters out of the Fair Work Australia report he had done. It is a skewed report based on skewed terms of reference and skewed panel members. Mr Deputy Speaker Mitchell, you well know that one of those panel members in particular, Professor Ron McCallum, is one of the most partisan actors in Australian industrial relations. Professor McCallum is out and proud about his support of the Australian Labor Party, so much so that in August this year he was on the record supporting the Labor opposition leader in Victoria and predicting the end of the Baillieu government in two years time. We should note that. Professor McCallum is entitled to his political views, but people should be aware that he is a partisan actor. That is why we have great suspicion of a skewed report based on skewed terms of reference by skewed panellists.

But, if you are to believe the minister that these are the most urgent matters we should be dealing with out of that report, let us work through why that would be the case. The first issue is the default superannuation provisions, which, as the member for Bradfield so rightly pointed out, are more to do with favouring vested interests, yet again, in the industry super funds area. It is not about actual reform. There is not a significant provision at all in the report, and it is contrary to the Productivity Commission report.

Then we get to the provisions relating to the changes in the structure of and powers of Fair Work Australia, which has been subjected to some quite serious debate in recent months, as you, Mr Deputy Speaker, would be aware. One issue that has not been subjected to debate is the appointment of two new vice-presidents.

That is not an area in which I have heard there has been criticism of Fair Work Australia. In fact, if you look through the report—it is reasonably substantive, albeit skewed, and the member for Melbourne will be pleased that I have printed it on both sides—there is not a mention of appointment of two new vice-presidents. What would that cost the taxpayer? There is nothing in the bill about costs at all. It says the impact is nil. Well, let us work though that. A vice-president appointed by Fair Work Australia is paid at least $350,000 a year, putting aside on-costs—higher

superannuation, cars. They have a special office arrangement within Fair Work Australia, as I understand. Sources within Fair Work Australia have given me a heads-up that there are special office arrangements. They get two appointed assistants, counsels, who are paid around $90,000 a year—again, without their super and without other conditions.

We are talking about a million bucks a year—conservatively—for each of these appointments. That is $2 million a year and $8 million over the estimates, for those who cannot keep up. That is an $8 million decision made on the basis of no evidence at all. Can you imagine what the parliamentary secretary for regional services could do with $8 million out in regional Australia? I certainly can, and I know the member for Farrer knows what she would do with eight million bucks. There is nothing in this report at all, yet the second main reason we are urgently debating this bill is the appointment of two new vice-presidents. Is it because the current two are too busy? The member for Melbourne will be interested to know that one of the current two is Mr Michael Lawler—who, we know, the Labor Party has some issues with, and the President of Fair Work Australia has some issues with. Mr Michael Lawler's partner is Kathy Jackson. Kathy Jackson, of course, revealed so much information about the $20 million of rorting that occurred in the HSU, found by a report—ironically—from Fair Work Australia.

So we have Mr Michael Lawler, who has been sidelined in Fair Work Australia, based on information I have received—completely sidelined. He is far from busy, as I understand. And then we have Mr Graeme Watson. Mr Graeme Watson has two sins. The first is that he comes from Freehills, a legal organisation that largely represents employer organisations. I know the member for Melbourne knows Mr Watson and would not agree with many of Mr Watson's views. But what the member for Melbourne would not do is discriminate against him on that basis. That is the first of Mr Watson's sins that the President of Fair Work Australia is not pleased with. The second is that Mr Watson had the temerity to suggest that after all the scandal relating to HSU, after all the failure in relation to the investigation by Fair Work Australia, after all the scandal and muck that came out about the failure of that organisation to do its job, it should change its name. And the President of Fair Work Australia was not very happy. Mr Ross was not very happy at all. Mr Watson, since that time, has regretted giving that speech, because professionally he is underutilised at this point in time.

So we have two vice-presidents who are there, not particularly busy. Sure, they are not flavour of the month for the current president. But then a piece of legislation pops up into this parliament, out of nowhere—no recommendations in this review, not a single line in well over 300 pages—recommending that $8 million of taxpayers' money, at least, be spent on two new vice-presidents for no good reason. You have to wonder why. Then you look at the bill, and the bill empowers the two new vice-presidents to be more powerful than the current two sitting vice-presidents. It empowers them to be more senior. And you, Mr Deputy Speaker Mitchell, know very well that the way Fair Work Australia—the old Industrial Relations Commission—works is that seniority is very important when handing out full-bench cases. When handing out full-bench cases, seniority rules the day. In this bill, the two yet unnamed—and that is a very important point here—new vice-presidents, which will cost taxpayers at least $8 million over the forward estimates, will be more powerful than the two out-of-favour current vice-presidents in Fair Work Australia. Two are out of favour, so appoint two new ones and give more power to the president to give them more work—because they may just have similar views, dare I say, to those of the current president and the current government.

We know that the current president, Mr Ross, and the minister have been close for a very long time. There is nothing wrong with that; Australian industrial relations is quite a small gene pool, as we know. They have been so close, in fact, that in 2006 the two of them appeared on the stage at a protest against—you guessed it—the former Howard government. The minister, at that point in time a candidate—I am not sure if he was still the AWU secretary—and on a superannuation industry board, along with Mr Ross, an ACTU official, were at a protest together against the Howard government, trying to overturn the laws. They are now working together to empower Mr Ross to be more powerful in respect of—and here is another provision in the bill, which I am sure you are also aware of, Mr Deputy Speaker—decisions for applicants to appeal when a member of Fair Work Australia has been allocated to a case and an applicant, let us say the CFMEU, is not happy with the commissioner who has been allocated. They will be able to appeal to the president to have a full-bench case. Whacko! Guess what you have just done? You have given two new vice-presidents, who just might come from a similar background to what you want, with new powers for the president to allocate cases to them. Are you following me yet? This is what this is about. This has been debated urgently because this minister is trying to future-proof Fair Work Australia.

These are not the two most urgent matters relating to Fair Work Australia—not at all. Having a look at why it took them years and years to investigate what happened with the HSU might be a matter that is urgent; that might be a matter that needs some reform. Do we need two new vice-presidents for Fair Work Australia, when the report does not say a word about it, when the current two incumbents are hardly busy and

are capable of doing far more than they are? But what we see, what we know and what we hear on the industrial relations grapevine is that these two positions are being created for none other than Mr Josh Bornstein, a long-time union lawyer, famously depicted in the ABC's balanced take on the waterfront dispute in 1998, a recent op-ed writer, who also represented a member of parliament in a recent dispute, as we are aware.

The second one is Mr Jeff Lawrence. We understand Mr Lawrence has finished up as President of the ACTU. He has a bit of time on his hands, is looking around for new opportunities—and guess what pops up? There we are: vice-president of Fair Work Australia. It pays pretty well—$350,000 to $360,000 a year with a car, superannuation, a nice office, two associates. A million bucks from the taxpayer? That's not much. It is a disgrace. This minister does not mention a word of it in a second reading speech on an urgent bill, where we have changed the procedures of this House to introduce it, and I say to this minister that I charge him with a very serious contempt of this place. This is using legislative power—

The DEPUTY SPEAKER (Hon. BC Scott): Order! The member will withdraw the word 'contempt' of the parliament.

Mr BRIGGS: I will withdraw the word and change it to 'abuse' of this place, Mr Deputy Speaker—abuse of legislative instruments to give curry to the minister's vested interests in the Australian industrial relations environment, to the union movement. That is what this bill is about: creating two new taxpayer funded positions, to the extent of at least $8 million over the forward estimates, to allow this government to future-proof Fair Work Australia and its operations.

The minister should come in, in the summing up of this debate, before this parliament gives consideration and before this bill passes, and explain: what is the urgent need? There is capacity with the two current vice-presidents to pick up the load. The report itself, the bill upon which we are debating—even though he has had this since June, in the dying days of this year we are debating this bill in an urgent manner, overriding the normal procedures, Mr Deputy Speaker, as you well know. This bill has not been sitting on the table for the required length of time, giving the opposition just hours to consider its position. Thankfully, with the assistance of outside parties, we have been made aware of some of these issues, and the parliament should give consideration to them.

This minister should explain himself. He should explain where this recommendation comes from, what he is trying to achieve, why he is creating $8 million of taxpayer funded positions over the next eight years for an organisation whose biggest issues are not its staffing capacity. By far and away its biggest issues are not its staffing capacity. We know that from what we have seen from the HSU scandal. We know that from what people are telling us within Fair Work Australia. This is a disgrace; it is a scandal. And the minister should explain himself. They are trying to force this through prior to the potential government changing early next year, so they have future-proofed Fair Work Australia, and the minister should answer it. He should answer why he is using $8 million worth of taxpayers' money, and the parliament should not pass this bill until the minister has given a reasonable explanation about why this is being used to assist not the Australian public or its economy but the Labor Party and its friends.

Mr BANDT (Melbourne) (13:33): It is with a wry smile that I listen to members of the coalition complain about appointments to Fair Work Australia. During the period of the Howard government, when it was the Industrial Relations Commission—

Mr Briggs interjecting—

Mr BANDT: I am sure that the member for Mayo will interject if I have the numbers wrong, but there were something in the order of 20 new appointments made during that time, of which about two came from a union background. So I think those who live in glass houses should not throw stones about this question of appointment. I think there has been a fair bit of traducing from both sides of the tradition that had existed previously in Australian industrial relations of an even balance between employers, employees and people who had come from other backgrounds, including government. I note that the member for Mayo leaves without correcting my figures, and I think they are about right: of the 20-odd new appointments under the Howard government, about 18 came from employer backgrounds.

We are here debating the Fair Work Amendment Bill 2012, a bill to amend the Fair Work Act to give effect to a review that was conducted and some changes that are said to be necessary to the act. There are indeed a number of changes that need to be made to the act, and I will come to those in a moment. But perhaps I could just come back and finish on one point about the question of members of Fair Work Australia. Whatever the merits of the member for Mayo's charge regarding the vice-president positions, which I note the coalition is going to support through the passage of this bill, we can put those to one side—that is a potentially a legitimate claim that is being raised there. But I do take issue with the statements that were made just then by the member for Mayo about the President of Fair Work Australia, Justice Iain Ross. I think it ought to be recalled that Justice Ross's pedigree is one of previously being a Supreme Court judge and the head of VCAT in Victoria. As well as his having worked for the ACTU I know that he also ended up working for a law firm that represents employers more often than not.

I know that because, in my previous capacity, I appeared opposite him. I think we should be careful in this place, especially when people outside have the status of a judge of the Federal Court of Australia, of not overstepping the mark and suggesting, as one could interpret the previous member's comments, that somehow the current head of Fair Work Australia would not act appropriately. I think that is a more serious charge than the one that the member sought to level and one that should not be made using privileges that attach to debate that goes on in this chamber. That would be a misuse of those privileges.

With regard to the changes that do need to be made to the Fair Work Act, there are many. One would have hoped that, in a bill that has been brought in quickly and that presumably the government identifies as being the most urgent changes that need to be made—and ones that need to be made before the end of the year—we would have seen changes addressing a number of very important areas. The Fair Work Act needs to be amended to give people better work-life balance. At the moment under the Fair Work Act, you have the right to go and ask your employer, in certain circumstances, for flexible working arrangements to go and look after your kid or certain others in your family, but it is an unenforceable right.

The employer can say no and, if they say no, there is no way that you can appeal it. That matter urgently needs to be amended. The Greens have said this, the ACTU has said this and various other groups concerned about making sure people have a proper work-life balance have said this. Unfortunately, there is nothing in this bill that gives people a better work-life balance and, surely, we should be using this parliament to see reform in this area.

Secondly, in some very concrete ways state public sector workers—and I have had firsthand experience of this in Victoria—face some pretty big difficulties in bargaining under the Fair Work Act. Nurses, for example, saw their dispute prolonged for months and months—and we know this from leaked cabinet documents in Victoria—because the employer's strategy was to string out the negotiations, to force the nurses out of sheer frustration to then start taking industrial action and to use that to get to Fair Work Australia where their claim would be arbitrated. The reason the employer wanted to do that is that it knew that for constitutional, technical and legal reasons one of the key claims of the nurses—namely, nurse-patient ratios—would not find its way into the final decision. In other words, if it could get to Fair Work Australia through this subterfuge, then the government would win on the question of nurse-patient ratios and there would not be any. So the nurses were forced for months and months to bargain in good faith. They met stonewalling from the government, because that was part of their industrial legal tactic.

We saw a repeat of this behaviour in some version with teachers in Victoria, where you have a government that knows how to use the Fair Work Act and how to exploit the holes that exist in it.

When Qantas grounded its entire fleet and essentially held a gun to the nation's head, it did so, again, for technical and legal advancement under the Fair Work Act. Qantas knew that, if it could provoke a storm and provoke industrial action to be terminated, it would get to arbitration. It also knew that if it got to arbitration it would win on the job security clauses that the employees were attempting to negotiate, similar to what we saw with the nurses.

We have seen very powerful employers under the watch of this government work out the holes in the Fair Work Act and how to use them to stop employees legitimately bargaining for things that really matter, such as job security and nurse-patient ratios. That could be fixed. The Greens have got bills in parliament that would fix those loopholes, but we do not see that in this government's bill. Apparently, this matter is not urgent enough that it needs to be fixed by the end of the year. Everyone who is working in the state public sector should continue to suffer under an unfair act that tilts bargaining away from being a level playing field to, very clearly, being in the employer's favour.

Hearing some of the government members speak, you would think that Work Choices was dead and buried. Anyone who works in this area would know that almost all of the provisions relating to bargaining and industrial action that were instituted in Work Choices have been kept in the Fair Work Act. Indeed, one union I spoke to said they did a comparison between the Fair Work Act and Peter Reith's Workplace Relations Act and felt they would have been better under Peter Reith's Workplace Relations Act because it more closely complied with international standards on how one should bargain.

So there is some unfinished business of repealing those last bits of Work Choices that hang over in the Fair Work Act, and that should be considered as urgent. This government should use this parliament to fix that. There are many important reforms to the Fair Work Act that we could get through now that would protect people's rights at work and that would insulate the Australian public from a potential change of government. So many areas of the Fair Work Act need to be tidied up. Unfortunately, what we have here is a rather tepid bill that contains a mixed bag of proposals, but in our view the case for reform of some of those proposals has not been made out. For example, on the question of costs, if you read the review there is, I would suggest, pretty thin evidence that suggests that somehow a lack of stronger costs provisions in the unfair dismissal jurisdiction is causing any real problem. In fact, there is very little evidence.

From my experience, having worked in that jurisdiction, it was always the case that you would advise applicants very carefully about prosecuting or not taking settlement offers in unfair dismissals because they would find themselves potentially at risk of a costs order. The most recent authorities on this point make it very clear that, in fact, if you act unreasonably in unfair dismissals you can get costs ordered against you. So I do not see the need—and it is not made out in the report—for imposing additional disincentives on people to exercise their rights, and that is what this bill will do.

I am also concerned about the potential adverse consequences of—again without any proper evidentiary basis—putting additional obligations on lawyers who practise in the jurisdiction by potentially making them personally liable. The reason for that is not that there is no room for lawyers to improve; of course there is. But when you say to a lawyer, 'You are now personally at risk of costs, unless you do X,' you introduce conflicting interests for that lawyer. Are their obligations to best represent the person whom they are representing? Or—and this is my concern—will they find themselves more often in this area representing someone who might have been unfairly dismissed because they were pregnant or just because the employer did not like them, and is a lawyer now going to turn around and say to them, 'Actually, you really should accept this offer that is on the table because I myself am concerned about being proceeded against for costs'? In other words, is the lawyer going to put their own interests of potentially not being liable for a costs order ahead of their client, and will that affect the advice that is given to people who are pursuing their legitimate rights? It also does not appear from the review that the 60-day time limit and general protections are being abused, either.

There are also some questions that need to be asked regarding superannuation and the changes regarding industrial action. For the purposes of allowing passage through the House the Greens will be supporting the bill, but that is without prejudice to our position in the Senate and our right to move amendments in the Senate, especially in respect of those areas that I have identified.

I would urge the government not to be too middle-of-the road about this but instead make a clear choice about what reforms it wants to see to the Fair Work Act during the life of this parliament. There is an opportunity to insulate against a return to Work Choices, and instead of being timid we should be bold and make those reforms that are very definitely needed.

Debate interrupted.

STATEMENTS BY MEMBERS

Million Hearts, One Voice

Mr SIMPKINS (Cowan) (13:45): I rise in support of freedom and democracy in Vietnam. There is a campaign called Million Hearts, One Voice which is campaigning for democracy in Vietnam and calling for the release of all political dissidents from prison. This campaign was launched over a week ago and is being supported by many pro-democracy organisations and groups. Some 40,000 people have already signed the petition, and the target is 100,000 by International Amnesty Day on 10 December 2012. The Vietnamese community in Western Australia is joining the campaign, and groups within Western Australia are actively supporting it. I am pleased to offer my support for this campaign and I have recently signed the petition as well.

The petition seeks international investigation of the situation of arbitrary detention, inhumane prison conditions and a lack of legal process in Vietnam. It also demands that the Vietnamese government respect the Universal Declaration of Human Rights and repeal vague national security laws such as articles 79 and 88 of the Vietnamese penal code which are often the pretext for arbitrary arrest and detention. Finally, it urges the Vietnamese government to immediately release all political prisoners.

The situation in Vietnam is not good. Many people are detained because of their views on freedom of speech and freedom of religion. This petition goes some way towards highlighting arbitrary detention and the brutality of the regime. I call upon all present here, and everyone in Australia who would like to support Vietnam, to sign the petition.

Petrie Electorate: Cancer Council Relay for Life

Mrs D'ATH (Petrie) (13:46): I rise today to congratulate everyone involved in making the Cancer Council Relay for Life at Redcliffe a tremendous success last weekend. My team, the Petrie Possums, and I donned our walking shoes again on 27 and 28 October, joining a total of 23 teams at the Mary Nairn Field in Redcliffe. In a mammoth effort, teams raised well over $50,000, with almost $53,000 having been banked by the start of the relay and more to come.

I would like to thank my teammates, who endured gale-force winds and rain for many hours over the weekend. But our sleepless night was worth every cent. I would like to thank our sponsors Redcliffe Leagues Club, the Australian Workers Union, Ballycara Retirement Village, Rotary Sunrise Redcliffe, Helen-Maree Butler, Quota International North Lakes, Workplace Solutions, Redcliffe Kippa-Ring Lions, the Lioness Club of Redcliffe Central and Runtime Design. Together we raised over $5,000 this year for

the Cancer Council of Queensland, bringing the total raised by the Petrie Possums to over $30,000 since the Redcliffe event began in 2008.

Relay for Life is about fighting back against cancer. Teams walk in a relay for 18 hours from three o'clock on a Saturday afternoon to nine o'clock the next morning. We celebrate cancer survivors, remember lost friends and raise money for research to help future battlers. I am honoured to be the patron of the Redcliffe Relay for Life and I would like to sincerely congratulate the committee on a job well done in 2012—our biggest event yet. I would like to particularly acknowledge Redcliffe RSL's support for this event.

Aarons, Mr Joe, OAM

Lawn Bowls

Ms O'DWYER (Higgins) (13:48): While much has been said in this place about the significance of Australia's temporary seat on the UN Security Council, let me assure the House that that is not the only place where Australia will have an increased voice. I rise today to congratulate a very special constituent of mine, Joe Aarons. Joe has recently been appointed the President of World Bowls. Joe is currently the President of Bowls Australia but will relinquish his role to take up his new position in December this year during the world championships to be held in Adelaide. I am fortunate enough to consider Joe a good friend of mine. It was Joe who convinced me to join the board of Bowls Australia, and I was happily a director there for two years. My time working with Joe could not have been more pleasant and enjoyable. A true professional, Joe was always a pleasure to work with. I can say with full confidence that World Bowls is in good hands with Joe in charge. I wish him all the best for his tenure. He brings with him great experience and great knowledge.

In Australia the sport with the highest participation is in fact bowls. More than 800,000 people participate in bowls each and every year. It is a shame, though, that bowls has been taken off the ABC. We were able to table in this place last year the third-largest petition to try and bring back bowls to the ABC—something that has been televised for more than 30 years. We hope that, with the increased support of those opposite, this may indeed be achieved.

Storm, Ms Emmalee

Mr MITCHELL (McEwen) (13:49): On 26 October I had the pleasure of being at the Queen's Scout Awards presentation for Emmalee Storm at the Gisborne Scout Hall. Emmalee started with the Venturers 'off the street' in February 2009, at 14½ years of age. She had not been in the Scouts and she knew nothing about it other than that she would have the chance to do hiking and canoeing and meet new friends. Emmalee had never put up a tent and on her first course had to get someone else to help her put it up. Her first hike was for two nights and three days carrying a 16-kilogram bag. She almost gave up, dug in and finished. Her first few badges were a bonus for doing what she enjoyed. Emmalee only needed one Cuboree but went to two. She encouraged the rest of the Venturers to go out and help northern Victoria clean up after the floods, and she participated in the Gang Show just for fun.

Emmalee is a tomboy at heart. Although when the Gisborne Venturers first met her she was very quiet, they soon realised it was not the case. Once you get to know Em, as she is known by her friends, you find that her personality is definitely not quiet and she has no problem being different and dressing up in bright colours. Being quiet is not in her make-up; as her mum says, she is loud and at times 'over the top'—standing still for an hour for the Queen's Scout Awards presentation was a great achievement!

As well as Queen's Scouts, Em is studying for her year 12 exams and has achieved full colours at Sunbury College in drama. She has been a member of the Boilerhouse Theatre Company for 11 years. Her favourite clothes to wear to Venturer meetings are multicoloured happy pants and multicoloured Dunlop Volleys, usually combined with a small fascinator hat and earrings—when there is a matching pair! Emmalee is a sensational Venturer and a deserving winner of the Queen's Scout Award.

North Queensland Opera and Music Theatre

Mr EWEN JONES (Herbert) (13:51): Just recently, I went to a North Queensland Opera and Music Theatre production of *Hairspray* at the Townsville Civic Theatre. It was a truly fantastic event. Sarah Murr was absolutely word perfect and is a voice of the future as Tracey Turnblad. Lachlan Dalby was a young Elvis personified as Link Larkin. Andrew Higgins took the *Macquarie Dictionary* definition of 'double entendre' to a new level as Edna Turnblad. D'Arcy Mullamphy left his university lecturing days behind him as he turned into Wilbur Turnblad. Judy Higgins was absolutely fantastic as a petty, racist character. Vicki Saylor has the voice of an angel with a blues-roots style of presentation. It just made it so good. Kurt Fong, from my office, was in the chorus, and he played one of the bad dudes from across town. He was absolutely spectacular—and waved to us.

Hairspray, for those of you who do not know, is a story of the way we were in the 1960s. More importantly, it is the story of how one person can make a difference if they are prepared to take a stand—how one person, in the racial prejudice and segregation of the 1960s, takes a stand on national television. It is something that we can all say that we should do more of.

The way that the North Queensland Opera and Music Theatre presented their production and made the place a better place for everyone was something to behold. Townsville should be very proud. *(Time expired)*

Petition: Research and Development

Mr BANDT (Melbourne) (13:53): The *Australia in the Asian century* white paper released by the government correctly puts an emphasis on innovation and research, particularly in our universities, as one of the pathways to Australia becoming Asia capable. The Greens know that science and research underpin our economy and are critical to our future prosperity. That is why the Greens have so strongly opposed cuts to research funding in the MYEFO budget—cuts which include $500 million being taken from the Sustainable Research Excellence initiative budget. The Greens oppose that cut. We believe the government should be spending more on research and development, not less. In fact, if Australia is to compete in this Asian century, the Greens believe we need to be increasing our spending on combined private and public R&D to three per cent of GDP.

Discoveries need dollars, something that our researchers and scientists around the country know. They have been very active in supporting the Greens' push to protect the research budget and have signed our petition calling on the Treasurer to protect the research budget and not sacrifice science for a surplus. Over 3,650 people have signed my online petition and a large number have signed the hard-copy petition which I am presenting today. I understand many more have arrived in my office just today. The petitioners include scientists, researchers and thousands of Australians who know research is critical to our future. I want to make particular note of one of the petitioners, Professor David Penington, who knows, more than anyone else, the importance of science and research and what it can achieve. Ultimately, we need to stop seeing science and research as a honeypot that we can dip into every time the budget needs more money. I present the petition.

The petition read as follows—

To the Honourable The Speaker and Members of the House of Representatives

The petition of the undersigned concerned citizens:

1. Affirms that science is central to our economy and prosperity and that government investment in research is central to maintaining and growing Australia's scientific capacity;

2. Notes the growing concern amongst the science and research community about the security of funding; and

3. Notes the risks to jobs and the economy if funding is not secured.

We therefore requests that the House call on the Treasurer to:

1. Guarantee that science and research funding will be protected this financial year; and

2. Rule out any attempt to defer, freeze or pause Australian Research Council, National Health and Medical Research Council, Cooperative Research Centres or other science and research grants in an attempt to achieve a Budget surplus.

from 437 citizens

Petition received.

Driver's Licences

Mr TUDGE (Aston) (13:54): A driver's licence is critical to everyday life for most Australians. That is why I am so concerned about a new standard introduced by Austroads and the National Transport Commission that may unfairly deny a licence to thousands of diabetes sufferers. Diabetes sufferers must really take extra precautions when driving and follow strict medical guidelines. The new standard, however, requires a glycated haemoglobin level of less than nine per cent, which is an arbitrary figure that will diminish doctor discretion. This standard was introduced without consulting diabetics and is at odds with key research which states that the risks of driving with diabetes are 'not sufficient to warrant further restrictions to driving privileges'. The change will greatly disadvantage people like father and daughter Malcolm and Tahlia Whittle, who both have diabetes and now face uncertainty as to whether they can retain their licences. This standard must be reviewed urgently. We should be doing everything we can to help Australia's 900,000 diabetics, not making life harder for them with rigid regulation.

Atkinson, Commissioner Robert, APM

Mr PERRETT (Moreton) (13:55): I rise to pay my respects to retiring Police Commissioner Bob Atkinson, as he today retires after 44 years in the Queensland Police Service—many of those years spent in the bush—and 12 years as Queensland Police Commissioner.

Bob Atkinson can be very proud that he reduced the crime rate during his tenure. But perhaps even more significant was his strong commitment to turning the integrity and honesty of the police force around after the horrible findings of the Fitzgerald inquiry. I grew up in the sleazy old 'moonlight state', with Russ Hinze and Terry Lewis and the special branch. Hopefully, those days are long behind us—as they were under Commissioner Atkinson. Like so many other police officers at that time, Bob Atkinson was disgusted by the extensive corruption that the Fitzgerald inquiry exposed. Bob sought to run a Police Service that was driven by honesty and transparency. This resulted in an increase in accountability, the promotional system, a belief in higher education, support for women and multiculturalism. Bob also worked hard to reduce Queensland's road toll by focusing on the impact that

speed has on road accidents. This resulted in the road toll falling below 300 lives in 2010 and again in 2011, and I understand we are on track for a similar result this year, which has not happened for 50 years.

Bob initially came to prominence investigating the murder of Noosa schoolgirl Sian Kingi in 1987. He said that that case, the Daniel Morcombe case, the 2011 floods and Cyclone Yasi are events that he will recall forever. He has seen Queensland grow and evolve as a state over more than four decades— *(Time expired)*

Wheat Exports

Mr McCORMACK (Riverina) (13:57): The proposed GrainCorp buyout would put 100 per cent of eastern Australia's grain exports in foreign hands. Is this in the national interest? Worried grain growers in the Riverina do not think so. For the eastern states' grain export facilities to be taken over by American company Archer Daniels Midland would be another nail in the coffin of our agricultural sector and another huge blow to future food security. Surely this takeover bid must ring alarm bells in the heads of some in the Gillard government and the Foreign Investment Review Board to rigorously and vigorously apply Australia's national interest test to this latest proposed buyout? The $2.7 billion cash offer for GrainCorp from this massive United States corporation will require FIRB approval. GrainCorp operates seven of the nine bulk export terminals on the eastern seaboard and handles around 80 per cent of Queensland, New South Wales and Victorian exports. Its storage and logistics assets encompass more than 280 storage sites—21 million tonnes—and 19 trains.

The Treasurer showed no regard whatsoever when Spanish company Ebro tried to buy SunRice, which stayed in Australian hands and which last year produced 963,000 tonnes and recorded a $33.9 million after-tax profit. The Treasurer showed no regard whatsoever when US owned Cargill bought the Australian Wheat Board. The Treasurer showed no regard whatsoever when Cubbie Station was sold to Chinese interests. It is time the Treasurer stopped being so un-Australian, stood up for what is best for Australia and stepped in to save GrainCorp from becoming— *(Time expired)*

Petition: Parliamentary Behaviour

Ms BRODTMANN (Canberra) (13:58): At its recent triennial conference in Canberra, the National Council of Women of Australia presented me with a petition demanding 'a more civil and dignified approach to parliamentary debate at the federal level and for greater respect to be demonstrated to the office of the Prime Minister'. The petition, which was signed by more than 700 women across Australia, went on to say that the 'increasingly crude, juvenile, disrespectful and overly combative behaviour of many members degrades parliamentary process, creates an inappropriate behavioural model for our youth and causes ridicule in the eyes of world nations'. According to the conference organisers, the petition was triggered by a speech I gave to the ACT arm of the council in May. In that speech, I said that, for most of the time, parliament is 'a functioning, calm and respectful' place. I want decent and civilised debate on issues that matter in Australia, devoid of personal attack, particularly on the grounds of gender.

I am calling on leaders on all sides of the media and politics and in the community to invoke the values and spirit of two of Australia's greatest prime ministers, so beautifully articulated in a sign along the RG Menzies Walk:

> The day Menzies resigned as Prime Minister of Australia, in August 1941, he sent a short note to John Curtin, leader of the Labor Party, thanking him for his 'magnanimous and understanding attitude. Your political opposition has been honourable and your personal friendship a pearl of great price'. Curtin replied: 'Your personal friendship is something I value … as a very precious thing'.

I present the petition.

The petition read as follows—

> To the Honourable The Speaker and Members of the House of Representatives
>
> This petition of the National Council of Women of Australia draws to the attention of the House the increasingly crude, juvenile, disrespectful and overly combative behaviour of many members which degrades the parliamentary process and causes ridicule in the eye of world nations.
>
> We therefore ask the House to:
>
> The National Council of Women of Australia calls upon the House of Representatives to demand a more civil and dignified approach to parliamentary debate at the Federal level and for greater respect to be demonstrated to the Office of Prime Minister.
>
> The increasingly crude, juvenile, disrespectful and overly combative behaviour of many members, degrades parliamentary process, creates and inappropriate behavioural model for our youth and causes ridicule in the eyes of world nations.

from 904 citizens

Petition received.

The SPEAKER: In accordance with standing order 43, the time for members' statements has concluded.

CONDOLENCES

Smith, Corporal Scott James

Report from Federation Chamber

Order of the day returned from Federation Chamber for further consideration; certified copy of the motion presented.

Debate resumed on the motion:

That the House record its deep regret at the death on 21 October 2012, of Corporal Scott James Smith while on

combat operations in Afghanistan, place on record its appreciation of his service to his country, and tender its profound sympathy to his family in their bereavement.

The SPEAKER (14:01): The question is that the motion moved by the Hon. Prime Minister be agreed to. As a mark of respect, I ask all present to signify their approval by rising in their places.

Question agreed to, honourable members standing in their places.

Bilney, Mr Gordon Neil

Report from Federation Chamber

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

Debate resumed on the motion:

That the House express its deep regret at the death on 28 October 2012 of the Honourable Gordon Neil Bilney, a former Minister and Member of this House for the Division of Kingston from 1983 to 1996, place on record its appreciation of his long and meritorious public service, and tender its profound sympathy to his family in their bereavement.

The SPEAKER (14:02): The question is that the motion moved by the Hon. Prime Minister be agreed to. As a mark of respect, I ask all present to signify their approval by rising in their places.

Question agreed to, honourable members standing in their places.

QUESTIONS WITHOUT NOTICE

Prime Minister

Mr ABBOTT (Warringah—Leader of the Opposition) (14:02): My question is to the Prime Minister. I remind the Prime Minister of her pre-election promise that there would be 'no carbon tax under a government I lead'. I also remind her that the very next day she promised that the budget would be in surplus this year, saying, 'no ifs no buts, it will happen'. Given that she is abandoning this commitment, why would anyone ever believe anything this Prime Minister says?

Ms GILLARD (Lalor—Prime Minister) (14:03): From the Leader of the Opposition we see another new height in creativity as he tries to re-gear his carbon tax campaign, which even members of his own backbench know is running out of puff. On the question of the budget surplus, which apparently the opposition stumbled upon for the first time yesterday, having not bothered really with the Mid-Year Economic and Fiscal Outlook at all, I say to the Leader of the Opposition: if he genuinely cares about budget accounting then he may want to explain to the Australian people why, during the whole time he has been Leader of the Opposition, he has not put out one properly costed policy, not one policy properly checked by Treasury—not once, not ever.

If he wants to be taken seriously on the question of the budget surplus then there is no better time than today to say that the opposition will fully comply with the Charter of Budget Honesty; that, instead of producing dodgy figures as they did at the last election, with an $11 billion black hole in their centre, they will get their figures properly costed. We know that what is holding them back is the $70 billion plan for cuts to services that they are currently hiding—

The SPEAKER: The Prime Minister will return to the question before the chair. The Prime Minister has the call, and she will be relevant to the question.

Ms GILLARD: On the question asked by the Leader of the Opposition, I answered it yesterday. We have just delivered the Mid-Year Economic and Fiscal Outlook. What that shows is that we have built on the billions of dollars of savings realised so far with more billions of dollars of savings. What the Mid-Year Economic and Fiscal Outlook shows is a surplus. We stand by the figures in the Mid-Year Economic and Fiscal Outlook and we are on track to deliver the surplus that the Mid-Year Economic and Fiscal Outlook has contained within it.

Asia: Education

Mrs D'ATH (Petrie) (14:05): My question is to the Prime Minister. How is the government strengthening our education links with Asia by helping Australian students to study in the region?

Ms GILLARD (Lalor—Prime Minister) (14:05): I thank the member for Petrie for her question. What it serves to highlight is the fact that the difference in Australian politics can now be put down to a very simple point. On this side of the parliament we have a plan for the nation's future. On that side of the parliament there is no plan, just relentless negativity—as we have seen today with the opening question of the Leader of the Opposition. Yesterday, of course, we saw them start with muck. The day before we saw them start with their carbon tax campaign, which even backbenchers of the Leader of the Opposition's own team fear has run out of puff. On this side of the parliament, rather than being mired in that kind of negativity, we have delivered a plan for the nation's future and we are getting on with the job of shaping that and delivering that, because that is what matters for the future of Australians, for their jobs, for their skills and for their capacities, to make sure that they can seize individually the opportunities that will come in this century of change and growth.

The member for Petrie has rightly asked me about this plan's focus on education. If you do not focus on education then you cannot focus on the nation's future.

If you do not have a comprehensive approach to education then you are denying the nation the future it should have. So our plan for the nation's future focuses centrally on education. It focuses on deepening and

enhancing our education links with the region of the world we live in; the growing region of the world. The new Asia-bound grants will offer between $2,000 and $5,000 for students undertaking short or semester-length study exchanges and $1,000 grants for preparatory Asian language study. In addition, we will be simplifying and broadening eligibility for increased student loans for those students seeking to study in the region.

All up, this will support more than 10,000 young Australians to live and study in Asia and build what will be a lifetime set of choices about careers with opportunities for the rest of their lives. This comes with our focus on Asian languages, and it comes with everything we have done and said in relation to scholarship. It comes with our plan to build deeper business engagement. It comes with a comprehensive plan for the nation's future. I want our nation to be a winner in this century of change. That is why we have delivered the plan for the nation's future with education at its heart.

Economy

Mr HOCKEY (North Sydney) (14:08): My question is to the Treasurer. I remind the Treasurer that he has promised to deliver a surplus this year on over 150 occasions, including stating, 'We've got our colours nailed to the mast,' while yesterday he failed to nail his colours to the mast and failed to guarantee a surplus in this House. When did the Treasurer decide to abandon his commitment to deliver a surplus?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:09): I thank the shadow Treasurer for that question, because we have a proven track record of putting in place fiscal settings which will support—

Opposition members interjecting—

The SPEAKER: Order!

Mr SWAN: We have a proven track record of putting in place fiscal settings which support jobs and growth in our economy—and nothing could be more important to everyone on this side of the House than what we have done to support jobs and growth in our economy over the past five years. When the global financial crisis and the global recession threatened, we put in place a substantial response to support jobs and to support small business in our community. As a consequence we did not experience a recession, as did just about every other developed economy in the world. The consequence of that has been that our economy is stronger than just about any other developed economy in the world. We are expected to grow faster this year and next than other major developed economy.

When we put that stimulus in place we also outlined fiscal rules to bring our budget back to surplus—and, since that time, that is precisely what we have been doing. We have put in place a set of fiscal rules to bring us back to surplus. And because there has been $160 billion in revenue write-downs, we have had to put in place $150 billion worth of savings in our budget.

Mr Hockey: I rise on a point of order. It goes to relevance. The question was: when did the Treasurer decide to abandon his commitment to a surplus? I did not ask him for a history lesson on the GFC. Answer the question, please.

The SPEAKER: The member for North Sydney will resume his seat. The Treasurer has the call.

Mr SWAN: So we brought down the mid-year budget update nine days ago. In that budget update we forecast coming back to surplus in 2012-13, and we made $16 billion worth of savings. We made those because there were further revenue write-downs which hit our budget. But in an economy which is growing at around trend, in an economy which has contained inflation, in an economy where there is a very substantial investment pipeline, it is entirely appropriate in those economic conditions to come back to surplus.

That is why we put in place savings—tough savings—which are not supported by those opposite. Those opposite come in here and cry crocodile tears about a surplus but are not prepared to support any savings in this House which will bring our budget back to surplus. So the test is for them. A $70 billion crater in their budget bottom line was announced on breakfast TV, sitting beside the minister for the environment—

The SPEAKER: The Treasurer will return to the question.

Mr SWAN: We are putting in place the savings to bring our budget back to surplus. What this question proves is how unfit for high office the opposition are. They have no understanding of the economy, no understanding of the basic economic facts—

The SPEAKER: The Treasurer will return to the question.

Mr SWAN: and all they can run are negative scare campaigns.

Asian Century

Mr CHEESEMAN (Corangamite) (14:12): My question is to the Treasurer. How is the government making sure that the Australian economy and working people will be the winners in the Asian century?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:13): I thank the member for that question. This side of the House has a plan for the future—a positive plan for the future which is based on an understanding that there is a fundamental change in the global economic outlook: a shift in economic power from West to East. And that shift in economic power from West to East brings enormous possibilities

for our country. If we put in place the right set of policies to maximise those opportunities, we will continue to grow strongly. We do that from a position of strength. We are the 12th largest economy in the world, up from 15th. Three places we have improved since this party has been in power. We are 11 per cent bigger than we were as an economy prior to the global financial crisis, while many other developed economies are still struggling to get back to where they were back in 2008.

We are in this position of strength to maximise the opportunities of the Asian century precisely because of the actions that we took back in 2008-09 to strengthen our economy. We know where the economy would have been if those opposite were in power: we would have gone into recession. We would have had many more people unemployed, and many more businesses would have hit the wall. We are in a position of strength right now precisely because the government got the economic settings right over the past five years.

In our response to the Asian century white paper we are getting the response right—yet again—for the future, to create the jobs of the future, to invest in education and innovation and research, to put in place the fundamental reforms that are required to lift the capacity of our economy. Unlike those opposite, we understand the importance of productivity growth, and the Prime Minister particularly understands how important investment in skills and education is in the Asian century. What we see is the high skilled, high-wage path forward—forward in the Asian century—not the low skilled, low-wage path that those opposite see.

Only last night they were in the parliament voting against bills to protect workers' entitlements. Their path to the future is lower wages and their path to the future is to attack the wages and working conditions of Australian workers. What we believe in is investing in our workforce; what they believe in is tearing it down. So what you can see is a fundamental approach here, a plan for the future, and what you see from those opposite is simply talking our economy down and being negative all of the time.

Asian Century

Mr BRIGGS (Mayo) (14:15): My question is to the Treasurer. I refer him to the fact that the government has granted $550,000 to the Clinton Foundation's carbon accounting scheme in Kenya. Why has the government given over half a million dollars of taxpayers' money to fund a carbon accounting scheme in Kenya while at the same time it is presiding over a fast-disappearing surplus? Why can your government not get its priorities right?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:16): I am really pleased I have been asked a question about priorities and am delighted to get a question when it comes to carbon pricing. I am delighted to get a question that follows a discussion on the Asian century and how the path forward is the high-wage, high-growth path that is plotted for us in the white paper, because one of the foundations of growth in the 21st century is putting a price on carbon—putting a price on carbon so we can drive investment in renewable energy. Driving investment in renewable energy is the key to prosperity in the 21st century for a developed economy. So we do not apologise, for one minute, for putting in place a fundamental reform that drives investment in renewable energy. But what we get here—day in, day out—is all of this negative talk, all of this exaggeration, all of this approach which simply trashes public policy.

We do not apologise for what we have done with carbon pricing. It is absolutely essential to the jobs of the future. You can ask as many questions like that as you like; you will have no impact. I will tell you this: the public of Australia are no longer listening to this negative approach. They are sick of the harping. They are sick of the carping that is coming from those opposite. They are absolutely fed up with the approach of those opposite.

Mr Briggs: Madam Speaker, on a point of order on relevance: we would like to hear an answer about the Kenyan century rather than one about the Asian century.

Opposition members interjecting—

The SPEAKER: Order! As it was virtually impossible to hear anything, it does seem highly farcical that you would be taking a point of order when you are not allowing a word to be heard by the Treasurer.

Mr Hockey interjecting—

The SPEAKER: The member for North Sydney is warned.

Mr SWAN: We do not apologise for any of the investments that we make in reducing carbon pollution. We do not do that at all.

DISTINGUISHED VISITORS

The SPEAKER: I inform the House that we have present in the gallery today members of Polio Australia. I welcome them. They are proudly wearing tee-shirts with 'We are still here and aren't we glad of it' on them and are highlighting the ongoing issues they have with polio.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

North Queensland

Mr KATTER (Kennedy) (14:19): My question is to the Prime Minister. Given her halving of Murray-Darling agriculture and the nit—I will try that again!

Honourable members interjecting—

The SPEAKER: Order! When we get to the stage when an independent member cannot even ask a question, it just becomes absurd. The member for Kennedy will be heard in silence.

Mr KATTER: My question is to the Prime Minister. Given the near-halving of Murray-Darling agriculture and the reality of North Queensland having 60 per cent of Australia's water virtually unused, could the PM reaffirm her post-election policy of five North Queensland micro-irrigation projects? Further, Mayor Daniels and I have formed a cooperative. Will her government and Queensland partner this Cloncurry project? Finally, will the Prime Minister reaffirm her support for a major scheme west of Townsville and receive the deputation for this major Pentland-Charters Towers project?

Ms GILLARD (Lalor—Prime Minister) (14:20): I thank the member for Kennedy for his question, and I know how concerned he is about these issues of water use not only in Queensland but also across the nation. He and I have had an opportunity to speak about them in the past, and he is raising them in the parliament today because they are matters of passionate concern for him. I say to the member for Kennedy that I certainly will be pleased to receive a deputation with him and with community members to talk about the Pentland-Charters Towers project that he referred to in his question.

The member for Kennedy and I have, in the past, talked about micro-irrigation projects in North Queensland and I will be pleased to talk about those matters too. I know that they are of concern to him, and I know that he has been working strongly with local government. He referred to Mayor Daniels and referred to the formation of a cooperative and the Cloncurry project. I will be very happy to pursue discussions with the member for Kennedy on those questions too.

To the member for Kennedy: the government is working hard on water reform. We have been speaking today in this parliament—as we did yesterday and the day before—about our delivery on the weekend of a plan for the nation's future. We live in a century of change and growth. We live in a time when Australia is uniquely positioned to seize these opportunities, and so I was pleased and proud to deliver that plan for the nation's future. But immediately before delivering that plan, working with the minister for water, I made an announcement about the Murray-Darling, and I know that the member for Kennedy follows this closely. That announcement is about ensuring that we can get good environmental outcomes in the Murray-Darling.

This basin matters to the whole nation. It matters to the people of South Australia, where I grew up. I know that the member for Kennedy is keenly following this reform agenda and would have followed the announcement we made on Friday. He would know that there is legislation before the parliament dealing with 450 gigalitres being released through infrastructure work. He is also following the delivery of the Murray-Darling Basin Plan. So I will be happy to talk through all of these questions with the member for Kennedy. I thank him for his question and for his continued passion for irrigation and water reform.

Infrastructure

Mr HAYES (Fowler) (14:22): My question is to the Minister for Infrastructure and Transport representing the Minister for Broadband. Will the minister explain how our infrastructure investments, including the national broadband network, are helping to position Australia for the Asian century?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:23): I thank very much the member for Fowler for his question and note that members of his local community will soon see the rollout of the NBN in parts of Liverpool, Ashcroft and Mount Prichard. We do indeed have an ambitious plan for the future that positions our nation for the Asian century to take advantage of the opportunities that are there and to make sure they are spread throughout the community. That is what we are doing, and part of that has to be investing in modern, nation-building infrastructure—including the NBN.

The NBN is critical infrastructure to embrace the opportunities that are there for the Asian century. We have in Australia suffered from the tyranny of distance between ourselves on such a vast island continent and our distance from the rest of the world. The NBN will bring us that much closer and overcome those distances so that location becomes unimportant. That is why we, like our counterparts in Japan, Singapore and South Korea, are investing in super fast broadband. This will be a major boost for business enabling all Australian companies better access to Asian markets, so unlocking opportunities for greater regional collaboration and innovation and opening up new educational opportunities for our schools, our TAFEs and our universities—providing access to the best available resources from across the nation and the world. With the right plan we can maximise the benefits from the new middle class in Asia by creating high-paying, highly-skilled jobs for Australians. Our ambitious infrastructure agenda is a key part of this plan.

In addition to the NBN, we are investing $36 billion in our Nation Building Program in critical road, rail, port and intermodal infrastructure so that we can get our goods to markets and so that we can engage in trade in the region; the full duplication of the Hume Highway, which will be completed over the coming months; the rebuilding of one-third of the interstate rail freight network; and the building of the Moorebank

intermodal terminal in south-west Sydney, which will create 1,700 jobs on a permanent basis and provide real opportunities for employment in south-west Sydney as well as make a big difference to the functioning of the port at Port Botany and to our efficient nation-building infrastructure, because it is on the interstate rail freight network as well. We have this plan. Those opposite are showing today, yet again, that all they have is relentless negativity.

Mr HAYES (Fowler) (14:26): Madam Speaker, I ask a supplementary question. Minister, you mentioned the Moorebank Intermodal Terminal. Can you explain why this infrastructure is so important and how is it being received?

Mr Craig Kelly: Not very well, Chris.

The SPEAKER: The member for Hughes will leave the chamber under standing order 94(a). Warnings obviously have no impact; 94(a) might have some more.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:26): I thank the member for Fowler for his question and for his support for jobs in south-western Sydney. There are some who do not support them, but the member for Fowler certainly does. The 40 companies that attended the market soundings for the Moorebank intermodal project certainly support it as well. The Leader of the Opposition had this to say earlier this year:

> The government has recently committed to build a government-owned and run inter-modal freight hub at Moorebank in Sydney even though this will cost more and take longer to build than the private sector alternative planned, literally, for the other side of the street.

Again, it is an example of him not going to the detail, not bothering to get proper advice. This is what the Business Council of Australia had to say about the proposal in a letter from Tony Shepherd received this week:

> Jennifer Westacott and I have had the benefit of a full briefing on this project. I have had a number of follow-up discussions with the department. The Business Council supports the Commonwealth's strategy on this important piece of economic strategy. It is the most cost-effective and practical strategy and should produce a better outcome for the federal taxpayer and for New South Wales. The formation of a GBE to optimise private sector funding …

What would the Business Council know about it? They actually got the briefings and looked at it. It is supported by the Business Council. I table the letter from the Business Council.

Opposition members interjecting—

The SPEAKER: The minister is not too late to table.

Broadband

Mr TURNBULL (Wentworth) (14:28): My question is to the Treasurer. I remind him that MYEFO provided for an additional $20 million this year to address misconceptions about the NBN. Why is the government spending over $3,000 in advertising for each customer on its fibre network while at the same time presiding over a fast-disappearing surplus? Should not the Treasurer be focused on his own misconception—namely, that there is anyone left who believes he is either committed to or capable of delivering a surplus?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:29): I do welcome the question and, as is usual, I will have to go away and check the facts that have been put forward. The member for Mayo, for example, asked a question before that was inaccurate, because the money that is going through that fund was actually allocated—

The SPEAKER: The Treasurer will resume his seat; the member for Wentworth on a point of order.

Mr Turnbull: Madam Speaker, is it really in order for the Treasurer to question whether he has to check the facts of his own—

The SPEAKER: The member for Wentworth will resume his seat. Abusing points of order will not be tolerated.

Mr Briggs interjecting—

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

Honourable members interjecting—

The SPEAKER: The member for North Sydney! The member for Canning is warned. The Minister for Health is warned. I am not finding it amusing.; it is actually denigrating of a very important issue in our community. If the member for Higgins is serious about it, she should reflect on what she says on occasions. The Treasurer has the call and will be heard in silence.

Mr SWAN: The government are delighted to receive a question about the NBN because we are very proud of what we are doing. Of course, we did account for our expenditure on the NBN in the mid-year budget update, as we have done in all of our budgets. We are also very pleased with the progress of the rollout which has accelerated since we have made the arrangement with Telstra. For example, by the end of this year construction will have commenced or be complete for 758,000 premises. By mid-2015 work will be complete, underway or due to begin in 3.5 million homes and businesses. Why is that important? It is important because we have had something like 22 failed broadband plans from those opposite—22 failed plans. The government are very happy and very proud of what is being achieved by the NBN, and we think it is very good value for money.

Some assertions have been made by the member for Wentworth. But I was saying before that the member for Mayo actually distorted the facts, because the Clinton Foundation grant was approved by Alexander Downer in the Howard government.

Mr Turnbull interjecting—

The SPEAKER: Order! The Treasurer will resume his seat. The Manager of Opposition Business will resume his seat. One point of order on the question has already been taken. The Treasurer has the call.

Mr SWAN: I will step away and take the so-called facts that the member for Wentworth has put forward. I will go away and check them because usually you cannot rely on anything they say.

Mr Pyne: Madam Speaker, I seek leave to table the contract notice view which shows that this contract was awarded in June 2012.

The SPEAKER: I understand you are seeking leave, but I cannot call somebody else to the dispatch box if you remain on your feet. I would have thought that by now you understood the procedures of the House. The Leader of the House, is leave granted to table the document?

Leave not granted.

Mr Albanese: I table the media release from the Minister for Foreign Affairs, Alexander Downer, dated Wednesday, 22 February 2006.

The SPEAKER: The Leader of the House will resume his seat. The member for Kingston has the call.

Murray-Darling Basin

Ms RISHWORTH (Kingston) (14:33): My question is to the Prime Minister. How is the government getting on with the job of securing the future of the Murray-Darling Basin?

Ms GILLARD (Lalor—Prime Minister) (14:33): I thank the member for Kingston for her question, and I acknowledge that the member for Kingston along with other government members from South Australia—indeed, all of the government members from South Australia—have been keenly interested in the future of the Murray. Representing their constituents, the people of South Australia, in this place they have felt acutely the consequences for the Murray when there have been severe droughts, and they have felt for the people of South Australia how important it is for the Murray to be returned to long-term environmental health. These are sentiments that I can well and truly understand. Growing up in South Australia, you know that the health of the Murray, that great river, is pivotal to the health of that state.

As Prime Minister working on water reform for the nation it has also become increasingly clear to me that it is pressing for the whole nation for us to deliver the right reforms for the Murray-Darling Basin to make sure that we get it right for the whole of the Murray-Darling Basin and to make sure we get it right for the long-term future. That is why I truly believe we are presented with a once-in-a-generation opportunity to deliver a long-term plan for the future of the Murray-Darling Basin. We are getting on with that job.

The Murray-Darling Basin Authority has proposed a plan starting with a benchmark of 2,750 gigalitres of environmental water, and the same authority has recently released modelling which shows that we could deliver an additional 450 gigalitres by removing constraints in the system and funding river infrastructure. Importantly, the plan proposed by the authority stipulates that additional water above the benchmark should only be acquired through ways that deliver additional water without negative social and environmental consequences.

I was pleased to stand in South Australia with the minister for the environment and water and to say that we want to make this happen. We want to make the 450 gigalitres extra happen, and we have allocated $1.7 billion in the mid-year budget estimate to make it happen. Contrary to what was mentioned in the House yesterday by those opposite, this was provisioned for in MYEFO.

I congratulate all of those who have campaigned for the long-term health of the Murray-Darling Basin. I once again congratulate government members for doing so. I congratulate the *Adelaide Advertiser* for its campaign in mobilising the people of South Australia. I also congratulate the Premier of South Australia for his strong leadership of that state and for his pressing for the importance of this major reform. It is a plan for the future and we intend to deliver it. *(Time expired)*

Prime Minister

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:37): My question is to the Prime Minister. I remind the Prime Minister of her statement on 23 August that Ralph Blewitt personally provided the funds for the purchase of a Fitzroy property in 1993. I refer to a cheque, which I have a copy of, for over $67,000 from the AWU Workplace Reform Association made out to the Slater and Gordon trust account used to purchase that property. As the lawyer advising on the conveyance, does the Prime Minister stand by her statement that she did not know that the money came from the union slush fund that she had assisted in establishing?

Ms GILLARD (Lalor—Prime Minister) (14:37): I stand by all of my statements on this matter. The Deputy Leader of the Opposition has referred to a number of documents. Let me refer her to an important quote made by the opposition leader yesterday: 'I will leave the nasty personal politics to the Labor Party. I'm going to focus every day on what matters to the Australian people.' Did the opposition leader endorse

the asking of this question? My question is very relevant, given that statement yesterday.

Ms Julie Bishop: Madam Speaker, I rise on a point of order. I seek leave to table the cheque from the AWU Workplace Reform Association made out to the Slater and Gordon trust account from 18 March 1993.

Leave not granted.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:38): Madam Speaker, I ask a supplementary question. I refer to an affidavit, which I have a copy of, of Ian Cambridge, now at Fair Work Australia, in which he states: 'I am unable to understand how Slater and Gordon could have permitted the use of funds obviously taken from the union without obtaining proper authority from the union.' As a lawyer acting for the union and on the purchase of the property, how could the Prime Minister have been ignorant of the source of the funds?

Ms GILLARD (Lalor—Prime Minister) (14:39): The Deputy Leader of the Opposition in her initial question asked me to stand by my public statements on this matter. What that should imply is that it has been canvassed and dealt with on the public record. I stand by my public statements, and I again ask: does the opposition leader endorse this strategy, given his words yesterday?

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:39): Madam Speaker, I ask a further supplementary question. Given that none of the specific questions asked this week about the slush fund and the Slater and Gordon trust fund have been answered by the Prime Minister previously, how can she continue to assert that she has dealt with them before, as that is patently untrue?

Ms GILLARD (Lalor—Prime Minister) (14:40): How can the opposition assert that it is focusing on the nation's interests and not pursuing nasty personal politics when it goes down this track?

Mr Laming: You are corrupt!

The SPEAKER: The individual will withdraw.

Mr Laming: I withdraw.

The SPEAKER: Further, the member for Bowman will leave the chamber under 94(a) and will count himself very, very lucky. The Prime Minister will resume her seat. I call the Manager of Opposition Business.

Mr Pyne: The Prime Minister made an offensive remark across the chamber to the Leader of the Opposition and I, and I ask that it be withdrawn.

The SPEAKER: Will the Prime Minister withdraw for the good of the House?

Ms Gillard: No. I did not make an offensive remark. What I said is that this is the strategy of the Leader of the Opposition and I hope that he is proud of it, given what it has led to in the House. I have dealt with these—

The SPEAKER: Prime Minister, what I asked is if you would withdraw for the good of the House, given the nature of the debate. If you could do that so that we can progress, I would appreciate it.

Ms Gillard: Certainly. I withdraw. The strategy of the Leader of the Opposition is offensive. It is in contrast to his remarks yesterday. I have dealt with these matters on the public record extensively, and no amount of bellowing by those who sit opposite changes that in any way. All this is a cover-up for the fact that they do not have and will never have a plan for the nation's future.

Ms Julie Bishop: Madam Speaker, I rise on a point of order. I find it offensive as a woman that the Prime Minister would suggest that I am being dictated to by somebody else. These are my questions. She is not answering them.

The SPEAKER: The Deputy Leader of the Opposition will resume her seat.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned. I call the member for Wakefield.

Murray-Darling Basin

Mr CHAMPION (Wakefield) (14:42): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. What steps does a government need to follow in order to put together a plan to restore the Murray-Darling Basin to health? What are the obstacles to achieving this outcome?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:42): I thank the member for Wakefield for his question. Australia has never been closer to the reform of the Murray-Darling Basin than we are today. I want to commend not only the member for Wakefield but indeed all those South Australian members on this side of the House for the arguments that they have run relentlessly in pushing for the restoration of the health of the Murray-Darling Basin. I also want to acknowledge the contribution of the member for New England in ensuring that, in going down this path, we work with communities. In that way, we have made sure that we have the minimum standards required to restore the Murray-Darling to health. But, wherever we have been able to meet those environmental standards in ways that work with communities, we have taken those options.

Shortly—in the next few weeks, once the Senate have dealt with the legislation that went through this House last night—I expect to be able to sign off on a Murray-Darling Basin plan. That plan will have a benchmark of 2,750 gigalitres, with the environmental

consequences attached to that. I do not believe and the science does not say that those environmental consequences on their own are enough to restore the basin to health. The reason the authority could only go that far is capacity constraints in the system. That is why the Prime Minister gave a guarantee at an event with the Premier of South Australia last week that the government will provide the money to remove those capacity constraints and get the additional 450 gigalitres that the Murray-Darling Basin so desperately needs.

That not only provides an environmental benefit for South Australia but also provides environmental benefits across the basin, whether you are at the Macquarie Marshes, Menindee Lakes or at the Hatter Lakes. The Ramsar wetlands up and down the Murray-Darling Basin all stand to benefit from a return to health here.

Given the history of some of those opposite, people such as the member for Wentworth, who have played a role in getting us to this point over the years, I was astonished to have the member for Sturt describe Murray-Darling reform as being part of a 'blizzard of distractions'—he gave a 'blizzard of distractions' as a description of Murray-Darling reform. We have an opportunity in this House to actually do what generations before us have always failed at. I know the member for Sturt, apparently just today, described the South Australian Premier's role as making him a weakling. That is always a mean thing to say, but to be called a weakling by the member for Sturt would I think hurt in a very big way.

Let me leave you in no doubt that it is the case that anyone who stands on the side of restoring the system to health is on the right side of this debate. They are on the side that for generations the basin has been waiting for and that the House will deal with soon. *(Time expired)*

DISTINGUISHED VISITORS

The SPEAKER (14:45): Before I call the next speaker, I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the People's Republic of China. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Fair Work Act

Mr PYNE (Sturt—Manager of Opposition Business) (14:46): My question is to the Prime Minister. I remind the Prime Minister that the former federal president of the Labor Party, Michael Williamson, has been charged with fraudulently misappropriating $600,000 in funds collected from low-paid union members. Did the Prime Minister place any provisions in the Fair Work Act, which she used to boast she had written, to enable the recovery of funds stolen by corrupt union officials? If not, why not?

Ms GILLARD (Lalor—Prime Minister) (14:46): As I have explained to this parliament in the past, when we replaced Work Choices and its dreadful rip-offs of working people, when we replaced the fact that people could be dismissed for no reason, when we replaced the industrial laws that had hurt working women the most, when we replaced those vile laws from those opposite, the Leader of the Opposition and the opposition generally, what we did was create the Fair Work Act and fairness and decency at work. What we also did in relation to the provisions for registered organisations was effectively bring them from the former legislation into new legislation—that is, there was no substantive change to the provisions for registered organisations.

The offences in Work Choices were against working people. They were about working people having their penalty rates ripped off, they were about working people being unfairly dismissed, they were about working women being unable to secure equal pay, and the list went on and on. So we fixed all of that, but, as for the registered organisations provisions, they appear in the Fair Work legislation—or they did appear in the Fair Work legislation—effectively in the same terms as under the former Howard government. Then, of course, in the recent period—

Mr Pyne: Madam Speaker, on a point of order: the Prime Minister was asked whether she put provisions in there to recover misappropriated funds from corrupt union officials, and she has not yet even tried to answer that question.

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

Ms GILLARD: I am pointing out to the member for Sturt that the provisions were in the same terms as the provisions that he supported when he was a member of the government. So it would seem to me incredibly negative for him to suddenly be opposed to them when he supported them every day in government.

Since then, and in the light of some recent issues, the Minister for Employment and Workplace Relations has brought into the parliament, and the parliament has passed, new laws for registered organisations, particularly relating to transparency. So the answer to the member for Sturt's question is that initially the laws were in substantively the same form as the Howard government's and since then this government has chosen to tighten them up.

Workplace Relations

Ms LIVERMORE (Capricornia) (14:49): My question is to the Minister for Employment and Workplace Relations. Will the minister outline how the government is committed to fair wages, good conditions and decent entitlements for working people? Are there any risks to this?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:49): I thank the member for Capricornia for her question. I know that she is very committed to ensuring that workers get a fair deal at work.

I can report to her that the government has done a range of measures, and there are four that come to mind immediately. First, after the long, dreary years of the Howard government's industrial relations, we introduced a bargaining system that has now seen 2.2 million Australian workers covered by over 16,000 agreements. That is one tick. The next tick is that we extended unfair dismissal protections to cover seven million Australian workers so that people at least have some remedy against unfair dismissal. That is another tick. Indeed, since Labor was elected at the end of 2007, we have seen 800,000-plus jobs created. That is good news for workers and another tick. The fourth provision is that we increased compulsory superannuation from nine to 12 per cent, which means that Australians will have more money to retire on than they would have if the coalition had been in power.

But I can report to the member for Capricornia that last night there was a further development to improve the protections for Australian workers. I am referring to legislation that was passed called the Fair Entitlements Guarantee. Last night this Labor government put into statute the existing protections that exist in an administrative scheme known as GEERS.

Mr Hockey: Set up by Tony Abbott.

Mr SHORTEN: Spot on. As the member for North Sydney says, it was set up by the opposition. This is why what happened last night is so mind-numbingly perplexing, by the opposition. This was a scheme that we have improved—

Mr Hockey interjecting—

The SPEAKER: The member for North Sydney has previously been warned, and provocation is not a defence. The minister has the call.

Mr SHORTEN: This is a scheme that we have improved. We have polished and improved it, because we always do better for workers than those opposite. But what is interesting is that this is a scheme to protect workers who are at risk of losing their entitlement. It is a scheme of last resort to help bail out workers who risk losing entitlements. So, even though the member for North Sydney says, 'Hang on, don't take credit; that is our idea,' why did you vote against it last night? What happened last night is that they decided to lower it because they have never seen a worker's condition they do not want to cut, and, when they could not get their amendment up, what did they do? They threw their toys out of the cot and said they would vote against the whole lot.

So the 14,000 workers in the last financial year who have benefited from the GEER Scheme should be grateful that there is a Labor government. The 64,000 workers who have benefited from the GEER Scheme since we were elected should be grateful for a Labor government. And I tell you who else should be grateful: all those workers in the future, because if the opposition had their way they would do over—they would further injure—workers who lost their entitlements courtesy of insolvency. Those opposite showed their real form on industrial relations last night: cut, slash and burn.

Ms LIVERMORE (Capricornia) (14:52): Madam Speaker, I ask a supplementary question. Can the minister tell the House if any further entitlements for workers are planned by the government?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:52): I thank the member for Capricornia for her question. As I know, she is very interested in what happens to workers' conditions. That is why she voted for increasing compulsory superannuation, in modest increases over the next seven years, from nine to 12 per cent. So that electors in her electorate who work every day do not retire poor, she has backed a measure that will back 48½ thousand voters in Capricornia. So voters in Capricornia know she is on their side.

I can report to her that there are further measures that this government is going to put in place to help look after Australian workers—sensible measures, moderate measures—one of which is that, when harsh, cutting, slashing, burning, conservative governments go after state public sector entitlements, we will support making sure that, under transmission of business laws, public sector workers, who work hard and are not well remunerated, will be covered. When a callous, conservative government comes in to cut their conditions, we want them to be covered by the same national laws that everyone else in the Australian national system is covered by.

But it does not stop there. We have more good things for Australian workers. Another one—and we are currently engaging in consultations—is extending the right to request leave in certain circumstances. This will be a challenge for those opposite. Whenever they see industrial relations they scream as if it is a brown snake in the kitchen. When we talk about what we

want to do for workers, those opposite need to do some policy work, because we want to extend the right to request leave to victims of domestic violence, and we want to extend it to people with disabilities and carers. I know there are good people opposite who will—*(Time expired)*

Superannuation Funds

Mr FLETCHER (Bradfield) (14:54): My question is to the Prime Minister. I remind the Prime Minister that the former ALP national president, Mr Michael Williamson, was until recently a director of First State Super, appointed by Unions New South Wales. In the light of the concerns of Tom Parry, chairman of First State Super, that he had no power to remove Mr Williamson as a director, can the Prime Minister explain the government's reluctance to adopt the governance recommendations of the Cooper review to reform the system of union appointed directors of industry super funds?

Mr Albanese: Madam Speaker, on a point of order: I am just wondering how this is within the authority of the national government. The question went to appointments by Unions New South Wales to a state based super scheme.

The SPEAKER: The first part of the question is not within the Prime Minister's prerogative. The last part of the question is.

Ms GILLARD (Lalor—Prime Minister) (14:56): I thank the member for his question. The member, in the last part of the question, referred to the Cooper review. We have been implementing various recommendations of the Cooper review as part of a major reform of superannuation. Members of the parliament would know how routinely superannuation legislation comes before the parliament, and the government has been working on a major agenda of change—things like the MySuper system and the other efficiency measures that have been there for the recipients of superannuation. We will continue working on the recommendations of the Cooper review. Of course, we want people who are guiding superannuation funds to be people of quality and people of integrity; we would all want that for people in superannuation funds. So, whether there is an issue arising because of someone's involvement in a business or whether there is an issue arising because of involvement in a union, of course we would want it properly dealt with.

Wheat Exports

Ms PARKE (Fremantle) (14:57): My question is to the Minister for Sustainability, Environment, Water, Population and Communities, representing the Minister for Agriculture, Fisheries and Forestry. Will the minister update the House on the government's plans for the reform of wheat export marketing rules? What obstacles stand in the way of wheat growers who wish to choose their own customers?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:57): I thank the member for Fremantle for her question. It is good to have a number of Western Australian members of this parliament who will be defending the interests of Western Australian wheat growers, because there are quite a number who intend to vote entirely against the interests of wheat growers. The process of moving away from the truly ugly days of the AWB monopoly has gone through a few stages. We began with an entirely regulated and controlled system. We then went through a system of partial deregulation in the last term, and we have legislation before the parliament now for full deregulation. There were media conferences before we came into parliament today, with a number of additional undertakings, such as switching with the ACCC from a voluntary code to a mandatory code, that have been of particular interest to the Greens. I am pleased that those negotiations have gone the way they have.

But think, in the plan of deregulation, about the pathway we have gone down. When I was agriculture minister and introduced the first stage of that plan, we did have amendments from those opposite. They said we were not going far enough. They said that the amendments that were designed by the member for Groom, that were put forward in the Senate and that were accepted by us—when the Liberal Party were going ahead with the values that the Liberal Party were meant to hold, back with Brendan Nelson—were all about saying, 'You're not pro-market enough.' All we are saying here is that a wheat grower grows the wheat and they should be able to choose who they sell it to. But these days the only thing we are asking from the Liberal Party is that they in some way support free enterprise. It has become too much to ask the modern Liberal Party to be on the side of free enterprise.

The SPEAKER: Order! The minister will resume his seat. My apologies, I was not aware the member for Barker was seeking the call.

Mr Secker: Madam Speaker, I rise on a point of order on anticipating the discussion of a matter listed on the *Notice Paper*—standing order 77.

The SPEAKER: The member for Barker will resume his seat.

Mr Albanese: Madam Speaker—

The SPEAKER: The Leader of the House will resume his seat. The anticipation rule does not apply, but I understand the member's concern.

Mr BURKE: If there were ever an example of how much the Liberal Party have changed under this Leader of the Opposition, it is the fact that they now cannot bring themselves to allow a farmer to choose who they

want to sell to. If there were ever an example of how the Liberal Party of today is fundamentally different to what it was throughout its history and to what it was even three years ago, this is it. How many of the Liberal Party backbench intended to join the DLP? How many members of the Liberal Party backbench thought they were going to end up with the economics of Bob Santamaria when it came to what you are allowed to export? But that is the decision that is now before this parliament. If you will not even give the basic threshold level of allowing a business to choose who they will sell their products to, then every member of the Liberal Party needs to know they are in a fundamentally different party under this Leader of the Opposition to the one they ever joined.

Mining

Ms O'DWYER (Higgins) (15:01): My question is to the Treasurer. I refer the Treasurer to the heads of agreement with the three big mining companies in July 2010, which states that 'any royalties paid and not claimed as a credit will be carried forward at the long-term bond rate plus seven per cent'. That would currently equate to over 10 per cent per year. Does the Treasurer believe it is fair that the individual taxpayer receive a delayed interest refund at 4.37 per cent per year from the tax office when big miners receive credits of over 10 per cent against any future liability, double that of a typical taxpayer? *(Time expired)*

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:01): Well, I am surprised they are now supporting a resource rent tax in the House—isn't that a turnaround! The fact is that unused royalties are not transferrable, nor are they creditable. We had statements to the contrary in the House today by the shadow Treasurer. But I do welcome the opportunity to put a few facts on the table about the MRRT, because those opposite will go to great lengths to distort any fact, to tell any untruth, about this tax, and it is very important that we understand what is going on.

The MRRT is an important mechanism to spread the benefits of the mining boom right around our country. And the fact is that the opposition have been making assertions which are simply untrue. The first fact is that we have forecast $9 billion over the forward estimates. Yes, that is a write-down of revenue of $4 billion over the forward estimates. But why has that happened? That has happened because, between the budget and September, iron ore prices crashed 38 per cent. When prices are down and when profits are down, resource rent taxes are down. If you were to take the logic of those opposite, they would be repealing the PRRT, which supplies some billion dollars of revenue to governments each year. The fact is that they have not been telling the truth about what we put in MYEFO and about what is going on with the MRRT. The final numbers will come to us when the tax office have complied with all of their legal obligations and completed their analysis, paying due regard to the privacy conditions that they operate under. And for the opposition to go around and make all sorts of outrageous claims about revenue just proves how dishonest they are.

The fact is that we will be publishing, on a monthly basis, the outlook for MRRT revenues, consistent with the advice that we receive from the tax office, particularly when it comes to privacy. And we are not supplied with any estimates when it comes to individual companies at all. But the fact is that they want to come in here and cry crocodile tears over a tax that they want to abolish, because they want to kneel at the feet of the mining billionaires and vested interests. That is why we are getting all of the crocodile tears.

The first thing they could do when we announced a resource rent tax was to run out the door, get on bended knees to the mining billionaires and vested interests and say, 'We'll give you a tax cut.' That was the very first thing that they did.

The SPEAKER: Order! The Treasurer will return to the question.

Mr SWAN: We have put in place a tax which will ensure that, over time, the Australian people will get fair value for the mineral resources they own 100 per cent.

Mr Buchholz: He's a genius!

The SPEAKER: The member for Wright is a genius too and will be leaving the chamber under 94(a).

The member for Wright then left the chamber.

Carbon Pricing

Mr GEORGANAS (Hindmarsh—Second Deputy Speaker) (15:05): My question is to the Minister for Climate Change and Energy Efficiency and Minister for Industry and Innovation. Minister, the carbon price has now been in place for almost four months. We saw a lot of predictions and claims in the lead-up to it. Will the minister update the House on its impact, which of the predictions were proven and which ones were not?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (15:05): I would like to thank the member for Hindmarsh for his question. It is important to remind the House that the Treasury modelling of the impact of the carbon price showed that the price impact would add 0.7 per cent to the CPI in financial year 2012-13. That was the Treasury modelling, and it has been mentioned many times.

Following the release of the September quarter CPI figures last week, some economists are in fact predicting that the impact will be less than that forecast by the Treasury. For example, the Commonwealth Bank senior economist Michael Blythe said the

following: 'It is looking as if the Treasury's figure will be an overestimate rather than an overestimate.' And that is very good news for Australian households, recipients of tax cuts funded by the carbon price, recipients of pension increases funded by the carbon price, recipients of family tax benefits funded by the carbon price—all good news.

But of course the most notorious prediction came from the Leader of the Opposition about the price impacts of carbon pricing. He has travelled the country claiming time and time again that there would be unimaginable price rises on—you name it; just think of any commodity: meat pies, sausage rolls, tomato sauce, Weet-Bix, fish fillets, wetsuits, anything! Unimaginable price impacts were predicted by the Leader of the Opposition.

We know that he is not real good on forecasting the stock market, but he is even worse with regard to the CPI. Now that the September quarter CPI figures are in, we can do a few price checks. The Leader of the Opposition went to Sanitarium's Weet-Bix factory, for example, and claimed that prices would be much, much higher. But the CPI figures show that in fact breakfast cereal prices fell by 0.9 per cent in the first three months of the carbon price. The Leader of the Opposition went to a dairy farm. He said that the price of milk would go through the roof, that milk would be unaffordable. The CPI figures for the September quarter showed milk prices down 0.5 per cent.

Senator Barnaby Joyce, that great soothsayer, a sage and a seer, said that a lamb roast would cost $100 after the carbon price came in. Lamb prices were down 2.3 per cent in the first quarter of the carbon price coming into effect. Lamb prices are down. The opposition leader claimed that motorists would not be able to get into their cars—another mendacious claim. There is no carbon price on fuel at all. A totally mendacious claim!

It is time that the Liberal Party moved on from the DLP leadership and that the Liberal Party became a Liberal Party once again. Give the member for North Sydney a go; give the member for Wentworth a go. They are both starters. There are a couple of roughies there. I like the member for Menzies for the job. He has put up his hand before. Put someone else on who can tell the truth. *(Time expired)*

Carbon Pricing

Mrs BRONWYN BISHOP (Mackellar) (15:08): My question is to the Prime Minister. I refer the Prime Minister to the revelations in *Tales from the Political Trenches* that she referred to the ETS as electoral poison. Is it true?

Ms GILLARD (Lalor—Prime Minister) (15:09): To the member's question: I do not think that, after the years that we have lived through, anybody could deny or doubt my capacity to argue for and deliver a price on carbon. We have got it done. And to the members opposite who hung their heads during the minister for climate change's last answer: imagine how you are going to feel in 12 months time.

I ask that further questions be placed on the *Notice Paper*.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Asian Century

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:09): Madam Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER: The Treasurer may proceed.

Mr SWAN: I was asked by the member for Mayo during question time about a grant to the Clinton Foundation of $500,000. I pointed out in my answer that the Howard government had provided $25 million to the Clinton Foundation.

Mr Pyne interjecting—

The SPEAKER: The Manager of Opposition business will withdraw.

Mr Pyne: Madam Speaker, I withdraw.

Mr SWAN: The $500,000 grant to the Clinton Foundation was made under a program of the Howard government, the International Forest Carbon Initiative, which was a Howard government initiative, and it was made by the minister for climate change.

PERSONAL EXPLANATIONS

Mr MORRISON (Cook) (15:10): Madam Speaker, I seek to make a personal explanation.

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

Mr MORRISON: I do.

The SPEAKER: The member for Cook has the call.

Mr MORRISON: Earlier today the Minister for Immigration and Citizenship said in this place, 'It was the opposition who said—I remember the shadow minister for immigration saying that it'—meaning Nauru—'would cost $10 million.' That is a complete falsehood. As the minister would know, the policy we released in January said that 1,350 beds—

The SPEAKER: The member for Cook has pointed out where he has been misrepresented.

QUESTIONS TO THE SPEAKER

Privilege

Mr PYNE (Sturt—Manager of Opposition Business) (15:11): Madam Speaker, I have now decided to raise a matter of breach of privilege. I wish to raise a matter of breach of privilege in question time today, which is contempt of the parliament. In question time today the member for Mayo asked a very straightforward question to the Treasurer about a

$550,000 grant to an organisation in Kenya to design a national carbon accounting system in Kenya. The Treasurer then said in a subsequent answer to a question that in fact the Clinton Foundation grant was approved by Alexander Downer, during the Howard government. He made no mention of $25 million. That was an entirely false statement. The Leader of the House then also breached the privileges of the House by misleading the parliament by tabling this document, which was supposed to prove that in fact the grant was made by Alexander Downer, during the former Howard government. In fact, it was a grant for 'Australia and Clinton Foundation join in Asia-Pacific fight against HIV/AIDS'. The $25 million—

Government members interjecting—

The SPEAKER: Order! Do you wish to hear the Manager of Opposition Business or not?

Mr PYNE: was to be used over four years, from 2006 to 2010, with a focus on funding in Papua New Guinea, Vietnam and China. There is no mention either in this press release or in fact in the program that was established by the Howard government of any money for carbon accounting in Kenya. The Treasurer has therefore grievously misled the House and then did so again when he sought to add to that answer by pretending that he had mentioned the $25 million grant in his previous answer, which he did not.

So both the Leader of the House and the Treasurer should be referred to the Privileges Committee for misleading the parliament and therefore holding it in contempt.

The SPEAKER (15:13): I will reflect on the issue raised by the Manager of Opposition Business.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Asian Century

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:13): I seek the indulgence of the chair to add to an answer.

The SPEAKER: The Treasurer may proceed.

Mr SWAN: I said when I got up that the grant was made by the minister for climate change and I am quite happy to say that.

Opposition members interjecting—

Mr SWAN: Yes, I did.

The SPEAKER: The Treasurer is adding to an answer.

Mr SWAN: That is what I said when I added to the answer.

Mr Dutton interjecting—

The SPEAKER: The member for Dickson will leave the chamber under standing order 94(a). With the constant interjecting I could not hear what the Treasurer actually just said. I would have thought opposition members would be interested in that. I actually did not hear it.

PERSONAL EXPLANATIONS

Mr HOCKEY (North Sydney) (15:14): Madam Speaker, I wish to make a personal explanation.

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

Mr HOCKEY: Yes.

The SPEAKER: The member for North Sydney has the call.

Mr HOCKEY: During question time the Treasurer claimed that I made certain comments today about the refund of royalties by the Commonwealth government to the mining companies and that they were false. I refer the Treasurer to the heads of agreement which he, the Prime Minister and the Minister for Resources signed. It states:

All state and territory royalties will be creditable against the resources tax liability but not transferable or fundable. Any royalties paid and not claimed as a credit will be carried forward at the uplift rate of long-term bond rate plus seven per cent.

I seek leave to table the document that they signed, together with chapter 3 from the legislation, which talks about the—

The SPEAKER: Is leave granted?

Mr Albanese: No. I table the Fair Work Building and Construction Annual Report 2011-12. Full details of the document will be recorded in the *Votes and Proceedings*.

DOCUMENTS

Presentation

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

Administrative Appeals Tribunal—Report for 2011-12.

Albury-Wodonga Development Corporation—Report for 2011-12.

ASC Pty Ltd—Report for 2011-12.

Attorney-General's Department—Report for 2011-12.

Australian Centre for International Agricultural Research—Report for 2011-12.

Australian Institute of Health and Welfare—Report for 2011-12.

Australian National Maritime Museum—Report for 2011-12.

Australian Public Service Commissioner—Report for 2011-12, incorporating the report of the Merit Protection Commissioner.

Australian Reinsurance Pool Corporation—Report for 2011-12.

Australian Securities and Investments Commission—Report for 2011-12.

Australian Sports Anti-Doping Authority—Report for 2011-12.

Australian Sports Commission—Report for 2011-12.

Bundanon Trust—Report for 2011-12.

Bureau of Meteorology—Report for 2011-12.

Cancer Australia—Report for 2011-12.

Civil Aviation Safety Authority—Report for 2011-12.

Clean Energy Regulator—Report for the period 2 April to 30 June 2012.

Commonwealth Grants Commission—Report for 2011-12.

Commonwealth Ombudsman—Report for 2011-12.

Commonwealth Superannuation Corporation—Commonwealth Superannuation Scheme, Public Sector Superannuation Scheme, Public Sector Superannuation accumulation plan, 1922 Scheme and Papua New Guinea Scheme—Report for 2011-12.

Department of Infrastructure and Transport—Report for 2011-12.

Department of Sustainability, Environment, Water, Population and Communities—Report for 2011-12.

Department of the Treasury—Report for 2011-12.

Fair Work (Building Industry) Act 2012—Commonwealth Ombudsman's report on reviews conducted under Division 3 for the period 1 to 30 June 2012.

Financial Reporting Council—Report for 2011-12, incorporating report on monitoring auditor independence.

Future Fund—Report for 2011-12.

Great Barrier Reef Marine Park Authority—Report for 2011-12.

Indigenous Business Australia—Report for 2011-12.

Insolvency and Trustee Service Australia—Report for 2011-12, incorporating reports on the operation of the Bankruptcy Act 1966 and Personal Property Securities Act 2009.

Low Carbon Australia Limited—Report for 2011-12.

Migration Act 1958—Section 486O—Assessment of detention arrangements—2012 Personal identifiers 683/12, 790-1/12, 806/12, 809/12, 856/12, 948/12, 979/12—

Commonwealth and Immigration Ombudsman's report.

Government response to the Ombudsman's report.

National Archives of Australia and National Archives of Australia Advisory Council—Report for 2011‑12.

National Film and Sound Archive—Report for 2011-12.

National Health and Medical Research Council—

Report for 2011-12.

Review of the implementation of the strategic plan for 2010-12—Corrigendum.

National Industrial Chemicals Notification and Assessment Scheme—Report for 2011-12.

National Library of Australia—Report for 2011-12.

Office of Parliamentary Counsel—Report for 2011-12.

Outback Stores Pty Ltd—Report for 2011-12.

Productivity Commission—Report for 2011-12.

Remuneration Tribunal—Report for 2011-12.

Renewable Energy Regulator—Financial Report for 2011-12.

Repatriation Commission, Military Rehabilitation and Compensation Commission and the Department of Veterans' Affairs—Report for 2011-12.

Repatriation Medical Authority—Report for 2011-12.

Debate adjourned.

COMMITTEES

Selection Committee

Report

The SPEAKER (15:16): I present report No. 70 of the Selection Committee relating to the consideration of committee and delegation reports and private members' business on Monday, 26 November 2012. The report will be printed in today's *Hansard* and the committee's determination will appear in tomorrow's *Notice Paper*. Copies of the report have been placed on the table.

The report read as follows—

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

1. The committee met in private session on Tuesday, 30 October 2012.

2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 26 November 2012, as follows:

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

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements

1 Parliamentary Delegation to the People's Republic of China and the Republic of Indonesia

Report of the Parliamentary Delegation to the People's Republic of China and the Republic of Indonesia, 26 August—7 September 2012

The Committee determined that statements on the report may be made—all statements to conclude by 10:20 a.m.

Speech time limits—

Hon Alan Griffin—5 minutes.

Next Member speaking—5 minutes.

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

2 Joint Standing Committee on Migration

Inquiry into Multiculturalism in Australia

The Committee determined that statements on the inquiry may be made—all statements to conclude by 10:30 a.m.

Speech time limits—

Ms Vamvakinou—5 minutes.

Next Member speaking—5 minutes.

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

3 Standing Committee on Climate Change, Environment and the Arts

Inquiry into Australia's biodiversity in a changing climate

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

Speech time limits—

Mr Zappia—5 minutes.

Next Member speaking—5 minutes.

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

PRIVATE MEMBERS' BUSINESS
Notices

1 MR KATTER: to present a Bill for an Act to amend the *Foreign Acquisitions and Takeovers Act 1975*, and for related purposes. (*Foreign Acquisitions and Takeovers Amendment (Cubbie Station) Bill 2012)*.

Time allotted—10 minutes

Speech time limits—

Mr Katter—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

2 MR BANDT: to present a Bill for an Act to amend the *Fair Work Act 2009*, and for related purposes. (*Fair Work Amendment (Tackling Job Insecurity) Bill 2012)*

Time allotted—10 minutes

Speech time limits—

Mr Bandt—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

3 MS HALL: to move:

That this House:

(1) promises to remember all children with type 1 diabetes; and

(2) notes that 100 young Australians with type 1 diabetes will be in Parliament House on 29 November 2012 as part of Kids in the House. (*Notice given 29 October 2012.*)

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

Speech time limits—

Ms Hall—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 12 x 5 mins]

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

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

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

2 Australian Parliamentary Delegation to the Solomon Islands and Samoa

Report of the Delegation to The Solomon Islands and Samoa

The Committee determined that statements on the report may be made—all statements to conclude by 8.05 pm

Speech time limits—

Mr K. J. Thomson—5 minutes.

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

PRIVATE MEMBERS' BUSINESS
Orders of the day

1 ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION AMENDMENT (MAKING MARINE PARKS ACCOUNTABLE) BILL 2012 [NO. 2] (*Mr Christensen*): *Second reading (from 17 September 2012).*

Time allotted—50 minutes.

Speech time limits—

Mr Christensen—10 minutes.

Next Member speaking—10 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 6 x 5 mins]

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

Notices

1 Mr BANDT: to move:

That this House:

(1) notes with concern the recent and growing job losses in state governments around Australia, as well as the difficulties many state public sector employees face in bargaining over wages and conditions;

(2) directs the Standing Committee on Education and Employment to inquire into and report on the conditions of employment of state public sector employees and the adequacy of protection of their rights at work as compared with other employees, including:

(a) whether:

(i) current state government industrial relation legislation provides state public sector workers with less protection and entitlements than workers to whom the Fair Work Act 2009 applies;

(ii) the removal of components of the long held principles relating to Termination, Change and Redundancy from state legislation is a breach of obligations under the International Labour Organisation (ILO) conventions;

(iii) the rendering unenforceable of elements of existing collective agreements relating to employment security is a breach of the obligations under the ILO conventions relating to collective bargaining;

(iv) the current state government industrial relations frameworks provide protection to workers as required under the ILO conventions;

(v) state public sector workers face particular difficulties in bargaining under state or federal legislation; and

(vi) the Fair Work Act 2009 provides the same protections to public sector workers as it does to other workers; and

(b) what legislative or regulatory options are available to the Commonwealth to ensure that all Australian workers, including those in state public sectors, have adequate and equal protection of their rights at work. (Notice given 29 October 2012.)

Time allotted—remaining private Members' business time prior to 9:30 pm

Speech time limits—

Mr Bandt—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 7 x 5 mins]

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

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

PRIVATE MEMBERS' BUSINESS

Notices

1 MS LIVERMORE: to move:

That this House:

(1) opposes the Queensland Government's gutting of Sunfish and major recreational fishing programs;

(2) notes the continued efforts by the Liberal National Party (LNP) in Queensland and nationally to undermine recreational fishing by redefining, then cutting frontline services;

(3) notes that:

(a) before the Queensland election, Premier Newman said the public service had 'nothing to fear' from a new LNP government; and

(b) Federal Minister Ludwig has written on behalf of Sunfish Queensland to his counterpart, requesting urgent advice on the destructive cuts;

(4) strongly supports recreational fishers;

(5) calls on the Queensland Government to restore funding as a matter of urgency; and

(6) notes the Federal Coalition's failure to act despite the Leader of the Opposition being fully briefed on the Queensland Government's budget cuts before they were announced. (Notice given 9 October 2012.)

Time allotted—60 minutes

Ms Livermore—10 minutes.

Next Member speaking—10 minutes.

Other Member—5 minutes each.

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

2 MS MARINO: to move:

That this House:

(1) acknowledges:

(a) the financial pressures faced by rural producers;

(b) that farmer viability is the key to food production; and

(c) that producer viability is primarily essential for long term food security;

(2) notes that return on capital rates in agriculture is far below that of other industries; and

(3) recognises that the Government's National Food Plan green paper completely fails to address producer viability. (Notice given 19 September 2012.)

Time allotted—30 minutes

Speech time limits—

Ms Marino—5 minutes.

Other Member—5 minutes each.

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

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

3 DR LEIGH: to move:

That this House:

(1) recognises that:

(a) the Battle of Eureka:

(i) was a key moment in Australian democracy;

(ii) called for basic democratic rights, including broadening the franchise and removing the property qualification to stand for the Legislative Council;

(iii) inspired subsequent movements in Australian history, including female suffrage and the Australian Republican Movement; and

(iv) demanded changes to make mining taxation more equitable, with the revenue to be spent on improvements to local infrastructure; and

(b) the importance of the Battle of Eureka is to be commemorated by the Museum of Australian Democracy at Eureka in Ballarat, partly funded by the Australian Government in recognition of its national significance; and

(2) encourages all Australians to remember and respect the Battle of Eureka by:

(a) visiting the Museum of Australian Democracy at Eureka to learn about the history of the Battle of Eureka and its effect on modern democracy; and

(b) flying the Eureka Flag on 3 December each year in its memory. (Notice given 29 October 2012.)

Time allotted—30 minutes

Speech time limits—

Dr Leigh—5 minutes.

Other Member—5 minutes each.

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

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

4 MS GAMBARO: to move:

That this House:

(1) notes that:

(a) 28 July is World Hepatitis Day;

(b) the event is one of only four official world disease awareness days endorsed by the World Health Organization;

(c) chronic hepatitis C is a large and growing health problem in Australia with more than 200,000 people living with the disease;

(d) left untreated, hepatitis C can possibly lead to liver damage, cancer and death;

(e) hepatitis C has now eclipsed HIV/AIDS as the number one viral killer in Australia;

(f) hepatitis C can be cured with the appropriate treatment;

(g) needle and syringe programs have proven effective in relation to preventing transmission of hepatitis B and hepatitis C as well as HIV; and

(h) hepatitis C disproportionately impacts the Indigenous community with Indigenous people representing less than 3 per cent of the total Australian population but more than 8 per cent of the Australian population infected with hepatitis C; and

(2) welcomes scientific and treatment advances that greatly increase the chance of curing patients with the most common and hardest to treat strain of hepatitis C. (Notice given 9 October 2012.)

Time allotted—remaining private Members' business time prior to approx 1:30 pm

Speech time limits—

Ms Gambaro—5 minutes.

Other Member—5 minutes each.

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

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

Items for Main Committee (approx 6.30 to 9 pm)

PRIVATE MEMBERS' BUSINESS
Notices

5 Mr HAYES: to move:

That this House:

(1) notes that:

(a) 25 November is observed as White Ribbon Day, a day aimed at preventing violence against women through a nation-wide campaign to raise public awareness of the issue; and

(b) the current statistics indicate that one in three women will experience physical violence and one in five will experience sexual violence over their lifetime;

(2) encourages:

(a) all Australian men to challenge the attitudes and behaviours that allow violence to continue, by joining the 'My Oath Campaign' and taking the oath: 'I swear never to commit, excuse or remain silent about violence against women'; and

(b) Members to show their support for the principals of the White Ribbon Day by taking the oath and wearing a white ribbon or wristband on the day; and

(3) acknowledges the high economic cost of violence against women and their children, estimated to be $13.6 billion in 2008-09 and, should no action be taken, the cost will be an estimated $14.6 billion in 2021-22. (Notice given 18 September 2012.)

Time allotted—60 minutes

Speech time limits—

Mr Hayes—10 minutes.

Next Member speaking—10 minutes.

Other Member—5 minutes each.

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

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

6 MRS GRIGGS: to move:

That this House notes:

(1) that the 12 October 2012 marks the tenth anniversary of the horrific Bali Bombings, which killed 202 people, including 88 Australians, and injured a further 240 people, the majority suffering burn injuries;

(2) the significant contribution made by the Darwin and Perth hospitals in assisting Bali's Sanglah Hospital deal with the scale of the disaster, as many of the injured required specialist burn treatment which was not available in Bali;

(3) the establishment of the National Critical Care and Trauma Centre funded by the Australian Government which ensures Australia's capability to respond to disasters and major medical incidents in our region;

(4) the benefits to the Northern Territory community through the great work that the National Critical Care and Trauma Centre performs, including the ability to provide specialist trauma and disaster training to all Australian clinicians, particularly those who provide services to the Northern Territory;

(5) the ability of the National Critical Care and Trauma Centre to rapidly deploy highly skilled personnel to respond to incidents in the region, notably the involvement and provision of specialist expertise in the following international incidents, the:

(a) second Bali Bombing;

(b) East Timor unrest;

(c) East Timor presidential assassination attempt;

(d) Ashmore Reef Siev 36 incident; and

(e) Pakistan floods; and

(6) the bipartisan acknowledgment of the outstanding clinical and academic leadership the National Critical Care and Trauma Centre has in disaster and trauma care, and the importance for ongoing support and funding of this essential facility. (Notice given 9 October 2012.)

Time allotted—30 minutes

Speech time limits—

Mrs Griggs—5 minutes.

Other Member—5 minutes each.

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

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

7 Mr S. P. JONES: to move:

That this House:

(1) notes that:

(a) Charcot-Marie-Tooth disease (CMT) is the most common form of inherited motor and sensory neuropathy;

(b) there is no cure for CMT and while most sufferers live a normal lifespan, many do so with severe disabilities;

(c) estimates are that around one in every 2,500 Australians is affected by CMT;

(d) while CMT is more common than diseases such as Muscular Dystrophy, there is a low level of community awareness of CMT, particularly amongst Indigenous Australians;

(e) genetic counselling and pre-implantation genetic diagnosis means that those carrying the CMT gene can now conceive without the 50 per cent risk of passing CMT to their offspring; and

(f) despite the advances, detection and genetic counselling, low awareness and detection of CMT means that this disease is still spreading to future generations, when it could be stopped; and

(2) notes the need for more investment for research into the cause, care and cure of CMT; and

(3) as a first step, calls on the Government to provide funding for projects which will lead to the eradication of CMT. (Notice given 9 October 2012.)

Time allotted—20 minutes

Speech time limits—

Mr S. P. Jones—5 minutes.

Other Member—5 minutes each.

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

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

8 Mr ENTSCH: to move:

That this House:

(1) notes the

(a) uniqueness of the relationship between Australia and Papua New Guinea (PNG) given the physical proximity of the Western Province to the Torres Strait, and the familial and cultural ties; and

(b) Torres Strait Treaty with PNG (ratified in 1985) that provides for Torres Strait Islanders and the coastal people of Papua New Guinea to carry on their traditional way of life, allowing for traditional people from both countries to move freely (without passports or visas) for traditional activities in the Torres Strait Protected Zone;

(2) acknowledges that an increased level of obligation from within existing resources is required to work towards improving the health and well-being of our closest international neighbours;

(3) recognises that:

(a) there is an ongoing crisis in the Western Province region, particularly in relation to the incidence of tuberculosis and other highly-contagious diseases; and

(b) while the Government has pledged $8 million over 2011-12 to 2014-15 for the South Fly District Tuberculosis Management program, it is evident that sufficient medical support and financial resources are not reaching services on the ground;

(4) calls for a review of administration of AusAID funding for the provision of South Fly District Tuberculosis Management;

(5) calls on the Australian Government to ensure it is working closely with representatives from the PNG Government and the PNG Treaty Village Association towards establishing a long term solution;

(6) reviews priorities within the AusAID budget to enable full funding to be restored to the Saibai and Boigu clinics, to provide necessary support until such time as capacity has been established in the 13 Treaty villages; and

(7) recognises that if current policy is to continue unchanged, the health and safety of Torres Strait Islanders and other Australians will be in jeopardy, as evidenced by the recent arrival at Cairns Base Hospital of the first case of multi drug-resistant tuberculosis. (Notice given 10 October 2012.)

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

Speech time limits—

Mr Entsch—10 minutes.

Next Member speaking—10 minutes.

Other Member—5 minutes each.

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

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

3. The committee determined that the following bill be referred to the Parliamentary Joint Committee on Corporations and Financial Services:

- Fair Indexation of Military Superannuation Entitlements Bill 2012.

REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION:

To enquire into the impact of this bill on existing superannuation arrangements and military entitlements and to understand its financial impact on the budget.

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

Orders of the Day—

Return of Australian Troops From Afghanistan (Mr Bandt)

Victims of Terrorism Overseas (Mr Abbott)

Australia's Future Workforce Needs (Mr Neumann)

Indigenous Servicemen and Servicewomen (Mr Coulton)

Meals on wheels (Mr Coulton)

Breast Cancer Awareness Month (Ms Hall).

MATTERS OF PUBLIC IMPORTANCE

Asylum Seekers

The SPEAKER (15:16): I have received a letter from the honourable member for Cook proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The adverse impact on the budget of the Government's failure to control our borders.

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

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

Mr MORRISON (Cook) (15:16): The immigration minister has his hands in the pockets of Australian taxpayers again. I note that, once again, the minister is not in the chamber today to respond to this matter of public importance. Once again he has resumed his global search for Captain Emad out there beyond this place and he has sent his deputy the Minister for Home Affairs, my friend and colleague the member for Blaxland. I look forward to his contribution, but I would really like it if the minister for immigration would stand in this place for once and actually answer for the accountability of his public policy failings, because that is the subject of this matter of public importance debate today.

This minister has run out of money again. He came into this place yesterday and asked for another $1.7 billion from Australian taxpayers when he presented an Orwellianly titled appropriation bill to fund the implementation of the Houston report. Of the $1.7 billion in that appropriation bill, $1.3 billion was for the increase in the number of arrivals this year in excess of the government's estimate back in May. That is a misrepresentation, I think, to the Australian people, as I referred to earlier today, about the purposes for which this minister is seeking more money. This minister has run out of money because he has failed on our borders like no immigration minister ever before. His record of failure is without peer when it comes to these matters.

The budget will be blown on boats alone when it comes to the surplus. If the government want to know where their surplus is, they will find it as it recedes into the night on the boats that come to this country on a more than daily basis. They will find that surplus frittered away in detention centres at Christmas Island, at Curtin near Derby, up near Weipa in North Queensland and on Nauru as well. That is where the surplus has gone. This surplus will disappear into the night simply on the issue of boat blow-outs on our border alone. This surplus will prove more elusive to the government than Captain Emad when it comes to accounting for the significant blow-outs in costs they have occurred as a result of their budget failures.

The blow-outs on our borders will blow out the budget to the tune of $2.7 billion this year. That is a 2,000 per cent increase on what the government had put in its budget annually in 2009-10—a 2,000 per cent increase. Before MYEFO the blow-out was $4.9 billion over three years; today that blow-out over four years is $6.6 billion. That is the price of border failure in financial terms from this government.

But the government are still saying they are going to achieve a $1.2 billion surplus. In this place yesterday we asked the Prime Minister, as we have asked the minister each day, to explain what the new figure in the budget is based on. How many people are they expecting to turn up this year? In the budget they said it would be 450 per month. That was based on the 30-month average, which is the standing policy of the department of immigration and the department of finance when estimating the number of arrivals they anticipate in a given year. The Prime Minister refused to answer the question. The minister has refused the opportunity to respond to this question every time he has stepped up to a microphone anywhere in this country.

But I am going to help the minister out. On the 30-month average that has been adopted by the department, the 30-month average to the end of September is 713 arrivals per month. If this budget is based on 713 arrivals per month, they are out by a country mile because we are averaging 2,075 per month every month this year. So go the boats, so goes the surplus, and the government will never deliver a surplus so long as they cannot control our border. If they cannot control the border, they cannot control the budget. We have seen the figures blow out month after month, year after year, totalling a massive $6.6 billion over four years and out into the estimates. This is a history of failure that knows no peer.

That $1.7 billion included $268 million for the building of the Nauru and Manus Island facilities. I noted earlier today that, in January of this year, when the government said, 'We're opposed to building Nauru,' they said it would cost $422,000 per bed. That is what they said in January, when they did not want to do it. Now they are doing it—guess what? It costs $126,000 per bed. The thing I have learnt about the government is that they will demonise border policies that were successful under the coalition until the day they adopt them. That is what has happened here. They have adopted the Nauru and Manus Island policies. It took them years and they had to be dragged kicking and screaming to the table. We welcome that, but they have a long, long way to go. That is why the boats keep coming—because the government refuse to restore the full measures that worked under the Howard government.

We also know that there was a bill introduced today which seeks to effectively excise the Australian mainland from the migration zone. It is the same bill that came into this place in 2006. The member for Berowra will remember that well and he will remember the debates, I am sure. In those debates, it was said that this measure was 'a stain on our national character' and that it offended decency, by our now minister for immigration; that it was shameful and xenophobic, by the former Leader of the Opposition, Mr Crean; and that it was lunacy, indecent, inhumane and gutless, by another current minister. Yet today they bring it into the House and vote for it.

You can be confident that those who sit on this side of the House will vote in a way that is consistent with the way they have voted before on these matters. On that side of the House, all you have is hypocrisy, and that hypocrisy is the stain that sits on this government when it comes to its failures on borders and the stain it has put on the budget with the blow-outs that know no peer. This is a government that continues to make it up as it goes along when it comes to our borders. This is a government that has failed in every respect to come to terms with the magnitude of the error of its decision to abolish the policies that worked.

The 'stain on our national character' today is not what the now minister for immigration said all those years ago in 2006—and, looking back on representations of ourselves six years ago, we have all weathered a bit since then. What is clear is that the real stain on the national character is the one that has been inflicted by the government in relation to our borders. The stain that marks every member that sits opposite is the stain of cost, chaos and tragedy when it comes to their failures on our borders. It is the stain of over 28,000 people turning up on over 480 vessels; the stain of those who have been lost at sea; the stain of denying protection visas to over 8,000 people in this country because of this government's policies—

Mr Danby interjecting—

Mr MORRISON: because they did not come on a boat.

Mr Danby interjecting—

Mr MORRISON: That is the stain that the member for Melbourne Ports will have to explain to his electorate.

Mr Danby: I'll explain it! You explain the stain of—

Mr MORRISON: That is the stain that he will be accountable for. That is the hypocrisy when he votes for the bill that he has supported when it comes into the House. That is the stain he is going to have to explain. The stain you will have to explain is your failure on our borders—

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports is warned!

Mr MORRISON: That is the stain that members opposite will have to live with. And it will not wash off. It will not wash off with political spin. It will not wash off with clever press conferences. It will not wash off with smoke and mirrors. It will not wash off with Angus Houston. It will only wash off when you acknowledge the fact that you got it wrong and you need to fix that error by restoring policies that work. This minister for immigration is the biggest spending immigration minister in our history. He has his hands so far into your pockets that those pockets stretch all the way down to your bootlaces. This is a minister—

The SPEAKER: The member for Cook should be very careful about the word 'you'.

Mr MORRISON: I will, Madam Speaker. This minister for immigration has dipped his hands into the pockets of Australian taxpayers like no other. The Australian people need deep pockets to pay for this government's failures, and not just on border protection. We know of the government's cost blow-outs right across the board. But, in particular, on border protection, we know that it is the Australian taxpayer who is going to have to pay for the blow-outs on our borders.

The baby bonus has been turned into a boat bonus for people smugglers, because that is how the government are going to pay for it. How are they going to pay for the blow-outs? We saw it in the MYEFO. There is the baby bonus reduction for second and subsequent children—$505.9 million. In private health insurance, there is both the abolition of the rebate on premium increases above CPI and the removal of the rebate on Lifetime Health Cover; that is $1 billion. There is the great super swipe, coming in and swiping your super after 12 months; that is $800 million. Then there are the increases to government charges, with a levy on self-managed super—$319 million. That is what is paying for the boat blow-out. That is what is paying for this government's inability to manage our borders, because when you cannot manage your borders you cannot manage the budget. That is what we are seeing as every financial update and budget is brought into this place. The graph only goes one way, just like the number of boats: up—and up and up.

Not content with levying taxpayers and families to make them pay for the blow-outs on our borders, the government have also decided to levy those who are coming to Australia through the front door. They have decided, with a $500 million increase to visa charges, to say, 'You've got to pay,' to those who want to come to Australia the right way—that is, those coming the right way have to pay for those who are seeking to come the wrong way because the government cannot control our borders.

I am not surprised that migrant communities across Australia are outraged by this. They are sick and tired of seeing how this government has allowed the borders to be blown wide open—the unfairness and injustice of their having to work hard in the Australian community, being invested and involved in contributing to their community day after day.

They see the openness of this government on borders for those who would seek to illegally come to Australia and seek permanent residency in Australia by that method. It is just not fair, and they know it is not fair. That is why they are angry with this government for what it has done when it comes to its failures on our borders.

There is a way to end the chaos, the cost and the mess that this government has made of our borders and of our budget. The way to do that is to restore what this government has abolished. But that will not be enough, because we know that this government has so stained its credibility on our borders that it has lost the authority to be able to send the message to those who would seek to come and risk their lives in this way that this government will not be a soft touch. That is what it has proven to be. This government makes all sorts of bold claims and boasts but, when it comes to the policies, resolve and delivery on the ground and at sea, this government has simply not proved to have the mettle to do it. The costs will continue, the blow-outs will continue and the boats will continue so long as this government sits on those benches.

The only message that people smugglers will understand when it comes to stopping the boats coming to Australia is a change of government. This is what will be before the Australian people at the next election. At the next election, there is a chance to get this right again. There will be the opportunity to vote for policies that are proven, that worked and that will be backed up by the resolve of a government who believe in what they say, will do what they believe and will carry this through every single day until this madness, chaos and carnage on our borders is stopped.

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (15:31): In December last year, only a few days into this job, I had the responsibility of telling the Australian people that a boat had capsized off the coast of Java and that 200 people had died. The events of that day have driven my actions in this area ever since. Both sides of politics are very critical of the people who put these people onto boats. This is why. In this case, 200 people died. Almost as many people died that day as died on the day of the Bali bombings. That is why I think it is fair to say that these people are mass murderers. They are mass murderers who make enormous profits—sometimes more than $1 million a boat—feeding off the misery of other people.

I said after the tragedy, and I have said it since, that we as a parliament need to work together to stop this from happening. I say the same thing to the parliament again today. The people of Australia are sick of the bickering, fighting, yelling and politics on this issue. This has been going on now for 11 years. It has been going on since the *Tampa* arrived over 11 years ago, and people have had a gutful. They want us—Labor Party and Liberal Party—to work together. While ever we do not, while ever we keep fighting, people smugglers get rich and more people die. Working together means you need to compromise. It means doing a bit of what we want and doing a bit of what the opposition want in order to do something and in order to get something done. That is what the government have done. We have been trying to broker a compromise. We have been trying to work together.

It is worth, for the purposes of this debate, going back for a moment and remembering what we have been fighting about. The government's preferred plan is not Nauru; it is Malaysia. Nauru is the opposition's plan. Because we want to stop people dying, last year we said, 'Let's do both. We'll do the government's plan of Malaysia and we'll do the opposition's plan of Nauru.' It was a compromise, but it was a compromise that was rejected by the opposition. So the government compromised again. We agreed to start with Nauru without Malaysia. Why? It is because it is the only thing that the Liberal Party would ever let through this parliament and because the alternative to that is doing nothing. If you do nothing then more people die. We have done all of this—changed our position and compromised—because people want us to work together on this wretched problem.

We want to work together but there are people in the Liberal Party who do not. There are people in the Liberal Party who want to play politics with this issue. If you want proof of that then you only have to look at the diplomatic cables that are reported in David Marr's recent article in the *Quarterly Essay*. If you go to page 36 of this essay, it says:

> WikiLeaks told us how keen the Coalition is to exploit the boats. In late 2009, in the dying days of Malcolm Turnbull's leadership of the Opposition, a "key Liberal party strategist" popped in to the US embassy in Canberra to say how pleased the party was that refugee boats were, once again, making their way to Christmas Island. "The issue was 'fantastic," he said. "And 'the more boats that come the better." But he admitted they had yet to find a way to make the issue work in their favour: "his research indicated only a 'slight trend' towards the Coalition."

This is very telling. This is very revealing. A senior Liberal Party strategist went to the United States embassy saying that they think this issue is fantastic, the more boats the better and how disappointed they are that it has not worked well enough for them yet. This is what people talk about when they talk about the

dark side of politics. It is not about people; it is about politics. It is not about boats; it is about votes. That is exactly what is wrong with this debate.

It is politics that has poisoned this debate for over a decade. Politics is the reason that the opposition has decided consistently to oppose the Malaysia plan. It has nothing to do with the fact that Malaysia has not signed the UN refugee convention. That is just a political excuse that has been made up to hide behind. If this were a real concern then the Liberal Party would have to explain why they were prepared to send people to Nauru from 2001 to 2007 when Nauru was not a signatory to the UN convention. This was not a concern then, but it is now—a made up, false excuse to hide behind because some key Liberal Party strategist tells the US embassy the more boats the better.

This debate is too important for that. While we fight, people die. That is why we have compromised. That is why we have changed our position. You change your position when the facts change, and the Liberal Party has done that too. Don't believe the argument that one side of politics has had a consistent position on this issue for over a decade. They have not. Both sides of politics have changed their views. Three years ago the Liberal Party supported the closure of Nauru and they supported the closure of Manus Island. This is what Sharman Stone, the former shadow minister for immigration, said on *Lateline* in April 2009:

> We don't need the Pacific Solution now, that's Nauru Island and Manus Island, because we have the Christmas Island centre … So we don't need alternatives to Nauru and Manus island, we have Christmas Island.

The former shadow minister said the same thing when she appeared on the *Insiders* program with Barrie Cassidy in October 2009:

> No we don't need the Pacific Solution with Nauru, Manus Island now because of course we built Christmas Island as an offshore detention facility.

That was Liberal Party policy three years ago. They said that we should close Nauru. So don't let anyone believe that one side of politics has been pure or consistent here. Both parties have changed their policies. But they have changed their policies because the facts have changed and because of a determination to stop people dying.

The Liberal Party policy goes something like this. We need to do three things: Nauru, temporary protection visas and turning back boats. We have the Houston report. We commissioned a report from some esteemed experts, led by Angus Houston, the former Chief of the Defence Force. He provided us with a report that gives us a course to chart our way through this wretchedly difficult policy area. There are 22 recommendations and we need to implement all of them. We need to implement every single one of them.

The report looks at the opposition's policies. It agrees to one and rejects the other two. It supports Nauru and rejects TPVs and rejects turning back boats. The report says that it is not possible to turn a boat back unless the sovereign state that you wish to turn that boat back to is agreeable to that. At page 53 of the report Angus Houston is clear. He says here:

- The State to which the vessel is to be returned would need to consent to such a return.

That is right. Indonesia would need to consent in order for us to turn a boat back. So what does Indonesia say about this? Indonesia has been very clear. The foreign minister of Indonesia, Marty Natalegawa, said in March of this year that 'simply pushing back boats to where they have come from would be a backward step'. In the same month he went further. He said that this would be impossible. He said:

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

The Indonesian Ambassador to Australia has made exactly the same point, perhaps even more strongly. He said this in March:

> … if you take that policy—

that is, turning back boats—

> it means that you bring all the burdens to Indonesia and what about our cooperation?

So you have there from the Indonesian foreign minister and the Indonesian Ambassador to Australia very clear statements that they do not support this policy. What Angus Houston says very clearly in this report is that, unless you have the approval of Indonesia, you cannot turn boats back. The Liberal Party have refused to accept this. They refused to accept what Angus Houston has said. Why? Why did they refuse to accept what Angus Houston said? The answer is this. This is not just any Liberal Party policy; this is the policy. In January the Leader of the Opposition made this very clear in an interview with Paul Kelly from the *Australian*. He said this:

> It is time for Australia to adopt turning the boats as its core policy.

If the Leader of the Opposition accepts what Angus Houston has said or what the Indonesian foreign minister has said, then its core policy cannot happen. It cannot be done. It cannot be implemented. That explains why, when the Leader of the Opposition visited Indonesia only two weeks ago, he did not raise this issue. He did not raise the issue because he knew if he raised this issue with the Indonesian President the Indonesian President would have politely said no. When he said that word the opposition's core policy, to stop the boats, would be in tatters. That is why he stayed silent—because it facilitated him to return to Australia and to continue to tell the Australian people

that he would stop the boats by turning them around, even though he knows that that cannot happen.

It is all about politics. Surely by now we all realise that this issue is more important than that. It is more important than politics. In 11 months we have had 400 or more people die, drowning in the seas off Indonesia. We have to work together to implement the recommendations of the Houston report—all 22 of them. That means Nauru and it means Manus Island, but it also means Malaysia. As I have said in this place before, Nauru and Manus Island are a good start but Nauru, Manus Island and Malaysia is even better. If we are serious about this issue, if we are serious about stopping people dying, then we need to implement all 22. We have to implement all of the recommendations of the Houston report.

Not only that, we have to stop talking like the conversation in this cable from the United States Embassy back to Washington that took place in 2009 between a senior Liberal Party strategist and US officials. Those opposite can contradict this if they like, but it means they are saying that the United States Embassy in Australia is not telling the truth. If this is true and this is what happened—a key Liberal Party strategist went to the US Embassy in 2009 and said 'More boats coming to Christmas Island is fantastic, and the more boats that come, the better,' and then complained that it only led to a slight trend towards the coalition—then that speaks volumes. That tells you that this is all about politics.

This is more important than politics. People expect that politicians are going to come into this building and fight. They do not like it but they expect it. They expect that there will be brawls in this place about lots of issues. They expect that the Liberal Party is going to cut money from health and education and that the Labor Party is going to fight to stop it. They expect that the Liberal Party is going to try to cut workers compensation, like we see in New South Wales, and they expect the Labor Party to stand up for workers, to stop that, to get rid of laws like Work Choices. But, on matters of life and death, they expect better of us. They expect us to put down our swords. They expect us to work together. They do not expect to hear senior people in the Liberal Party saying, 'The more boats, the better.' They want us to stop fighting. They want us to work together. This is what they expect and, frankly, this is what the Australian people deserve.

Mr ALEXANDER (Bennelong) (15:46): There is a famous proverb dating back over 2,000 years to the poetry of Virgil that teaches us 'the path to hell is paved with good intentions'. This saying has stood the test of time because it is born of a deep knowledge of human nature: that well-meaning people may do things to appease a situation only to then discover that they have actually created a worse outcome.

When we look back to more recent times, just six years ago, in the battle for the hearts and minds of the people of Australia, a young man presented as being all things to all people: supercapable, superintelligent, all the answers to all of our problems—he could even change the weather and he had a heart bigger than Texas to boot. The picture was painted that he, in good conscience, could not stand by and watch desperate people seeking asylum subjected to the conditions they were under the Howard government's border protection policies. It is of no importance whether this position was formed through a generous and kind nature or whether it was a cunning, aspiring politician wanting to appeal to the sympathetic nature of the electorate.

Well intentioned as the changes may have been to the successful policies that had stopped desperate people risking their lives on the high seas and jumping ahead of genuine refugees, the fact is that there has been a dreadful cost—a cost in terms of lives needlessly lost, needless suffering and needless waste of our taxpayers' money. It is a matter of historical fact that, in the six-year period leading up to this policy shift, under the much demonised suite of Howard era policies, a total of 272 asylum seekers risked their lives on 16 boats. That equates to fewer than four people each month over six years.

In contrast, in just the past week since the government released MYEFO, we have seen 17 boats arrive with 620 people—far greater than their budgeted projection of 450 people per month and contributing to ongoing budget blow-outs like the $1.2 billion listed in the MYEFO papers. There is no substitute for experience—experience hard-earned. The suite of policies that had been developed by the Howard government, and the experience, the know-how, to implement those policies, meant they worked; they achieved the goal that had been set to stop the senseless loss of life and squandering of our nation's wealth.

Effective government results achieved efficiency, and this policy area was just one of many instances that allowed the $96 billion of debt we inherited from the previous Labor government to be paid back. Now we see history repeating itself. The Labor government has already exceeded $96 billion in debt, despite starting off with sizable savings. This particular policy failure is so important because it should be part of our human nature— whether in government, opposition or for the people of Australia—to learn from our mistakes.

The definition of insanity is to do something repeatedly and expect a different result. Well-intentioned policies that have failed have been the hallmark of this government, and this may well be because of a lack of management experience in any number of their initiatives. As the topic of this MPI highlights, these failures have an ongoing adverse

impact on our nation's budget. Just like a business, balancing a government budget is largely built on stability, on certainty in management practices and policies. On this issue of border protection, the government's flip-flopping has had a direct adverse impact on our nation's budget.

This total lack of consistency is easily seen in the speeches six years ago on the excision of Australian territories from our migration zone—the Howard government policy that the Labor Party is now so keen to embrace. The current Leader of the House said in this place:

> The Labor Party supports border protection but does not accept that excising the whole of Australia is an effective means of border protection. You do not deal with boat arrivals by pretending that you do not have sea borders or by pretending that, if you arrive by one particular mode of arrival—boat—you do not arrive in Australia at all.

The current Minister for Employment Participation said:

> I would like to talk about the sheer lunacy of this legislation. As of 13 April 2005, all Australians arriving by boat will be treated as though they arrived in an excised place. This will effectively excise the whole of Australia from our immigration zone. The government's approach is ridiculous. It is absolutely absurd. We cannot approach border protection by pretending that we have absolutely no borders at all. So let us be perfectly honest about this: this legislation is stupid.

Even the current Minister for Immigration and Citizenship, Mr Bowen, labelled the border protection policy that he now supports as 'hypocritical', 'illogical' and 'a stain on our national character'.

And the list goes on. The adverse impact on the budget of the government's failure to control our borders is also clearly evident in their other recent policies in this area. First we had the Malaysia deal, where our Prime Minister's supreme negotiation skills led to a deal that saw us send 600 asylum seekers and $300 million to Malaysia in return for 3,000 refugees. What a bargain!

Then, when the humanitarian intake was increased, the minister said it would cost 'around $150 million with a potential cost impact of $1.3 billion over the forward estimates.' Yesterday, the minister demanded an extra $268 million to build facilities at Nauru and Manus Island. That is just over $125,000 a bed—a most expensive bed that is. Now Nauru is reportedly applying a special visa at $1,000 per person we send there and charging for it each and every month. Under the government's plan, up to 1,500 asylum seekers can be housed on Nauru for up to five years. The total estimated impact on the budget of this small part of the government's border protection policy is, therefore, $90 million.

And the list goes on. These experiences show that, even when backflipping to a policy that worked—a policy they should never have revoked and one that comes with a roadmap setting out how to execute it effectively and prudently—this government still find a way to get it wrong. It is clear to us on this side of the chamber that failed Labor policies combined with inexperience and ineptitude are a lethal mix for our nation's budget. We have an endless list of government waste: flammable pink batts, overpriced school halls and a mining resource rent tax which has not only raised zero dollars but, in addition to having scared off investment, requires the government to pay the miners for the privilege.

And the list goes on. Finally, bereft of new ideas—or, at least, any idea of how to implement them—the government's only answer now is to attack the opposition, to blame us for their own failures. The duty of this opposition is to highlight the government's policy failures, to expose their abject incompetence in the management of our budget and to ensure the people of our nation who suffer at the hands of this ineptitude can see through the government's spin and understand the extraordinary amount of taxpayers' money that has been wasted to support these failed policies.

On this side of politics sit the very people who paid back the Labor debt and delivered our nation a surplus, something the Labor Party has not been able to achieve during the lifetime of one of my coalition colleagues. These are people with experience running businesses, experience that cannot be bought. They have the mindset and they are mature enough to accept the responsibility that every Australian must demand of their caretakers.

Mr DANBY (Melbourne Ports) (15:55): Since 31 August 2011, when the High Court rejected this government's Malaysia proposals, we have faced the prospect of a surge in boats full of irregular arrivals to this country. Although we have now adopted the only policy we could get the coalition to sign on to, the member for Cook comes in here lamenting the effects of adopting those very policies he demanded we adopt. He does that after having delayed the Malaysia proposals, which would have given us some capacity to handle this surge of irregular arrivals, for more than a year. This is the man who demanded the re-opening of Manus and Nauru, yet he is now in here complaining about the cost of it. What a farce! The member for Cook is crying crocodile tears about the effect on the surplus of irregular boat arrivals after having blocked, together with his mates in the Greens, the very legislation aimed at providing a policy solution.

The parliament cannot forget, or let slip down the memory hole, the point made by the Minister for Home Affairs, the member for Blaxland. The member for Murray, Dr Sharman Stone, on behalf of the coalition—and I was present here in the parliament and at the meeting of the Joint Standing Committee on

Migration when she did it—supported the closure of Manus and Nauru. That is why they were closed down then. She told radio station 2SM:

> The closure of Nauru and Manus Island … they had basically—what shall we say—outlived their need … I don't think we need to have Nauru and Manus Island operating, because we've got of course Christmas Island.

I do not blame the member for Murray. Things have changed in the meantime.

Things have changed and many of us in the government have had to face the issue of these increasing boat arrivals. The issue is not just the dollar cost, the sort of narrow accounting attitude demonstrated by the previous speaker, but the cost of human lives, the cost of humanity, the cost of people drowning at sea. Those costs weighed much more heavily with me. I stood up in this parliament and I said that, as far as Malaysia was concerned, I had been wrong. I had been wrong about not processing asylum seekers offshore—this was a way of deterring them. But now that we have adopted the very things the opposition have suggested, they are in here whingeing that we are doing it and that it costs money—after having delayed us on our Malaysia approach for more than a year and costing the taxpayer hundreds of millions of dollars through that delay.

After the tragedy at Christmas Island, in reaction to people like me who were concerned principally not with the accounting of this issue but with the people who died at sea, and in explanation of the Greens' alliance with the coalition in opposing legislation to solve the problems caused by the High Court decision of August last year, Senator Hanson-Young of the Greens said:

> Tragedies happen, accidents happen.

This is a terrible attitude. Coalition support for the compromise put up by the government would have been great. Now we have increased our annual intake to 20,000 people, and this is a big plus for those who take a humanitarian view of these things. I hope the number of people will increase even further than that.

If you ask me, this is the Liberal Party's last political card. We have seen a change in the opinion polls, we have seen the carbon tax bedded down, and xenophobia is their answer. The member for Cook talked about madness, carnage and the chaos on our borders. We have adopted the very policy that they wanted, and he describes it like that. Where was the Leader of the Opposition when twice in Indonesia he had the opportunity to explain to the Indonesians the policy of adopting the full suite of measures that the member for Bennelong now wants us to implement—including dragging people back to sea? I would like to see the effect of that on the Indonesians. The minister very capably outlined what the Indonesian foreign minister and the Indonesian ambassador have said about this.

Sometimes I think members of the coalition live in a bubble created by the talkback shonks and cranks in Sydney. That is not the only world we live in—the people of Indonesia will not accept boats being dragged back into Indonesian waters. We have very good relations with Indonesia and those relations have been worked on very hard, including by previous coalition governments. Do those opposite really want to make a conflict with the Indonesians by dragging these boats back? Of course we cannot do that. It would be policy madness. Do they want conflict with Indonesia; do they want war with Indonesia?

Those in the coalition are simply not thinking about this seriously. They laugh and they cackle because they know nothing about Indonesian attitudes on these things. They have not spoken to anyone in the Indonesian parliament. When I was in Jakarta recently I had the guts to take this issue up with the Indonesian foreign policy assembly and asked them what they would do if we started doing this kind of thing. They gave the precise answer that the Indonesian foreign minister and the Indonesian ambassador gave. Those opposite want to drag boats back into Indonesian waters without their support—but they do not have the guts to raise it with the Indonesian President when they have the opportunity.

The Houston report made 22 recommendations. One of them was to be consistent in border classification and legislation so that the people smugglers do not try to take people beyond Christmas Island or Ashmore Reef to the shores of Australia so that they can earn their evil fees. Some of them are making $1 million or $2 million per boat. We have to make sure that their goals are not achieved, and that is why we have passed legislation. As the minister said, the Malaysia arrangement is part of the compromise that the Houston report canvassed as a possible way of dealing with these matters. I know the member for Bennelong said that this was not a way of dealing with them. Apart from the educational rights and the health rights that were negotiated by the Minister for Immigration and Citizenship, these people would have the ability to work in Malaysia. It is much harder to have people use their productive energy in Manus in Papua New Guinea, where work does not exist.

These people are all brushed aside; they are of no real interest to the coalition. When Malcolm Fraser was Prime Minister we had regional processing offshore in places like Malaysia, where we could maturely deal with sometimes desperate people in conjunction with our friends and allies in Canada, the United States and Europe who might be willing to take these people. This was canvassed very extensively by the Houston report

and I am hoping that the government will continue to pursue that.

The carbon price is bedded down and now the boat people are the principal card of those opposite. The coalition is hoping this dog whistle to the Howard battlers in Queensland and New South Wales will save their political hide. That is the real motivation behind all of this. I do not dispute that there are many genuine people in the coalition who do not go along with the strategy, but it is all revealed here in the Marr article and the WikiLeaks transcript of what someone told a senior level person in the coalition—

Mr Alexander interjecting—

Mr DANBY: The unintended consequence of WikiLeaks—yes, sometimes things said even in WikiLeaks can be true. I am certainly no fan of Mr Assange, but some of the material revealed about Saudi Arabia and its attitudes to other countries in the Middle East were absolutely accurate and I think this is absolutely accurate too. It goes to the evil heart of politics that is behind all of this. Stop all the crocodile tears about spending money on the very policies that you want; stop all the crocodile tears about these measures affecting the budget surplus. We know what lies behind this. *(Time expired)*

Mrs GRIGGS (Solomon) (16:05): I rise to speak on this very important matter of public importance: the adverse impact on the budget of the government's failure to control our borders. It is important because my constituents in Solomon, living in Darwin and Palmerston, are concerned about this government's inability to deal with both the Australian economy and Australia's borders. This terrible government is indeed a typical Labor government. It is addicted to spending, it has no self-control and it has failed the Australian people on so many important issues. It is a government full of hypocrisy and broken promises.

Since the Labor government reversed the Howard government's suite of Pacific solution policies, 480 boats have arrived illegally, carrying over 28,000 people. It is estimated that over 1,000 people have died taking the dangerous journey. We know that over 8,000 people have been denied protection visas. And why is this? Because this terrible Labor government decided to get rid of what was working. It got rid of proven policies that worked. This Labor government thought that implementing only some of the Howard government policies was going to work—despite the shadow minister, the Leader of the Opposition and many others on this side warning that the full suite of policies needed to be implemented by the Labor government in order to fix border protection. Implementing just bits and pieces of the policy was not going to work. Last financial year each illegal boat arrival cost an average of $12.8 million—that is, almost $13 million a boat. This is something that the government could have prevented, but instead it rolled out the red carpet and now Australians are paying the price. Labor gave the people smugglers a product to sell.

I am sure if you asked people in my electorate if they had an opportunity to spend just one allocation of $13 million in our electorate, they would probably want to spend the money on things like flood-proofing roads in the northern suburbs of Darwin, so that the CBD is not cut off from Royal Darwin Hospital during our monsoonal downpours. Or perhaps they would have put some of the money towards funding the NDIS.

In today's *Northern Territory News* the Northern Territory Minister for Health, Dave Tollner, is quoted as saying that the Northern Territory is billions of dollars in debt and hundreds of millions in deficit. This is courtesy of the former Northern Territory Labor government, who, like their federal Labor bosses opposite, seem to have no grasp of sound economic management. They also like to spend like a drunken sailor, with little care, making unfunded promises all over the country. It is because of this typical Labor government ineptitude that the promised new Palmerston hospital is now in doubt. In the same *Northern Territory News* article, shock jock Pete Davies says:

> We've got the fastest growing jurisdiction in Palmerston and the rural area, we can't keep going backward ... this thing needs to be built.

Pete Davies is 100 per cent right—the hospital does need to be built. I acknowledge that the federal Labor government pledged some funding for this much needed project, but just think how much more it could have contributed if it did not have a $1.3 billion budget blow-out courtesy of their appalling lack of responsibility in managing our borders.

The Labor government's record on hospitals in my electorate is quite shocking. I have said many times in this place that this federal Labor government has built more detention centre beds than hospital beds in my electorate. This is not just true in my electorate; in fact, it is true in many electorates around Australia. This government is more concerned about detention beds than hospital beds. My electorate is one of the most multicultural in Australia. We are proud of our multicultural community. What we are not proud of is how this Labor government and the former Territory Labor government spend money like drunken sailors, maxing out the public credit card. No-one trusts Labor with credit cards and no-one believes that this Labor government will deliver a surplus. As we know, my colleague the member for Longman has never seen Labor deliver a surplus, not in his lifetime.

There is no doubt this terrible Labor government has lost control of our borders and the budget and will not

deliver a surplus. This Labor government has its priorities all wrong. It is using the Houston report to hide its fiscal and economic incompetence—an extra $1.3 billion in costs because of this Labor government's unprecedented and staggering border protection failure and budget blow-out.

It amazes me and many people in my electorate why this Labor government just cannot get a handle on border protection. I am often asked, 'Why don't they return to John Howard's policies? They worked. We all know they worked.' Others comment that federal Labor would rather spend money they do not have on detention centres than face up to their responsibilities to secure our borders. I am often asked, 'Why can't federal Labor spend more money providing houses?' There is a perception that this Labor government's priorities are illegal arrivals—a problem of their own making—rather than everyday Australians. I am often reminded that in the 2010 election the former Labor member for Solomon, with the support of the Territory Labor government, promised to build 1,200 homes to be used in its affordable housing scheme. It was bad enough that this was a rehash of a 2007 election promise, but it is worse when we see that to date fewer than 130 houses have been delivered. What a terrible track record. It is typical of Labor—overpromise and underdeliver.

The people of Solomon want to know why it is that this Labor government has delivered fewer than 130 affordable houses. Is this because of budget blow-outs? Don't people in my electorate deserve the houses Labor promised to build? Can't this government afford to follow through on its election promises to the people of Darwin and Palmerston? It is not only border protection and the budget that this Labor government has lost control of; it has lost control on building affordable houses. This government is only focused on delivering detention centre beds! Perhaps in 2013 the promise of more affordable houses will be another rehashed promise Labor will trot out in my electorate. Or will it be another broken Labor promise?

We recently saw at the Territory election Territory Labor promising to extend the Tiger Brennan highway with federal Labor government funding of $70 million, but so ashamed are they of the Labor brand that they did not want Territorians to know it was a promise from the Gillard Labor government. I suspect, now there is a $1.3 billion budget black hole, that the promised $70 million cheque from Julia Gillard will bounce—if written at all! Will it be another broken promise to Territorians, all because this terrible Labor government has lost control of its budget, lost control of its borders and lost control of its spending and promises?

Today is Halloween, the day people dress up in scary costumes, among other things. Normally I am not easy to scare, but this Labor government petrifies me. The absolute failure to execute one of its primary functions as a government—protecting our borders—really concerns me. It scares me because since this Labor government scrapped the Howard government policies, more than 1,000 people have died at sea, having taken the very risky and dangerous journey. Hundreds of boats have made the journey and this month alone 41 boats have arrived with 2,100 people on board. This makes an absolute mockery of the Labor government budget estimates of 450 people a month—a clear budget blow-out!

In conclusion I would like to say that this Labor government continues to make a raft of promises around the country, many of which appear to be unfunded. How can this be? This Labor government has an unprecedented blow-out because of its failed border protection policies. These failures impact not only my electorate but also all electorates across Australia. This government stands condemned for its fiscal and economic irresponsibility. If it cannot manage its borders, how can it manage the budget? How can the Australian people trust the government to do what is right?

Mr LYONS (Bass) (16:15): It is no secret that the cost of accommodating and processing asylum seekers is high. Yesterday the Minister for Immigration and Citizenship introduced two bills to the parliament requesting the appropriation of the funds needed to implement the recommendations of the Houston report, a total of $1.67 billion in 2012-13. We all know that the only way to reduce that cost is to have fewer boats arriving in Australia, and the Australian Labor government is acting to reduce the number of asylum seekers arriving by boat.

We are implementing every recommendation of the *Report of the Expert Panel on Asylum Seekers*—the Houston report—something that both the Liberals and the Greens have refused to do. There should be no question of the Labor government's commitment to stopping the boats and putting people smugglers out of business. The report recommended that Australia's humanitarian program be increased. The Labor government has increased Australia's humanitarian visa program from 13,750 places to 20,000 places in 2012-13. This increase is targeted at those asylum seekers who are most in need: those vulnerable people offshore, not those getting on boats. By increasing the size of our humanitarian visa program and allocating specific places for asylum seekers from Indonesia, the government has shown that there are established pathways for asylum seekers in our region to seek protection in Australia, rather than risking their lives on dangerous and perilous boat journeys at the hands of unscrupulous people smugglers.

The panel also recommended:

… that the *Migration Act 1958* be amended so that arrival anywhere on Australia by irregular maritime means will not provide individuals with a different lawful status than those who arrive in an excised offshore place.

We have seen legislation to this effect introduced into the House today. This amendment will mean that arrival anywhere in Australia by sea in these circumstances makes the person subject to regional processing arrangements, subject to specific exclusions.

Through implementing the recommendations of the expert panel the Australian Labor government is taking decisive action to break the people smugglers' business model and stop people dying at sea. The Liberals' answer to boat arrivals in Australia is to turn the boats around and send them to back to Indonesia. Their leader has claimed that he will work with Indonesia as a 'candid friend' to achieve such a result. However, the Leader of the Opposition had not one but two opportunities to raise the asylum seeker issue with the President of Indonesia and failed to do so both times. How does the Leader of the Opposition expect to even implement such a policy, if he ever gets the chance, if he cannot even bring up the issue in a meeting with the very country he needs on side? The coalition's turn-back policy is both dangerous and unworkable—that is according to Navy personnel, Indonesian officials and, now, South-East Asian diplomats. The government is not prepared to recklessly endanger the lives of Navy personnel to score political points.

The opposition should drop its dangerous turn-back policy and instead focus on a durable regional solution to the problem of people smuggling and irregular migration, as the government is doing. But that is the problem with the opposition: they are not concerned with sensible, forward-thinking solutions, because they are stuck in the past. It was the Leader of the Opposition who said, 'If you want to look at the direction for the future, you've got to look in the past.' This is not the sort of statement you would expect to hear from a visionary would-be Prime Minister. It is, however, the sort of statement you would expect to hear from someone who is solely concerned with the past and with opposition for opposition's sake.

The opposition appear unable to see the positives of any situation—for example, the issue at hand of asylum seekers. When I think of refugees, I think of all the fantastic things they have offered to my community and my country. Often when I am asked about this issue I tell the story of one of the surgeons at the Launceston General Hospital. This particular surgeon is a specialist who has saved countless lives. The contribution that Dr Hung Nguyen has made to the medical community and the greater communities of Launceston and Tasmania cannot be measured in economic terms. Hung came to Australia on a boat from Vietnam when he was a child.

There is a significant economic cost involved with accommodating and processing asylum seekers, but we should not forget that there is potentially much to be gained from assisting those who make the treacherous journey by boat to Australia. Australia has emerged as a multicultural nation. Its refugee communities have made a significant contribution to what it means to be Australian in terms of food, music, art, sport, culture, science, medicine, religion and society in general.

On ABC Radio in Perth the Leader of the Opposition described asylum seekers as being un-Christian for trying 'to come in by the back door'. I do not think it is un-Christian to try and achieve a better life for your family, as the opposition leader claimed. Does this mean that he does not value what refugees can offer to our nation? It would appear so. Wasn't Jesus Christ a refugee? Of course, as a proud Tasmanian I have come to hope that statements made by Leader of the Opposition in Perth have little meaning. But it was there that he pledged to modify the GST to a per capita system, which would effectively devastate the Tasmanian economy with the loss of at least $600 million.

The opposition leader went on to make more misleading claims, this time about the electricity bill of a West Australian pensioner.

He told the House that there was an $800 increase in just one bill, of which 70 per cent was due to the carbon tax. But when you examine this bill it is clear that the proportion of the increase which is due to the carbon price is a small fraction of his claimed 70 per cent. This is lazy. This is deceitful. This treats pensioners disrespectfully, as nothing but fodder for a political scare campaign. If the opposition leader really cared about pensioners, he would have established the facts about this bill rather than rushed in here to distort it for political ends.

But the Leader of the Opposition's complete disregard for Tasmania is not the issue here; nor is his use of pensioners for political gain. The issue is the cost of managing boat arrivals and accommodating and processing asylum seekers. As I have said, managing boat arrivals is expensive. The only way to reduce these asylum seeker costs is to have fewer people arriving by boat. If the coalition was really concerned about the cost of processing and accommodating boat arrivals, it would not for so long have stood in the way of offshore processing legislation.

As the expert panel's report pointed out, while the cost of processing arrivals is substantial, as the recommendations are implemented we will see these costs decrease. These recommendations must be implemented for many reasons, not least of which is that it is the economically responsible thing to do. But all we hear from the opposition on this matter is negativity—no feasible alternative solutions, just

destructive negativity. The Australian people can see through that. They are looking to us to come up with real solutions. They are looking forward to a bright future, with an economically responsible Labor government, not an opposition offering nothing but negativity and unfunded promises.

Mr CHRISTENSEN (Dawson) (16:24): I rise to speak on this matter of public importance: the adverse impact on the budget of the government's failure to control our borders. Probably no other issue better summarises just how bad this government is. If history has shown us anything about Labor governments, it has shown us that Labor governments are incapable of managing a budget and incapable of managing our borders. These are fundamental functions of government and fundamental failings of this government.

But where these two failings meet it is like a massive collision of disasters; like a hurricane colliding with a snowstorm. Caught in the middle is the human toll: the toll of those who do not survive the dangerous journey that this government has encouraged, the toll of those genuine refugees in camps who cannot afford to travel through five countries and pay $10,000 to a people smuggler and the toll on Australian household budgets and services. The price Australia pays for a failed border policy—the price we pay for a government too proud to admit that it got it wrong—is not paid by the Labor party. The price for that pride and ignorance is paid by Australian families, because it is their money that is being wasted.

According to the Mid-Year Economic and Fiscal Outlook last week, those Australian families will see an additional $1.2 billion coming out of their pockets and being wasted on this issue—$1.2 billion! That is such a large sum of money that it is difficult to get your head around. I think most people in my electorate would have trouble coming to grips with the enormity of the budget blow-out. Just as an aside: these people in my electorate are the same people that the member for Melbourne Ports cast aspersions on when he talked of dog-whistling, insinuating that somehow they are racist. I say to the member: if you are going to make such assertions—if you are going to talk about dog-whistling—then just come out and say what you really mean. The voters in Queensland and New South Wales whom he just disparaged will say something at the election to him.

North Queenslanders understand boats. Fishing is great and so is the weather, so they love their boats up in North Queensland. So does the Labor Party. They love boats too; they cannot seem to get enough of them! They have been collecting them from the people smugglers at a rate of more than one a day since June. How many this month?—41. Again, more than one a day. We have seen more than 200 illegal boats arrive this year alone—and that is just so far. I can tell you that Mackay has a fine very fine marina up in North Queensland and that a couple of hours ago it only had 240 boats in it. So by the end of the year we will probably see a Mackay marina-full of boats that have come into this country illegally.

North Queenslanders probably have a better understanding of the scale of the number of people involved. So far this year, we have had more than 13,000 people on those 240 boats. It costs a lot of money to take care of that many people, which is why this government, earlier this year, was asking Australians to take an illegal immigrant into their own homes. According to the 2011 census there are only 10,299 homes in North Mackay, South Mackay, West Mackay and East Mackay combined. So it is easy to comprehend the number of boats and the number of people involved here.

But every boat and every illegal entry comes at a cost. Last financial year, each illegal boat arriving in Australia cost an average of $12.8 million to the Australian taxpayer. In the first 10 months of this year, we have had more than 200 boats and more than 13,000 people. Compare that with arrivals under John Howard's successful border protection policy. In 2002 one boat arrived and one person; in 2003 one boat arrived with 53 people for the entire year; in 2004 one boat arrived with 15 people; in 2005 four boats arrived with 11 people; and in 2006 six boats arrived with 60 people. What was the impact of those border control policies on the budget? They had very little impact. What was the impact of those border control policies on genuine refugees who could then come to Australia?. It was very great.

Mr Windsor interjecting—

Mr CHRISTENSEN: I am going to pull up the member for New England, who is interjecting with little barking noises. He is another person who is insinuating that voters out there are racist, that we are somehow dog-whistling and that this is not a genuine concern. He should apologise to those people. The people in his electorate will certainly be barking at him come election day.

The fact that a Labor government could tear down those policies and call them inhumane—policies that enabled genuine refugees who genuinely feared for their lives to find safe haven in Australia—is an absolute disgrace. Only a Labor government could destroy a perfectly good solution and create a problem for them to waste money on. Only a Labor government could find a whole new method of wasting money. Only a Labor government could be so pig headed as to then refuse to admit that it got it wrong.

This Labor government preferred to continue throwing money into the ocean rather than admit that the Liberal-National coalition is right. The immigration

minister should not only hang his head in shame but also hand in his resignation. How can the Prime Minister allow this minister to tear billion-dollar holes in a budget already in tatters and not call for his resignation? I can tell you how she can allow it: she condones it. She condones the waste, she condones people smuggling, she condones people paying $10,000 for the privilege of risking their lives. The fact that hundreds of people died in the process did not outweigh that pride.

The Prime Minister and the immigration minister outsourced their jobs and had to get an expert panel to tell them the same thing the Australian people have been telling them for years. If you are going to outsource your job then do it properly—resign and let someone who has the guts to do the job roll up their sleeves and do it. Australians are sick of seeing a weak and divided government that is focused only on staying in power. They are sick of seeing their hard earned tax money going down the drain while they struggle to make ends meet and put up with a lack of services and infrastructure and even a lack of food on the table.

Here is an easy way for people in my electorate to understand just how much impact this government's border control failure is having on the budget. The budget blow-out on border protection is another $1.2 billion this year. Coincidentally, $1.2 billion is exactly how much the federal government's commitment would need to be to address all of the issues on the Bruce Highway in Mackay, the Whitsundays and Bowen. They are big issues. The federal government's share, $1.2 billion, would see the Mackay ring-road started and finished. It would pay for the duplication of the Peak Downs Highway, from Sarina to Mackay, one of the most dangerous stretches of the national highway in this country.

It would pay for the Hay Point intersection, a crucial piece of infrastructure to support the mining boom. It would pay for upgrades to the dangerous Bruce Highway intersection with Shute Harbour Road in the Whitsundays. It would pay for a solution to the flood-prone Goorganga Plains near Proserpine, which cuts off the Whitsunday coast airport from the Whitsunday coast every time there is heavy rain. Every time another boat comes through the revolving gate to our north, it is another project on the Bruce Highway that goes unfunded.

To be fair, not all Australians want to see the entire $1.2 billion spent on the Bruce Highway, so what would it mean if we put that kind of money into something useful across the entire country? The member for Bass raised the idea, so let us talk about it. I talk with a lot of age pensioners in my electorate. They highlight to me in no uncertain terms just how hard it is to get by on the pension—and they are right. It is hard. Every dollar counts and every dollar is spent very carefully by them. What if we implemented an increase to the age pension, not a fake increase that the Labor Party gives with one hand and takes back with the carbon tax? What about a real increase? Increasing the age pension and veterans' service pensions by $20 a fortnight would cost approximately $970 million compared to the $1.2 billion that Labor is wasting because they have lost control of our borders. Even allowing for the fact that a Labor government would find a way to waste $100 million in the process, it still comes in at less than the blow-out in the border control budget.

If those opposite want to argue about their economic credentials or the need to waste $1.2 billion on the lost control of our borders, perhaps they could explain to pensioners why the Labor Party's pride is more important than a pensioner's dinner. I will quote from a letter I received from a pensioner in my electorate. Arthur Withers lives in Townsville—in Annandale—and is acutely aware of how costly it is to live in a regional centre. He also has connected the dots between waste on border control and what pensioners are missing out on. He writes:

You are giving money overseas and to the boat people as if it was laid on. They get things like phones, cigarettes, food, medical aid and use of computers and other things. They also have three good meals a day. Yet pensioners have to live on second grade meat and vegies and anything else we can get cheap. We who have paid taxes all our life get very little help.

Mr Windsor interjecting—

Mr CHRISTENSEN: And here is the member for New England, making barking noises at the pensioner Arthur Withers who lives in Annandale. When those opposite ask for more money to be appropriated for their failures they should consider Arthur's final comment in his letter. He says:

If only we could buy a boat and sail back into Australia as an illegal immigrant we would be treated like Kings and Queens instead of starving to death.

Each illegal immigrant costs Australian taxpayers an average of $170,000 each year. This government has blown it this year—up to $1.2 billion in a cost to our budget. We could be using that money for better things if the government would only swallow its pride and adopt the full suite of measures. Not just Nauru; bring back TPVs, turning around the boats where appropriate and negotiating with Indonesia and doing it with some gusto. Instead the government is weak and insipid. The problem continues and the money continues to be wasted. Bring on an election to fix this problem.

Debate adjourned.

Australian Charities and Not-for-profits Commission Bill 2012

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

Senate's amendments—

(1) Clause 40 10, page 21 (after line 4), after paragraph (2)(d), insert:

(da) all of the following subparagraphs apply:

(i) the information is the details of a warning issued to a registered entity by the Commissioner under Division 80, as mentioned in paragraph 40 5(1)(f);

(ii) the information has the potential to cause detriment to the entity, or to an individual;

(iii) the contravention, likely contravention, non compliance or likely non compliance mentioned in subsection 80 5(1) was not, or would not be, in bad faith;

(iv) the contravention, likely contravention, non compliance or likely non compliance has been dealt with, or prevented, such that declining to include the information, or removing the information, would not conflict with the objects of this Act;

(2) Clause 45 5, page 23 (line 8), omit "a registered entity", substitute "an entity".

(3) Clause 45 5, page 23 (line 12), omit "registered entity's", substitute "entity's".

(4) Clause 45 10, page 23 (lines 20 to 27), omit subclauses (1) and (2), substitute:

(1) The regulations may specify standards (the ***governance standards***) with which an entity must comply in order to become registered under this Act, and to remain entitled to be registered under this Act.

(2) Without limiting the scope of subsection (1), those standards may:

(a) require the entity to ensure that its governing rules provide for a specified matter; or

(b) require the entity to achieve specified outcomes and:

(i) not specify how the entity is to achieve those outcomes; or

(ii) specify principles as to how the entity is to achieve those outcomes; or

(c) require the entity to establish and maintain processes for the purpose of ensuring specified matters.

(2A) Without limiting subparagraph (2)(b)(ii), the principles mentioned in that subparagraph may reflect the size of the entity, the amount and nature of contributions to the entity and the nature of the activities undertaken by the entity in pursuit of its purposes.

(5) Clause 45 10, page 23 (line 30), omit "registered entity", substitute "entity".

(6) Clause 45 10, page 23 (line 33), omit "registered entity", substitute "entity".

(7) Clause 45 10, page 24 (line 6), omit "a registered entity", substitute "an entity".

(8) Clause 45 10, page 24 (line 11), omit "registered entity", substitute "entity".

(9) Clause 45 15, page 24 (after line 22), at the end of paragraph (1)(a), add:

(iv) the Commissioner; and

(10) Clause 45 15, page 24 (lines 25 to 31), omit subclause (2), substitute:

(2) Without limiting, by implication, the form that consultation mentioned in paragraph (1)(a) might take, consultation to which all of the following paragraphs apply is appropriate consultation:

(a) the consultation involves consultation with the public;

(b) the consultation involves:

(i) notifying, directly and by advertisement, the entities mentioned in paragraph (1)(a) of the consultation; and

(ii) inviting them to make submissions by a specified date and, where necessary, to participate in public hearings to be held concerning the proposed regulation;

(c) the consultation is facilitated by the Commissioner.

(11) Page 25 (after line 6), at the end of Division 45, add:

45 20 Parliamentary scrutiny of standards

Despite subsection 12(1) of the Legislative Instruments Act 2003, a provision of a regulation made for the purposes of subsection 45 10(1) of this Act does not commence until the day after the earlier of:

(a) if both Houses of the Parliament pass a resolution approving the provision—the day the resolution is passed by the second House to do so; and

(b) the last day on which the regulation could be disallowed in either House, unless:

(i) the regulation is disallowed; or

(ii) either House passes a resolution disapproving the provision;

on or before that day.

(12) Clause 50 5, page 27 (line 1), omit "a registered entity", substitute "an entity".

(13) Clause 50 5, page 27 (line 8), omit "registered entity's", substitute "entity's".

(14) Clause 50 10, page 27 (lines 15 to 22), omit subclauses (1) and (2), substitute:

(1) The regulations may specify standards (the ***external conduct standards***) with which an entity must comply in order to become registered under this Act, and to remain entitled to be registered under this Act.

(2) Without limiting the scope of subsection (1), those standards may:

(a) require the entity to ensure that its governing rules provide for a specified matter; or

(b) require the entity to achieve specified outcomes and:

(i) not specify how the entity is to achieve those outcomes; or

(ii) specify principles as to how the entity is to achieve those outcomes; or

(c) require the entity to establish and maintain processes for the purpose of ensuring specified matters.

(2A) Without limiting subparagraph (2)(b)(ii), the principles mentioned in that subparagraph may reflect the size of the entity, the amount and nature of contributions to the entity and the nature of the activities undertaken by the entity in pursuit of its purposes.

(15) Clause 50 15, page 28 (after line 4), at the end of paragraph (1)(a), add:

(iv) the Commissioner; and

(16) Clause 50 15, page 28 (lines 7 to 13), omit subclause (2), substitute:

(2) Without limiting, by implication, the form that consultation mentioned in paragraph (1)(a) might take, consultation to which all of the following paragraphs apply is appropriate consultation:

(a) the consultation involves consultation with the public;

(b) the consultation involves:

(i) notifying, directly and by advertisement, the entities mentioned in paragraph (1)(a) of the consultation; and

(ii) inviting them to make submissions by a specified date and, where necessary, to participate in public hearings to be held concerning the proposed regulation;

(c) the consultation is facilitated by the Commissioner.

(17) Page 28 (after line 19), at the end of Division 50, add:

50 20 Parliamentary scrutiny of standards

Despite subsection 12(1) of the Legislative Instruments Act 2003, a provision of a regulation made for the purposes of subsection 50 10(1) of this Act does not commence until the day after the earlier of:

(a) if both Houses of the Parliament pass a resolution approving the provision—the day the resolution is passed by the second House to do so; and

(b) the last day on which the regulation could be disallowed in either House, unless:

(i) the regulation is disallowed; or

(ii) either House passes a resolution disapproving the provision;

on or before that day.

(18) Page 31 (after line 16), after Subdivision 60 A, insert:

Subdivision 60 AA—Object of this Division

60 3 Object of this Division

(1) The object of this Division is to promote:

(a) the transparency and accountability of registered entities; and

(b) the reduction of reporting obligations of registered entities under other Australian laws.

(2) The Division does this by requiring registered entities to provide information to the Commissioner that:

(a) relates to this Act or the taxation law; and

(b) the Commissioner:

(i) will use for the purposes of this Act; or

(ii) may pass on to other Australian government agencies, removing the need for those agencies to require the information from the registered entities; or

(iii) will make publicly available by publishing it on the Register.

Note 1: Other Australian laws provide that giving information to the Commissioner in accordance with this Act satisfies the reporting requirements of those laws.

Note 2: Division 40 limits the information the Commissioner may publish on the Register.

(3) The requirements this Division places on a registered entity are proportional to the size of the registered entity.

(19) Clause 100 10, page 85 (line 26), at the end of subclause (3), add:

; and (d) setting out the effect of section 100 25 (prohibition on suspended responsible entity managing the registered entity); and

(e) if the registered entity is a trust—setting out the effects of subsections 100 70(1) and (5) (former trustees' obligations relating to books, identification of property and transfer of property).

(20) Clause 100 15, page 87 (line 12), at the end of subclause (2), add:

; and (c) setting out the effect of section 100 25 (prohibition on removed responsible entity managing the registered entity); and

(d) if the registered entity is a trust—setting out the effects of subsections 100 70(1) and (5) (former trustees' obligations relating to books, identification of property and transfer of property).

(21) Clause 130 5, page 104 (line 12), at the end of subclause (2), add ", including how the ACNC has promoted the objects of this Act".

(22) Clause 130 5, page 104 (after line 12), at the end of subclause (2), add:

Note: The objects of this Act include promoting the reduction of unnecessary regulatory obligations on the Australian not for profit sector (see subsection 15 5(1)).

(23) Clause 205 35, page 152 (line 29), at the end of paragraph (3A)(c), add "or any greater amount prescribed by the regulations for the purposes of subsection 205 25(1)".

Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

Senate's amendments—

(1) Schedule 1, Part 2, page 6 (before line 2), before item 2, insert:

Division 1—Endorsed entities

(2) Schedule 1, item 2, page 6 (line 9), after "item 3 or 4", insert "or paragraph 4D(4)(b), (5)(b) or (6)(b)".

(3) Schedule 1, items 3 and 4, page 6 (line 28) to page 8 (line 2), omit the items, substitute:

3 Health promotion charities

(1) This item applies to an entity that, on the day before the commencement day, is:

(a) endorsed under section 123D of the Fringe Benefits Tax Assessment Act 1986 as a health promotion charity; or

(b) endorsed under Subdivision 30 BA of the Income Tax Assessment Act 1997 as a deductible gift recipient because the entity is a fund, authority or institution covered

by item 1.1.6 of the table in subsection 30 20(1) of that Act (charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings).

(2) The Commissioner is treated as having registered the entity on the commencement day under Division 30 of the ACNC Act as:

(a) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and

(b) the subtype of entity mentioned in column 2 of item 5 of that table (institution whose principal activity is to promote the prevention or the control of diseases in human beings).

4 Public benevolent institutions

(1) This item applies to an entity that, on the day before the commencement day, is:

(a) endorsed under subsection 123C(1) of the Fringe Benefits Tax Assessment Act 1986 as a public benevolent institution; or

(b) endorsed under Subdivision 30 BA of the Income Tax Assessment Act 1997 as a deductible gift recipient because the entity is a fund, authority or institution covered by item 4.1.1 of the table in subsection 30 45(1) of that Act (public benevolent institution).

(2) The Commissioner is treated as having registered the entity on the commencement day under Division 30 of the ACNC Act as:

(a) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and

(b) the subtype of entity mentioned in column 2 of item 6 of that table (public benevolent institution).

(4) Schedule 1, Part 2, page 8 (after line 2), after item 4, insert:

Division 2—Entities endorsed for the operation of institutions

4A Scope of Division

(1) This Division applies if, on the day before the commencement day, an entity (the operator) is:

(a) endorsed under Subdivision 30 BA of the Income Tax Assessment Act 1997 as a deductible gift recipient for the operation of one or more institutions covered by item 1.1.6 of the table in subsection 30 20(1) of that Act (charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings); or

(b) endorsed under that Subdivision as a deductible gift recipient for the operation of one or more institutions covered by item 4.1.1 of that table (public benevolent institution); or

(c) endorsed under subsection 123C(3) of the Fringe Benefits Tax Assessment Act 1986 for the operation of one or more public benevolent institutions.

(2) This Division applies:

(a) for the purposes of this Act (other than item 5 of this Schedule) from the day before the commencement day; and

(b) for the purposes of the ACNC Act and the taxation law from the commencement day.

4B Institutions treated as separate entity

(1) The operator is treated as if it were 2 or 3 entities:

(a) the entity (the non institution sub entity) the operator would be if it did not include the institutions; and

(b) the entity (an institution sub entity) the operator would be if the operator included only the institutions (if any) mentioned in paragraph 4A(1)(a); and

(c) the entity (an institution sub entity) the operator would be if the operator included only the institutions (if any) mentioned in paragraph 4A(1)(b) or (c).

Effect of revocation of registration of institution sub entity

(2) From the time (if any) the Commissioner of the ACNC revokes under the ACNC Act the registration of an institution sub entity:

(a) paragraph (1)(a) has effect as if the reference in that paragraph to the institutions did not include a reference to the institutions included in the institution sub entity; and

(b) paragraph (1)(b) or (c) (whichever applies to the institution sub entity) has no effect.

4C Non institution sub entity

(1) The ABN of the operator is treated as being the ABN of the non institution sub entity.

(2) If the operator was, apart from this Division, endorsed on the day before the commencement day as mentioned in paragraph 2(1)(a):

(a) the non institution sub entity is treated, on that day, as being endorsed in that way; and

(b) to avoid doubt, each institution sub entity is treated, on that day, as not being endorsed in that way.

Note: Item 2 applies to that non institution sub entity.

4D Institution sub entities

ABN

(1) The A New Tax System (Australian Business Number) Act 1999 applies to an institution sub entity as if the institution sub entity were carrying on an enterprise in Australia.

(2) During the period:

(a) starting on the commencement day; and

(b) ending on the earlier of:

(i) the day the Registrar of the Australian Business Register registers an institution sub entity in the Australian Business Register; and

(ii) 12 months after the commencement day;

paragraph 10(1)(a) of the A New Tax System (Australian Business Number) Act 1999 (entity must have applied for registration) does not apply to the institution sub entity.

Note: Subitem (2) has the effect that the Registrar of the Australian Business Register must register the institution sub entity in the Australian Business Register (including allocating the institution sub entity an ABN).

(3) During that period (and without limiting item 4C), the institution sub entity may treat the ABN of the non institution sub entity as being the ABN of the institution sub entity.

Endorsements

(4) In a case to which paragraph 4A(1)(a) applies:

(a) the endorsement mentioned in that paragraph is treated as being an endorsement of the institution sub entity mentioned in paragraph 4B(1)(b); and

(b) the Commissioner of the ACNC is treated as having registered the institution sub entity on the commencement day under Division 30 of the ACNC Act as:

(i) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and

(ii) the subtype of entity mentioned in column 2 of item 5 of that table (institution whose principal activity is to promote the prevention or the control of diseases in human beings).

(5) In a case to which paragraph 4A(1)(b) applies:

(a) the endorsement mentioned in that paragraph is treated as being an endorsement of the institution sub entity mentioned in paragraph 4B(1)(c); and

(b) the Commissioner of the ACNC is treated as having registered the institution sub entity on the commencement day under Division 30 of the ACNC Act as:

(i) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and

(ii) the subtype of entity mentioned in column 2 of item 6 of that table (public benevolent institution).

(6) In a case to which paragraph 4A(1)(c) applies:

(a) the Commissioner of Taxation is treated as having endorsed the institution sub entity mentioned in paragraph 4B(1)(c) under subsection 123C(1) of the Fringe Benefits Tax Assessment Act 1986 as a public benevolent institution; and

(b) the Commissioner of the ACNC is treated as having registered the institution sub entity on the commencement day under Division 30 of the ACNC Act as:

(i) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and

(ii) the subtype of entity mentioned in column 2 of item 6 of that table (public benevolent institution).

ACNC Act

(7) For the purposes of the ACNC Act:

(a) the institution sub entity mentioned in paragraph 4B(1)(b) of this Schedule is treated as being the subtype of entity mentioned in column 2 of item 5 of the table in subsection 25 5(5) of that Act for as long as each of the institutions included in the institution sub entity is an institution whose principal activity is to promote the prevention or the control of diseases in human beings; and

(b) the institution sub entity mentioned in paragraph 4B(1)(c) of this Schedule is treated as being the subtype of entity mentioned in column 2 of item 6 of that table as long as each of the institutions included in the institution sub entity is a public benevolent institution.

4E Regulations

The regulations may, for the purpose of giving effect to this Division, provide for how this Schedule, the ACNC Act or the taxation law applies in relation to the non institution sub entity or an institution sub entity.

Division 3—Opt out

(5) Schedule 1, item 5, page 8 (line 8), omit "Items 2, 3, 4 and 6", substitute "Divisions 1, 2 and 4".

(6) Schedule 1, Part 2, page 8 (before line 14), before item 6, insert:

Division 4—Religious institutions

(7) Schedule 1, item 6, page 8 (line 21), after "item 2, 3 or 4", insert "or paragraph 4D(4)(b), (5)(b) or (6)(b)".

(8) Schedule 2, page 46 (after line 9), after item 44, insert:

44A Subsection 57A(1)

Omit "subsection 123C(1) or (5)", substitute "section 123C".

(9) Schedule 2, page 47 (after line 16), after item 56, insert:

56A Subsection 123C(1) (heading)

Repeal the heading.

(10) Schedule 2, items 58 and 59, page 47 (lines 20 to 25), omit the items, substitute:

58 Subsections 123C(3) to (5)

Repeal the subsections.

(11) Schedule 2, item 68, page 49 (lines 10 to 12), omit the item, substitute:

68 Paragraph 426 5(d) in Schedule 1

Repeal the paragraph.

68A Subsection 426 40(1) in Schedule 1 (paragraph (b) of note 1)

Omit "and (4)".

68B Subsection 426 55(1) in Schedule 1 (paragraph (b) of the note)

Omit "and (4)".

68C Paragraph 426 65(1)(d) in Schedule 1

Repeal the paragraph.

BILLS

Wheat Export Marketing Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

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

"the House declines to give this bill a second reading and:

(1) calls on the Government to extend the operation of the Wheat Marketing Authority for not less than six months after the resumption of the 44th Parliament to enable the government of the day to modify Wheat Exports Australia or replace it with a another body, to better represent the needs of the wheat industry; and

(2) notes that the Coalition commits to a consultation process that will commence immediately and provide stakeholders with a forum to outline what wheat industry issues need to be addressed."

Mr WINDSOR (New England) (16:36): I rise to speak to the Wheat Export Marketing Amendment Bill 2012 before the House. I do so in front of the member for Groom.

Mr Ian Macfarlane interjecting—

Mr WINDSOR: It is a privilege to speak in front of him. I thank him for those complimentary remarks. The member for Groom and I were members of the grains council coarse grains committee some years ago. I am sure he, in his more private moments, will recollect some of those days and also recollect the circumstances before the House today and how history tends to repeat itself in one shape or another in the grains industry. One thing I do remember fondly of his and many others contributions to the grains industry—and I exclude myself from this—was a much greater and more positive degree of leadership than there is these days within the grain sector. I think that is one of the issues that needs to be addressed. I do not mean that as a criticism of individuals; we have a lot of very good people in agripolitics trying to do their best by their constituent groups. But I think the fractious nature of the cropping and grains industry in recent years has possibly been to the detriment of the industry itself.

This legislation has come off the back of the abolition of the single desk system many years ago, the establishment of the WEA and the consequent sunset period. I have been quietly involved over the last month with various grower interest groups such as Agforce Queensland—which the member for Groom would be very familiar with; they are very good people—the New South Wales Farmers Association, the Victorian Farmers Federation, Grain Producers South Australian, parts of the West Australian grains industry and also Grain Producers Australia. I know there have been many discussions within the building. I have also had discussions with the minister and the minister's chief of staff, who is with us today, to talk about various arrangements that may or may not be put in place and about the issues that arose through the termination of the WEA.

I do not think there are many people in the building who want the Wheat Export Authority to be maintained; there are some. There are many within the industry that would like to see something put in its place. I guess that is where the argument develops. What do you put in its place, if in fact you put anything in its place? Should that body have some degree of statutory bite or not? If it did have some statutory bite, would it be an attempt to recreate what has been taken out? Some people have suggested—quite wrongly in my view—that there is an attempt by some other people to recreate the single desk. I do not think that is the case at all.

There are some issues which I think are pertinent in the development of grain handling systems and the control of the ports. For many of the growers or their representatives that I spoke to, the issues of port access, stocks information and wheat export standards do have some relevance. There are a number of issues that can reflect on the supply chain. There are some arguments that this is all about free enterprise and about exporters making their own arrangements with other countries. Regrettably, and I think we saw it through the live export arrangements that were put in place in the north, the impacts can go back through the supply chain—not just to the exporter, not just to the grain handler and not just back to the particular individuals who may have supplied grain to a particular shipment if it was found to be poor in quality or the correct sanitary arrangements had not been put in place.

There are some supply-chain issues that I believe should be addressed. I do thank a member of my staff, John Clements, who spent considerable time working with industry groups to try to come up with a resolution that was acceptable to the industry, particularly in Western Australia. I am familiar with the issues the Western Australians have in this and with the politics in this House of that particular issue. John Clements spent quite some time with the industry players trying to reconcile some of the differences. We had a number of meetings with the minister, Joe Ludwig—and I thank him for that—to try to come up with an arrangement which could be suitable to the industry and which would allow the WEA to be moved on and to address these three significant issues. The minister and I had discussions again yesterday around a broad framework that might work, such as some sort of ministerial council appointment or a task force to address these particular issues. It may well have access to the export charge as a funding source so that the industry can address these three issues and others under certain terms of reference if the industry agreed. Those discussions were held without prejudice.

This morning I had a phone hook-up with about a dozen people from various states to discuss this issue and to see whether they were interested in exploring this fairly broad framework to address these issues under the auspices of some sort of council or task force arrangement with a view to using wheat export charge moneys to do some further research into the issues of public and private good that the industry groups have been raising.

It was determined by way of the phone hook-up that the industry players were not particularly interested in that proposal, even though it was fairly broad in the framework. They felt that they were not prepared to give up any leverage in terms of the WEA for something that was a bit out-there in the fine detail. I made the point that the detail was really for them to write, and I did not think that other than the code of conduct there was any real room to move in terms of statutory bite. As a consequence of that meeting, which was held in a very cordial atmosphere, it was decided that the growers would not take advantage of that opportunity and preferred to try to have the status quo put in place, or that a future government may be able to

address the issue in a more favourable sense as far as they were concerned.

Since that time—and things do move quickly in this House—I believe there has been an agreement struck with the Australian Greens. I am not privy to all of that agreement, but I think some of it might be fairly similar to the arrangement that the minister and I have been talking about. I will listen with interest when it is raised in the House or when the debate takes place over this so-called arrangement with the Greens as to what it actually means. That will possibly determine the way in which I vote on this issue in relation to how it addresses some of the issues that the growers were raising.

I would be interested to hear from any growers as to whether they are attracted now to this arrangement. I think one of the things that we have to be a little bit careful of is that it looks as though the numbers could be in both houses for the WEA to be put to bed. I do not think anybody would really object to that but, as I said, in some sectors of the industry—the eastern states, South Australia and some parts of Western Australia—they believe there needs to be some sort of body that can oversee some of those three issues that I raised earlier. This is a live animal at the moment, and I will be interested to see what the particular amendment is that the minister's representative in this chamber may bring. I guess that will take place in a number of minutes.

The other bit of history—as well as the member for Groom, and I do not mean that he is history—was that I listened to the contribution of the member for Hume.

Mr Stephen Jones interjecting—

Mr WINDSOR: You listened too? I was in the New South Wales parliament at the same time as the member for Hume, and he made a good contribution to the debate. On re-reading it I think some of his historical context is just a little bit out of play. Nonetheless it was in a hung parliament, similar to this one, where my vote put a Liberal premier into power. Part of the agenda of that particular coalition government at the New South Wales level—when Wal Murray was the Leader of the Nationals—prior to the election was that it would sell the grain handling system to commercial interests. The grain handling system was called the Grain Handling Authority in New South Wales. It had previously been the Grain Elevators Board et cetera.

Interestingly enough, that grain-handling authority eventually morphed into what is now called GrainCorp. We now have a scenario being played out on the coast where American interests are considering the purchase of GrainCorp, which is a commercial operation. The way it transitioned from a grower group was that the growers actually paid for the grain-handling system by way of levy back in those days. I guess a similar thing would have happened in Queensland. The Greiner government came to power and they intended to sell it to the highest bidder. One of the conditions on the formation of government that I was able to apply was that, if in fact it was sold, it had to be sold to grower-friendly interests. It was a fairly simple line, and Nick Greiner did adhere to it. It was sold for, I think, $100 million, and it was probably worth more than that. It was sold to the Prime Wheat Association, which, again, was a grower body—a very good body. Over time politics and a whole range of other things came into it—agripolitics—and it morphed into a commercial arrangement. The control originally was by growers because of the shareholding—there were different grades of shares struck—and growers lost some degree of control over the handling system. Then it morphed into a fully commercial operation, and that operation today, GrainCorp, is under some degree of threat by international interests.

Again we see a similar scenario being played out, and growers are quite anxious about what all that means. There is an old saying, 'He who controls the ports controls the industry.' I do not think that is strictly true, but there are elements of it that probably are. One of the things that the growers have been asking for is that they need scrutiny where they believe there could be the development of some degree of monopoly power and impact when the grain handlers are also grain marketers and that the little people are regarded within that system. The stock information and the access arrangements all give confidence to the industry and the players. The quality issues that are significant to many in the industry group should be significant to all of us. We have seen the fiasco with the live cattle export: the way in which that has impacted on, not only people who breed those sorts of cattle, but others as well—*(Time expired)*

Mr IAN MACFARLANE (Groom) (16:52): I would have been happy to move an extension of time. There are very few people in this House who understand the wheat industry and there are probably fewer than a dozen of them who have same level of understanding of the wheat industry as the member for New England, as he quite rightly pointed out. For the benefit of Hansard, when I interjected that he wouldn't know anything about the wheat industry I was of course being sarcastic. He in fact has an extraordinary knowledge of the wheat industry. I hate to tell you, member for New England, but it was 22 years ago that you and I sat together at a table with the Grains Council of Australia and discussed issues to do with coarse grains and the early days of deregulation of the wheat industry in Australia. Twenty-one years ago I had the pleasure of travelling to one of your towns, Tamworth. I still have the photograph on top of my

wife's piano in my house to remind me where we all come from. It is important that we remember.

There have been a lot of things during this debate and I am not going to revisit them. I am going to speak of my personal and professional knowledge of the wheat industry in Australia, including as an ex-grower. Unfortunately for me but happily for my wife, I am an ex wheat grower. I have not grown wheat with my own hands for 15 years, although I was still involved in wheat growing up to about a decade ago. The industry in my short lifetime has gone through enormous change. There would not be very many people—and the member for New England would be one of them—who knows what FAQ stands for. It was 'fair average quality'. That was where everybody got paid basically the same based around fair average quality. The Queenslanders and the Northern New South Welshmen always got dudded, because we grew high-quality prime hard wheat and were paid fair average quality prices.

The industry evolved. In my time as the President of the Grains Council of Australia, I took it through one of the most traumatic, most difficult and most hard-fought times in the wheat industry's history. The previous president, Don McKechnie—some might remember his name—and another fellow called Mitch Hooke tried unsuccessfully the previous year in a tour around Australia to convince growers of the need to move the wheat industry into the 21st century by privatising. I had the poisoned chalice passed to me as the president of the Grains Council. I have to say, with modesty, that I succeeded and the wheat industry moved another step towards complete deregulation.

There have been steps taken along that road that were mistakes. Around the time that I was president of the Grains Council and immediately before that, there was very much the strong belief that the growers should pool their resources. Each state, give or take—Victoria and South Australia shared the barley board—had its own state coarse grains marketing group and each state owned its own handling system; and, when I say 'state' here, I mean state growers. You had the potential for an enormous natural monopoly to be built, one completely owned and controlled by growers. I and people like Ross Bailey from Brookstead in Queensland and Ian White, who was the CEO of Grainco, which is now part of GrainCorp, formulated a plan with Don Taylor, who is currently the chairman of GrainCorp, where we would move the assets of the Australian Wheat Board and bring together all of the assets of the state organisations and form a super co-op. I look back with regret that that did not happen. Growers made their choices. I respect their choices. When we privatised the Wheat Board, we could only privatise as a single entity.

Since then, we have seen those bodies sold off for good reason or for bad. When I became a cabinet minister, I divested all of my shares in the Australian Wheat Board and Grainco and the Peanut Marketing Board. I remind the House that I grew the best peanuts in Australia in 1984, and I have the certificate to prove it. I divested all my interests in those grower-owned and -controlled cooperatives. Unfortunately, that was a precursor, as we have seen those grower owned cooperatives turned into companies and sold into foreign ownership. The member for New England quite rightly raised the issue of the potential for GrainCorp to be sold and for growers to lose control of it completely.

One thing that I have learned during the passage of time on this path to the deregulation of the wheat industry is that growers find it incredibly difficult at times to prepare for the next step and to prepare to accept change. Change is inevitable. As I used to say to them when I was travelling round during that period in 1993 and 1994, you do not still drive the same tractor that you had 10 years ago; you do not still farm in the same way that your father and your grandfather—who probably used horses—did. Change is inevitable, along with death and taxes. We are here today to talk about change. I suspect that the minister has done a deal with the Greens—who have no knowledge or understanding of or care for the future of the wheat industry in Australia—which will see the final chapter of this saga played out. Like the member for New England, I am going to lament that on the basis that I think that there was a better way.

Although I only have a scant understanding of what he has done, I applaud him for the efforts that he has made to try to convince growers to move from what we have now to what they could have in the long term to ensure that the quality and the standard of our exports is maintained and that the integrity of the marketing system—with growers being paid—is maintained. I can understand why growers have trepidation about that step, having been through and having worked with growers, as I said, to bring about substantial change in the grain industry. But I think that as a result of this government's unwillingness to take an appropriate amount of time to consult fully and to consider options before taking this step, the growers are about to get shafted again by this government. If we could have more time here—and time is not of the essence—then we could produce a far better outcome than the one that this House is about to deliver sometime this afternoon.

The member for New England and I came in after the start of the deregulation of the wheat industry, and that was 22 years ago. I participated in massive change in grain marketing and handling and the removal of statutory controls during the early to mid-90s, and that was done at a reasonable pace. I think that this last step

could be taken over the next year or so, and of course that is what the coalition is suggesting in its amendment. The member for Calare also has a very sound understanding of the wheat industry, but too few people in this House have that.

This issue is not about recreating the single desk. If it were about recreating the single desk I would be voting with the government. There is no way you can turn back the clock. Time marches forward; change marches forward. What you have to do is make the most of and take the best advantage of that change to position yourself to ensure your future in the industry, if you are a wheat farmer. There are ways to do that. This issue is not about re-establishing the single desk. It is very much about ensuring that everyone understands why this next step is being taken and that everyone is confident about their place when this next step is taken. It is about making sure that smaller growers are protected.

I heard the voice of Wilson Tuckey again the other day. Wilson and I go back a long way. In fact we go back to when he saved a plane carrying Mitch Hooke and Donald McGauchie that was lost, but I do not have time to tell that story. Wilson Tuckey fervently and with the greatest of passion campaigned against any deregulation, the slightest modicum of deregulation, in the wheat industry. Now of course he wants it completely wiped out because those that he calls the big growers in Western Australia are being disadvantaged.

I say to the growers in Western Australia that I have been interested in your interests since I was Grains Council president, in 1992, and probably before then, and I have never lost that interest. You will not be disadvantaged by the proposal the coalition is putting forward. This is not about re-establishing the single desk, it is not about taking away your rights to market your own grain and it is not about taking away your ability to grow your cooperative in Western Australia. I admire what you have done as growers to ensure that the ownership of that still remains predominantly in your hands.

This is about maintaining the standard of Australia's wheat exports. It is not about 22c a tonne. When a shower of rain can change your yield in a paddock by $5, $10, $20 or $50 a tonne, 22c a tonne is not something the growers will miss in this debate.

This debate is about providing the degree of scrutiny that gives the industry the confidence it needs to continue to sell some of the world's highest quality wheats. We are a country that pride ourselves on the quality of our wheat, the standard that we deliver to customers and the value that that wheat brings to our customers. If at any stage we jeopardise that, then we jeopardise not only our current sales but our future sales as well.

I am sure that at this stage of this debate it has nearly all been said. But I will say that, if growers are to have confidence in the future of their industry, then a little more time in this transition process is all it would take to bring those growers into a position where they were sure that this step is the right step.

There is a path that we could have gone down. As the member for New England said, we could have looked at options for bodies that could carry out the functions in relation to quality exports and the integrity of the marketplace. It does not have to be the current structure, but it does have to be a structure designed in consultation with the rest of the industry.

We have to make sure that, whatever we do, this debate delivers maximum benefit to the livelihoods of people and ensures their future, the future of their children and the future of the rural communities they are in. There was a way to do that, but the government in its usual 'no caring about anything west of Sydney' attitude has decided to bypass that process.

So the coalition has moved an amendment, and the member for Calare has been going through that in detail. As a Liberal and as someone who believes in free enterprise and the rights of individuals, I think the member for Calare and the proposal we put forward were more than reasonable. In fact, it would have given us the opportunity to maximise the positive outcomes for the grain industry in Australia—the whole industry. Obviously I am biased towards farmers. Obviously once you have been a farmer you never lose that from your being.

A couple of weeks ago I had the opportunity to go out to Condamine and walk around a property on a resources related issue. When I got home I said to my wife, 'That was great for the soul but bad for the heart.' It was great for my soul to be back amongst people who grew things. There were fat cattle in the feedlot and cattle being backgrounded on pasture and the ground was being prepared for the summer crop. I just longed to be back there. That was part of what was bad for my heart, because you can never allow your heartstrings to pull at you too much. And, as I said, my wife would probably fix that up if I suggested it. But, seriously, my passion is still in the bush. My belief is still in the bush.

I want to make sure that the people who grow the food of this nation get the best chance they can. I do not believe the government proposal is going to deliver that. I believe the better way was to take the time to have further consultation with the growers to make sure we put a structure in place that maximised the opportunity for those farmers, their families and the grain industry of Australia. We had that opportunity. Unfortunately, in some dirty little side deal with the Greens, I think that opportunity has been lost.

Mr CRAIG KELLY (Hughes) (17:07): I rise to speak on the Wheat Export Marketing Amendment Bill 2012. It is a pleasure to follow the member for Groom, who has more knowledge on this industry at his little finger than the entire combined knowledge of those who sit on the other side. From the outset, I will say that I believe, along with the rest of the coalition, that there is simply no going back to the Australian wheat industry being centrally controlled under a single desk. For, although the Australian Wheat Board were founded back in the 1930s and for many years successfully promoted the export of Australian wheat, their excesses, their waste and their mismanagement are just reminders of the dangers of monopoly, the dangers of centralised control and the dangers that come from overly concentrated markets.

However, the coalition supports the deregulation of the export of Australian wheat. But in doing so we should be reminded of the words of Adam Smith, from 250 years ago, in *The Wealth of Nations*:

> The proposal of any new law or regulation of commerce … ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention.

Smith was right, especially when it comes to new laws seeking deregulation of our agricultural sector. For, although the free market is the greatest force we have to lift prosperity, to create wealth and to develop a strong middle class and a vibrant democracy, we should not be naive enough to believe that free markets simply evolve by themselves. Often, to protect the workings of the free market, we need some type of regulation to stop it becoming overly concentrated and to stop predatory conduct to make sure that the market works as it is meant to. That is why we must heed Smith's warnings, especially in deregulating the wheat industry. We need to tread carefully and, in doing so, be sure that we do not repeat the mistakes of the past. And we should look at the mistakes of previous deregulations of our rural sectors.

So let us take a quick look at the deregulation of the dairy industry and the deregulation of the egg industry to see if there are lessons to be learnt for deregulating the wheat industry. Firstly, let us look at the Australian dairy industry, which was deregulated on 1 July 2000 at the cost of $1.94 billion to the taxpayer. Back then, we had all the self-proclaimed competition law experts saying that it was the consumer who was most likely to benefit significantly from the lower cost of fresh milk. Let us have a look at what happened. We know what happened to the farmer. We know that before deregulation the farmers were getting $1.011 billion of income for their market milk. Yet two years later, in 2002-03, their income had fallen to $521 million. So we saw the dairy industry lose $500 million of income after deregulation—almost one-half was wiped out virtually overnight. But, much worse, far worse, was that within two years of the deregulation of the dairy industry a health department report showed that every four days a farmer in this country was committing suicide. Between 1990 and the year 2002, ABS figures show that 202 farmers and farm managers committed suicide.

What were the benefits to the consumer from the deregulation of the dairy industry? If you look at the ABS data, it shows that retail prices not only increased but continued to increase faster than the rate of inflation. In fact, between 1990 and the year 2007, while the CPI rate of inflation was only 60 per cent, the retail price of milk actually increased 114 per cent, almost double the rate of inflation.

Secondly, let us look at the example of the deregulation of the egg industry, which occurred in the early 1990s. Certainly sufficient time has now passed for us to assess the full effects of deregulation. Again, when the deregulation of the egg industry occurred, we heard those who were strong on theory but weak on practice rabbit on about increasing efficiencies and about those efficiencies being passed on to the consumer through lower prices. In 1989-90, just prior to deregulation, the ABS reported that the average farm-gate price for a dozen eggs was $1.53. Fast forward to June 2005, when the ABS last published such farm-gate prices for eggs. The average farm-gate price had increased just 9c, to $1.62—an increase over 15 years, for the farmer, of just six per cent, at a time when our CPI was running at 48 per cent. But what happened to the retail price over the same period of time? It skyrocketed by an incredible 70 per cent. So in the 15 years following deregulation we had the farm-gate price increase by just six per cent and the CPI increase by 48 per cent but the retail price—what the consumer was paying—increase by 70 per cent.

There are other lessons to learn from past deregulations, especially how those who supported some of these deregulations were prepared to distort, to mislead and to cover up when things did not turn out how they expected. Take the ACCC's 2008 inquiry into the competitiveness of retail prices for standard groceries. In that report, the ACCC concluded, in relation to eggs, 'It is not true to say there is an increasing gap between the farm-gate and the retail price.' But the truth was the exact opposite of the ACCC's conclusions. The facts were that over that period of time, from 1990 to 2008, when the ACCC did their inquiry, the farm-gate price had increased by just 12 per cent, but the retail price had increased by 100 per cent. So after deregulation we had a 12 per cent increase at the farm gate and a 100 per cent increase at the retail end. The truth is that there has been a massive increasing gap between the farm-gate price and the retail price, yet the ACCC's findings showed the exact opposite.

It is interesting to look at how the ACCC actually arrived at these misleading and erroneous conclusions.

One way to manipulate data to mislead or deceive is to cherry-pick the base year from which you start an analysis over time. In the ACCC's analysis of eggs, the ACCC chose the base index as the year 2000-01. Surprising, this was the year that was selected, despite this year not being used for anything else in their inquiry. So why did they pick this year, when ABARE's Australian Commodity Statistics for 2007, the very source which the ACCC cited in their report, has data going back to 1989? Surely, you would have used all the data that was available to you, and you would have gone back to this date—but they did not. Alternatively, ABARE used 1997-98 as the base year with the index of 100, so it would have been quite simple for the ACCC to choose that year. So why did they pick the year 2000-01 to start their analysis? Well, surprisingly, that year was the lowest farm-gate price in 20 years. Picking the absolute lowest farm-gate price in 20 years was just a happy coincidence that enabled the ACCC to reach their conclusions.

But the coincidence did not stop there. In fact, the ACCC had actually shifted the base year for various items. In their studies of milk they used the base year of March 2002 and for beef they used 1998—and, surprise, surprise, if you look at ABARE's numbers, these are either the lowest or the second-lowest prices in the farm-gate cycle. What an amazing coincidence! The odds of randomly selecting the base years which conveniently match up with the lower point in the farm-gate price are about 1,000 to one. The only conclusion is that the ACCC's inquiry into the competitiveness of retail prices for standard groceries under this government was either a shameful whitewash or was grossly incompetent.

The reason that the deregulation of the milk and the egg industries merely delivered an asset transfer from producers to our supermarket duopoly was the failure to understand that you cannot just deregulate one part of the supply chain and leave other parts of the supply chain regulated, especially when these other parts of the supply chain are controlled in the hands of a small number of players. For the milk and egg industries, while it was the production of these commodities that was deregulated, the retailing of these commodities remained highly regulated, where the Australian supermarket duopoly enjoys special legislated protection from competition.

Mr Deputy Speaker, let me give you two examples from my electorate of Hughes of how this protection from competition works. Firstly, there was the infamous Orange Grove affair, which occurred under the watch of the New South Wales Labor government, run by now Senator Bob Carr. Without getting into the sordid tale of the Orange Grove affair, the New South Wales government shamefully forced the closure of an operating shopping centre, with the loss of 200 jobs, simply to prevent them competing in the market.

Secondly, Mr Deputy Speaker, take the shopping centre at Sappho Road in Warwick Farm, also in the electorate of Hughes. To protect the interests of the supermarket duopoly, the regulations at this shopping centre included:

> The display and sale of the following item classifications is strictly prohibited: [including] grocery items …

It was also at this shopping centre at Warwick Farm that the so-called champions of the free market and deregulation, the Woolworths corporation, took their smaller competitors to court for no other reason than to protect themselves from completion.

We had the farcical situation in this country where we deregulated our rural commodities, but, at the retail side, we had three judges at the New South Wales Court of Appeal and a platoon of QCs, barristers and lawyers arguing about what goods could be sold from a retail shop. I will quote directly from the decision the goods that the court said were not allowed to be sold:

> Small plastic storage containers; garbage bins; vegetable peelers; electric light globes; sandpaper; baby bibs; child's potties; dog kennels; bathmats; pre-recorded CDs; Christmas cards; Christmas trees …

So, while we come into this place and say we are the champions of the free market, we have regulations and courts making laws about where children's potties can be sold. We need to learn the lessons, when we are looking at the deregulation of the wheat industry, that we cannot just leave other parts of the supply chain regulated or controlled in the hands of just a few players.

This is certainly currently a concern when it comes to port access and rail transport, especially in Australia, one of the few nations that have no effective laws against anticompetitive price discrimination. The dangers to the free market, the dangers to growers, of price discrimination on rail freight have long been recognised in the home of the free market, the USA. In fact, it was concern about price discrimination in rail freight of agricultural commodities that led to the very first law to combat anticompetitive price discrimination. This was the Interstate Commerce Act 1887, which was the forerunner to the Clayton Act 1911 and the Robertson Patman Act 1936. Basically, this law provided that, for a grower filling one rail car—the equivalent of a modern-day 20-foot container—because there were no true economies beyond that, they would be able to get the same price and would not be discriminated against compared to a grower that could produce a larger quantity.

The other issue that growers should be concerned about is the quality standards for export grain. We have recently seen the Indonesians express a concern about

the perceived lack of quality of Australian wheat—and I say 'perceived' because we do have in this country the highest-quality wheat in the world. But we know that, in many markets, perception becomes reality—and this provides a real threat to Australian exporters, who are at a disadvantage against American and Canadian wheat exports, where we have the American and Canadian governments having attested quality controls and guarantees on their exports.

We should heed Adam Smith's warning that we should proceed with any deregulation with great caution, and any such deregulation ought never to be adopted until long having been carefully examined, with not only the most scrupulous but the most suspicious of intentions. We must learn from the past. We must learn from the previous episodes of deregulation of agricultural commodities and the disaster that they have resulted in for our producers. And there are issues that this bill fails to carefully consider—port access arrangements, the inappropriate transportation standards in relation to stock information and minimum quality standards for grain. Therefore I cannot support this bill. However, I support the coalition giving a commitment that, if elected at the next election, the coalition in its first term will implement measures agreed by the industry to ensure that we have a well-managed, deregulated— *(Time expired)*

Mr SLIPPER (Fisher) (17:22): Mr Second Deputy Speaker Georganas, allow me to congratulate you on your election to high office. I note that as a member of the Speaker's panel you were diligent, and with this new responsibility the parliament will be enhanced through your involvement.

On 24 November last year I resigned from the Liberal National Party of Queensland and the coalition to become an independent Speaker of this parliament in the Westminster tradition. I was honoured by being elected unopposed as Speaker of the House of Representatives but, in resigning from the Liberal National Party of Queensland, I did not resign from my conservative principles. I did not resign from my belief in free enterprise and I did not resign from my belief that producers of products or growers of wheat should be allowed to sell their product to whomsoever they wish.

The opposition, in opposing the Wheat Export Marketing Amendment Bill 2012 and in proposing the amendment currently before the chamber, is talking about saving the leadership of the Leader of the Opposition and about coalition unity. While I resigned from the Liberal National Party, I did not resign from my principles. The position being taken by the coalition in this bill is a resignation by the Liberal Party in favour of the National Party from the principles set out on the website of the Liberal Party of Australia.

Let me draw to your attention that, in listing the items in which the Liberal Party believes and in which I continue to believe, the first item is:

> We Believe ...
>
> - In the inalienable rights and freedoms of all peoples; and we work towards a lean government that minimises interference in our daily lives; and maximises individual and private sector initiative …

Let us look at the position of the opposition in relation to this particular bill. The Deputy Leader of the Opposition, the honourable member for Curtin, has been urging, as indicated by the report on *ABC News* on 3 October, and I quote:

> … her WA colleagues to remain unified behind the Coalition's position, arguing it would undermine the authority of Opposition Leader Tony Abbott.

This is not about deregulation or not deregulation; it is all about internal unity on the part of the coalition and it is all about asking Liberals to surrender the first principle of the Liberal Party, which refers to private sector initiative and minimisation of government interference. I understand that the Deputy Leader of the Opposition also said on Sunday, 28 October, on *ABC News*:

> Our policy is to support full deregulation when we're in government …

Let us be honest: if full deregulation, if and when the opposition is elected to government, is perceived to be a good thing, why is full deregulation when the opposition is in opposition a bad thing? I find the intellectual argument on the part of the opposition incredibly lacking.

Some would say that we have a bizarre situation where we have the party that in its original manifesto supported the socialisation of the means of production, distribution and exchange now being the champion of free enterprise and the champion of those people who want to sell their product to whomsoever they want to sell it. What a bizarre turnaround! I am not going to pre-empt the position of the honourable member for Tangney, but isn't it interesting that Western Australian Liberals are being urged to vote against a measure which the Western Australian grains industry says will save the industry some $3 million to $4 million?

Why is the Deputy Leader of the Opposition urging her Western Australian Liberal colleagues to vote against the interests of the wheat producers of Western Australia and, I would put it more broadly, the wheat producers of Australia? What is wrong with a person who grows wheat being able to sell wheat to whomsoever they want?

The member for Groom, who is a person I greatly respect, delivered a speech. He trotted out the party line, but I suspect that if you looked into the mind of

the honourable member for Groom you would see that his position would be the same as that being taken by the government and those members of the coalition parties who are prepared to show their opposition to the coalition position in a tangible way.

Interestingly, I have been lobbied by the most unholy unity ticket. I have been lobbied by the honourable member for O'Connor, who is sitting two seats in front of me, and I have been lobbied by the former honourable member for O'Connor, Wilson Tuckey. When you get the member for O'Connor and Mr Tuckey actually agreeing on an issue, then each of us should sit down and look closely at what is being proposed because, surely, there must be something tangible and worthwhile in it.

To look at the specifics of the legislation, to its credit the former Howard government initially removed the Australian Wheat Board single-desk arrangements, and since that time—in 2007—bulk wheat exporters have been required to pass an accreditation scheme administered by Wheat Exports Australia. The government agreed that, as part of these changes, there would be a review of the changes to the regulatory system. In 2010, two years ago, the Productivity Commission handed down its report into Australia's wheat export marketing arrangements and recommended the removal of Wheat Exports Australia to align wheat with every other commodity in Australia as a freely traded commodity. So the so-called socialist party in Australia, the Australian Labor Party, is actually standing up for wheat producers right around the country. What an incredible change! What an about-face!

And this is not about deregulation, because the Deputy Leader of the Opposition says she supports deregulation, but not while Labor is in office. So if deregulation is good, if and when the opposition is elected to office, why isn't it good now?

If there are advantages to the wheat industry by proceeding at this time, why should the wheat producers of Australia be disadvantaged to the extent of millions of dollars by having to wait until there is a change of government? As I said at the outset, on 3 October the honourable member for Curtin let the cat out of the bag: she was not talking about principle; she was not talking about policy; she was talking about naked politics; she was talking about protecting the position of the Leader of the Opposition.

When one looks at recent opinion polls, it is by no means certain that the Leader of the Opposition will be leading the opposition at the time of the next election. You know what it is like in politics: you see the barracudas circle; you see the knives encircling an embattled person. I suppose you have to admire the Deputy Leader of the Opposition because she is supporting her leader. After all, she supported—how many leaders has she been deputy to? Sadly, I find it quite abhorrent that the Deputy Leader of the Opposition is prepared to say to the wheat industry of her home state that it is important to defeat the government legislation not on any matter of principle, not to assist producers, but simply to assist the continued leadership of the Leader of the Opposition—and I presume that she would anticipate that, if the Leader of the Opposition remains in office, she is likely to continue to remain in position as Deputy Leader of the Opposition.

But the honourable member for Curtin should not be pessimistic. She has served a number of leaders before and she could well serve yet another leader as deputy leader. But ultimately I think the people of Australia would respect the Deputy Leader of the Opposition more were she prepared to stand up and say that she believes in continued regulation of some sort in relation to this industry. I can respect those honourable members who actually do support regulation of industry—if they come from a position of principle. I do, however, find it extremely difficult to support a policy which is not about whether something is good or bad for an industry but to prop up a person's position in office.

Referring to the news report on 3 October, it is interesting that the president of the Durack division of the Liberal Party, Mr Gordon Thomson, has taken a shot at Ms Bishop, the honourable member for Curtin, and Western Australian Senator Matthias Cormann. He said, 'It is apparent that neither has any political nous or common sense on this issue.' So you have a leading Liberal luminary actually coming out and making those comments about people who hold a very senior position in the opposition. Let us also look at the report on 28 October, when the Liberal Party had a state council meeting in Albany and overwhelmingly backed a motion to support the federal government's bill. In fact, Western Australian Liberals have been requested by the organisation to stand up for the wheat growers of their state. Despite that, we are seeing naked party politics being played.

I just want to say that this legislation before the House is good legislation. The amendment being proposed by the honourable member for Calare is one that I can understand he believes in—because he is a member of the National Party, and the National Party is the party of agrarian socialism. And I am happy to declare a public interest: I was first elected as a National Party member, but I got back to Queensland after my first meeting of the Parliamentary National Party and said that I had more in common with the Liberal Party than the National Party—and I suspect that some people were not too impressed by that particular statement. However, the member for Calare is at least honest. He is standing up as an agrarian socialist in this place and talking about this failed

body, Wheat Exports Australia, having its existence extended for not less than six months after the commencement of the 44th Parliament to enable the government of the day to modify Wheat Exports Australia or replace it with another body to better represent the needs of the wheat industry. And he notes that the coalition commits to a consultation process which will commence immediately and provide stakeholders with a forum to outline what wheat industry issues need to be addressed.

There has already been an inquiry; the Productivity Commission has brought down its report. This government, which historically has not been a government of free enterprise, has had the courage to introduce this bill, yet we find that people in the opposition who are all about preserving positions as leader, deputy leader, shadow minister and shadow parliamentary secretary are endeavouring to thwart it. The people of Australia are sick and tired of political hype.

I return now to where I started. On 24 November last year I resigned from the Liberal National Party of Queensland to become an independent Speaker in the Westminster tradition; I did not resign from my conservative values. But the approach being urged upon Liberal Party members in this place by the Deputy Leader of the Opposition indicates that the Liberal Party is resigning from its political principles. The Liberal Party is no longer the party of minimising government interference. The Liberal Party is no longer the party of deregulation. The Liberal Party is a party which supports the continuation of a body which is outdated. It supports the continuation of a levy. In fact, the Liberal Party's position has no political credibility at all and is all about naked politics.

As Australians, we expect the Parliament of Australia to talk about issues. We expect members on both sides of the House to stand up and be counted on what is right and what is wrong. What is right about this bill is that we are talking about making the industry more efficient. We are talking about giving freedom to wheat growers. We are talking about deregulation. What is the opposition talking about? I suspect that many of them will vote with a heavy heart because there are many on this side of the House who would support the government's intentions. This is all about preserving the flawed, fatal and terminal leadership of the Leader of the Opposition, the honourable number for Warringah. *(Time expired)*

Mr CROOK (O'Connor) (17:37): I rise today to discuss the Wheat Export Marketing Amendment Bill 2012. Many speakers before me have outlined the tumultuous journey that the wheat industry has taken from the single desk to this latest push for deregulation. Many speakers have also outlined the benefits that deregulation can provide to the industry, particularly in the unique Western Australian market. As a result, I do not intend to rehash these arguments today. Rather, I intend to outline my involvement in this bill and how I have come to support it.

As many are aware, I have received a lot of criticism for my support of this bill, much of which has come from members on this side of the House. Before I discuss my reasons for supporting this bill, I would like to directly address some of this criticism. Many on this side of the House have criticised me for supporting what they call a Labor bill. To those people, I say: I am not supporting a Labor bill; I am supporting Western Australian wheat growers and the Western Australian wheat industry. Many MPs have also criticised me for crossing the floor in a minority parliament. To those MPs, I say: as a member of parliament I have an obligation to stand up for my constituents, and this obligation to my constituents must come before any obligation to any party room. Many MPs have criticised me for standing up for my electorate in what they have called a media stunt. I solemnly request of those MPs that they honestly reflect on what they think the job of an MP involves. What are we doing in this parliament if we are not standing up for our electorates? What are we doing as elected representatives if we are not brave enough to stand up for the interests of the good people who had the faith to put us in these positions?

As I alluded to earlier, I have had significant and ongoing involvement in this bill. My electorate of O'Connor, as the electorate that produces the largest amount of wheat exports in the country, has always had a very strong interest in the wheat market. Meanwhile, Western Australia is the biggest wheat-exporting state in the country. As a result, I was pleased to have the opportunity to sit on the House Standing Committee on Agriculture, Resources, Fisheries and Forestry, which inquired into this bill and tabled its report on 18 June this year. Since that time, I have undertaken substantial and ongoing consultation with industry bodies and industry representatives, as well as non-aligned individual growers in my electorate. Further, my Nationals WA colleagues in the WA parliament have undertaken similar consultations throughout their own electorates.

The response in Western Australia has been clear. An overwhelming majority of Western Australian growers want this bill, and they want it now. The Western Australian Farmers Federation support this bill. The Pastoralists and Graziers Association of Western Australia support this bill. CBH, the bulk handlers in WA, support this bill. The majority of non-aligned individual growers who I have consulted with and the majority of non-aligned growers who my Nationals WA colleagues have consulted with support this bill. The Western Australian Minister for Agriculture and Food, the Hon. Terry Redman,

supports this bill. The Nationals WA, including the Leader of the Nationals WA, the Hon. Brendon Grylls, support this bill. In fact, the Western Australian Liberal-National government supports this bill. I completed these consultations in the second half of September and, on 25 September 2012, following a meeting of the Nationals WA, I announced my decision to support this bill. As a passionate representative of O'Connor and regional Western Australia, in good faith, there was no other choice to be made.

I fully understand that, in the main, this view is contrary to the views expressed by growers on the east coast of Australia. As such, I fully respect the obligations of my federal Nationals colleagues from the east coast to represent their east coast growers by opposing this bill. Indeed, I gladly defend their right to have a different view to mine and to be allowed to exercise that view in this place, as they do with me. In fact, I think there has been some unfair criticism of my federal Nationals colleagues. In all of our party discussions on this issue, I have never heard one member call for the return of the single desk, as has been claimed by some sectors. I do not deny that some growers rue the death of the single desk back in 2008 and I do not deny that it was foisted upon the industry at a time when it was very unpopular. However, in Western Australia, farmers have moved on and have embraced the free market.

Although this stance has been difficult, I have been encouraged by the support that my Nationals colleagues have shown me, and I believe my decision is consistent with the rich history of the Nationals in standing up for their regional electorates. However, what I have found baffling, and somewhat depressing, is the inability of Western Australian MPs to stand up for their state. I stood in this House absolutely dismayed as I watched Western Australian Liberal and Labor Party MPs vote against my motion for a fairer GST deal for WA. When the bells ring for this bill, I fear my dismay will return because I fear we will once again observe Western Australian Liberal Party MPs choosing to bow to the east coast dominated party room rather than doing what is right for their state.

I think it is important to note my absolute surprise that this Labor government has produced a bill in the agriculture portfolio that actually has the support of WA farmers. Let's be honest: this government has unequivocally failed in most of its dealings with regional Australia. This government has failed to deliver regional infrastructure spending, especially when you compare it to the hugely successful Royalties for Regions fund delivered by the WA Nationals—it pales into insignificance. This government failed to deal with live animal exports, particularly when the industry was looking for leadership to support them, not to shut them down. This government has failed to properly support farmers in what is, after all, supposedly the Year of the Farmer. However, this bill—which, I note, is Liberal Party policy—is unequivocally supported by the Western Australian industry and will undoubtedly provide great benefits to WA growers and the WA economy.

So I say to the WA MPs who claim that they put the interests of their electorates and their states first that this is the time: as this debate ends and the bells ring, that will be your litmus test. Regardless of all the public grandstanding, WA MPs will be forced to choose between the interests of their state and their east coast dominated party room. WA Liberal MPs will have to choose: they can either meekly fall into line or stand up and represent Western Australian wheat growers The people of O'Connor and the people of WA deserve to be passionately represented. For those reasons, I am proud to support this bill.

Dr JENSEN (Tangney) (17:45): I hope tonight to explain the concerns I have about the Wheat Export Marketing Amendment Bill 2012. For me, politics is about clear and robust principles and philosophies. From these cast-iron principles good policy should flow. Those on this side should seek to honour our founder, Robert Menzies, and his philosophy of expanding freedom in whatever realm. It is my job, by definition, to stand up for the views of the people I represent in this place.

My electorate in Western Australia includes stakeholders of Cooperative Bulk Handling Ltd, the WA Farmers Federation, the WA Pastoralists and Graziers Association and the WA Liberal Party—both the grassroots and the parliamentary party. They all want to go back to the free market. Regulation is not a natural position, and it is certainly not natural for the Liberal Party to oppose cutting red tape. Note that blue pumps through my heart.

The Wheat Export Marketing Amendment Bill 2012 offers an imperfect but expeditious road to deregulation. It puts in place a time frame and an end date. It gives certainty to farmers that they will be able to sell their wheat again without the diktats of bureaucrats in far-off offices. It is time to tell weak-wristed, water-cooler dictators: 'Hands off, Mate! It's their wheat, and they should be allowed to sell it on their terms.' I remind a sound-bite obsessed House to look upon the difference of opinion in the Liberal Party not as weakness but as strength, for in our party there is a competitive marketplace of ideas, and it is this struggle that leads to better policy for all Australians. Labor group-think is in reality Labor no-think.

It has been said that the wheat industry is not ready for full deregulation and that not all farmers support it, but the wheat industry has been deregulated since 2008, following the removal of the single desk, and has been transitioning towards full deregulation for the past

five years. It has been sad that WEA could provide oversight on bulk handlers. But The WEA's only legislated role is to administer a fit and proper financial assessment on bulk wheat exporters before they receive accreditation to export bulk wheat. The WEA does not provide industry oversight and has never assessed port access undertakings. That is the role of the ACCC. If the ACCC believes that a bulk handler is operating outside their port access undertaking, they can instruct the WEA to suspend or withdraw accreditation.

If oversight is the objective, then why not take the moneys that would have funded an ineffective organisation in the WEA, put it into ACCC—an effective oversight organisation—and beef it up? It has been said that ACCC is a toothless tiger when it comes to port access. But under WEMA wheat is classified as a regulated industry and, as such, the role and functions of the ACCC are prescribed and limited to port access only. Removal of WEMA would permit greater scrutiny by the ACCC over all operations of the bulk handlers, not just port, including upstream storage and handling charges. The ACCC can also investigate any aspects of possible collusion between bulk handlers or exporters, with penalties the same as for any other breach of the Competition and Consumer Act.

It was the legacy of 70 years of statutory marketing that led to the bulk handlers retaining port facilities. However, since deregulation, the BHCs—bulk handling companies—have made substantial investments in port facilities, including capital improvements. Now bulk handling companies are being told by the WEA to share these facilities with competitors, despite such competitors not being forced to make a contribution to capital investment and cost recoupment. Prolonging the WEA, with its overhang of port access authority, is just delaying possible solutions to this stalemate.

Nobody has yet explained the role of growers in this and why government should get involved. If growers get involved with such port based committees, surely they must then be willing to make a contribution to port capital infrastructure development. It has been said that an industry code of conduct needs to be developed prior to removing the WEA. Stage 2 of the bill calls for the development of a non-prescribed industry code of conduct for all grain export terminals to meet the needs of exporters and growers, consistent with ACCC guidelines for developing effective voluntary codes of conduct that include continuous disclosure rules. The development of this code of conduct has been underway since February this year, and consists of a code development committee, comprising key stakeholder representation, including nominees appointed on behalf of port owners, major users, industry and producers. Secretarial duties are performed by Grain Trade Australia. The ACCC and DAFF are also members.

The trend is the same. Things that should be done quickly go on and on. It has been said that growers want greater involvement with Grain Trade Australia before the industry code of conduct is accepted. Currently the National Farmers' Federation and Grain Producers Australia represent growers on the CDC, and the Pastoralists and Graziers Association has written to the chair seeking membership, as the two organisations have little, if any, representation in Western Australia. Port access does not directly affect farmers. The vast majority of farmers sell either on-farm or from private up-country storage, and all ongoing supply chain costs are the responsibility of the merchant or exporter. It is still an ongoing role of ACCC to ensure competition amongst merchants and exporters, irrespective of what happens to the WEA.

We are told that until better port access is achieved there is room for manipulation by the bulk handlers to support their monopoly, which is the case in South Australia, where you can only deal with Viterra—and soon only Glencore. ABB demutualised to become ABB Grain on 1 July 1999, and in 2004 it merged with storage and handling company AusBulk and the holding company United Grower Holdings. In September 2009, the shareholders of ABB—mostly farmers—voted in favour of a merger with Viterra, which is the largest grain handler in Canada. In the 2010 season, Viterra made several mistakes which impacted on the efficiency and cost of grain movements out of South Australia. However, they have subsequently improved their operations accordingly and are now looking at a takeover by Glencore.

Now that the sale to Glencore is looming, there will be capital investment, international experience and better leadership to sort out SA problems, particularly when ACCC has far more power over a private company than it does under WEMA.

There is a requirement for appropriate transparency standards in relation to stock information, as there are huge margins for growers in blending to achieve specific grades. While some growers do blend to maximize their margins, they do not require national public data collected and released by government to do so. If they are acting as blenders or merchants, there is quite sufficient regional information seeping out to keep them informed as to opportunities. Information leaks out to growers within regions. It is a matter of knowing where, and what the buyers want. Most importantly, an opportunity is soon lost when everyone knows about it.

We are told WEA would provide a competitive edge if it had a stock information collection role similar to that of USDA. But USDA does not report all US wheat stocks or survey all farm stocks; it relies on voluntary reporting of US commercial trade wheat inventories. It

guesses what is unsold and on-farm based on regional yield-acreage samples over time.

The USA can better promote wheat competitively in East Asia because of supply consistency in both product quantity and quality. Until now, the Australian government has been publicly releasing stock and inventory data to all of our competitors so that they can base their trading decisions on this information. This has dramatically affected forward wheat futures market liquidity.

The WEA has never had any role in collecting stocks information, and there is already an agreement for stocks information to be published by the Grains Research and Development Corporation. Advocates and supporters for greater release of Australian wheat stock information have vested commercial interests. There are privacy laws that need to be respected for unsold individual wheat stocks, while the Personal Property Securities Act 2009 provides farmers with individual ownership and significant property information rights for unsold co-mingled product. There is no role for government in reporting private wheat stocks, particularly when such reporting disadvantages growers. If commercial interests voluntarily agree to publicly release their inventory data, then that is okay provided that it is not grower owned.

I turn to minimum quality standards. Given that farmers, industry, and government have little control over the quality of wheat produced in Australia, the government has at least acknowledged the matter is best dealt with through buyer and seller contractual specification agreements and international enforcement through GAFTA, supported by private grain-testing laboratories in Australia. If a government restricted exports to meet some vague brand integrity, Australian growers would suffer with increased domestic supplies, falling prices, and worsening bases.

The estimated eight million tonnes of wheat that was downgraded during the 2010 harvest languished in domestic storages for much of 2011 while prices fell from $330 per tonne in early 2011 to $210 per tonne. The only beneficiaries of brand integrity will be the domestic starch manufacturers at the lower-value end of the wheat chain. If a private exporter establishes brand integrity in an exclusive international supply chain niche, or if a merchant wants to export low quality volume, then it is up to them not government.

The quicker the wheat is sold the better it is, because it is a deteriorating biological product. It has been said that delaying the bill and allowing for an orderly transition is not deregulating the industry or the return of the single desk. The bill actually supports an orderly transition as the WEMA has done over the past five years. However, the coalition plan provides no certainty over the time frame or the manner that full deregulation will occur, and has no clear objectives or defined methods to achieve it, which can only lead to more government intervention. The coalition must accept that government cannot be expected to solve intrinsic industry problems, especially when the majority of growers and industry does not want it to do so. If WEA was in a position to prevent another Coles-Woolworths duopoly occurring then I would be in favour. But it does not, and cannot.

Yes, I am cognisant of the power of unintended consequences—and I refer here to the futures markets. Will there be a collapse in the price? No. The quality of wheat exported out of Australia is contingent on a variety of factors. However, I cannot but be optimistic, as the human and innovation capital invested in agriculture continues to increase. That is how Australia got to be where we are today, as the world's third largest exporter of wheat behind the US and the EU. So in a country where 70 per cent of the wheat production each year is exported throughout the world, this bill is important.

This bill is too important for partisan politics. How important is it for my state? Well, WA is the biggest wheat export state. It is the dominant crop in the agrisector and worth $3.5 billion per annum. The grain crop is about to be taken off in Western Australia. Farmers deserve to know the conditions under which they will sell their crops before they harvest their crops.

In sum, there are many reasons as to why one would and should back a move to a fully deregulated wheat market. Removing barriers to entry and moving to classical contestable markets will increase the true competitiveness of that market and increase the investment inflows to that industry. I am committed by party and philosophy to support any policy that will help rather than hinder investment. Investment means jobs, and there can be no doubt that jobs provide economic freedom. Freedom is the kernel of my argument and action. The Liberal Party was founded on this principle. If I do not seek that kernel now, then surely our party will be chaff to history.

The farmer is the only person in this economy who buys everything at retail, sells everything at wholesale and pays freight both ways. So it is timely that we in this House give the farmer a leg-up. It is time to put some trust and principle back into politics, and I cannot oppose this bill.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (18:00): It has been an extraordinary debate, with a lot of passion. I acknowledge the speech we just had from the member for Tangney. I note the member for O'Connor and his contribution, and I note the many conversations I had on this issue with his predecessor.

At its core, the scenario on the ground that is at stake here is: a farmer grows some wheat that they got for harvest and someone comes to them and says, 'I can offer you a better price.' Are they allowed to take the best price? That is the principle this whole thing is about. If you have a single desk, the answer is: 'No, you can't do that. You can't go to the best price that comes to you. We'll tell you who you have to sell it to.' Even with the regulated system that we have at the moment, which is not single desk, whether they are accredited or not determines whether you can sell to them. So there will be occasions where a grower will be offered the best price and they are not allowed to take it. I do not think that is fair. I do not think that is a reasonable position. It is the opposite of free enterprise. It is the opposite of an open market and it is the opposite of the direction this parliament ought to go in.

In this debate, I have a level of respect for the National Party position to the extent that it has been consistent. I think it is a ridiculous position, but at least it has been held consistently. From the days of AWB the members of the National Party—and in this I separate the National Party member from WA—have at least been consistent in their position, the whole way through the debate, as to what they think should happen.

I feel for those members of the Liberal Party who believe in free enterprise because, unless they cross the floor, they are about to vote against it. No one should be in any doubt as to the simplicity of the scenario we are talking about. Someone pays for their land, invests in the costs of putting a crop together and invests in the harvesting of that crop—and we are about to decide whether or not they are allowed to choose what they think the best deal they can get is. That is this issue in its entirety.

I have referred before to a meeting that I had on a wheat farm back in the electorate of O'Connor, when I first became Australia's agriculture minister. A young grower there made the comment to me: 'Why can't I choose who I sell to? It's my wheat.'

Dr Stone interjecting—

A whole lot of arguments will come up, and I hear some being interjected back and forth across the chamber right now, saying: 'It's all too complex. It's about the quality assurance.' There will be a million weasel words to come up with an answer that, at its core, says that you want to tell that farmer: 'We will tell you who you are allowed to sell to. It's not your wheat.' It is the absolute height of arrogance from a parliament, wanting to resolve that it knows better than the individual farmer who that farmer can sell to. That is the position some members of this parliament are about to take.

The National Party have consistently said that this right of a farmer should not be there, and they have acted on that. The Liberal Party, throughout its history—until this year—had a position that they were always on the deregulation side of the argument. John Howard's Liberal Party would have been voting for deregulation. Brendan Nelson's Liberal Party would have been voting for deregulation. If the member for Wentworth were still the leader of that party it would be voting for deregulation. The current Leader of the Opposition is fundamentally taking the Liberal Party to a position where they believe government should tell growers who they are allowed to sell to. It is a position that is not just wrong—and a completely arrogant position to take to that grower—but also the opposite of any of the principles that would have caused members to join the Liberal Party.

If anyone has a chance to flick through *Hansard*, there are a few high points. The member for Hume's contribution was extraordinary both for what he said and for what he chose to not say. Here is someone who has defended deregulation all of his political life. He is now in a situation where he is intending to vote in a different direction. That says everything about the direction the Leader of the Opposition is taking that party. The member for Fisher, I think, made a contribution that will be memorable for a very long time, and it was true to the principles of a party that is about to abandon a whole lot of principles.

All we are saying to the Liberal Party is: why not do something really radical and be on the free-enterprise side of the equation in this vote? That is all this vote is about. The member for New England knows the industry well. He has worked within the industry and on industry boards and had a direct engagement either as a member of parliament or in a private capacity for pretty much all of his adult life. He asked me to refer in the reply to some of the agreements that have come today in discussions with the Greens and to make sure that I went through that before we got to the point of having a vote.

It is interesting that when we wanted to get majority support in this parliament, to be able to get it through and get a free-enterprise position, we had a better chance with the Greens than we had with the Liberal Party. That is the nature of the negotiations we are in. But today we did reach an agreement with the Greens on amendments to this bill. The Greens have come to the table with an honest question about how we can best support the industry into deregulation.

The amendments agreed to will change the code of conduct from a voluntary code to a mandatory code under the ACCC. Industry will provide a draft code of conduct to the minister for agriculture, through approval, before the code becomes prescribed. Secondly, the government will establish an expert wheat industry task force to address the questions of wheat export standards and stocks information. This

task force will advise government and industry on the development of grain quality standards for the Australian wheat export industry which will provide the accurate certificate of grain quality and which will be underpinned by uniform and accepted terminology. It will give users access to information that will enable them to determine this.

The task force will provide a framework for markets to establish grain quality improvement incentives and reflect the value of the end uses of grain. The task force will take into account scientific and other developments relating to the end-use performance of grain. The task force will also consider options for the most appropriate mechanisms to enable the publication of timely and accurate port capacity information. It will also look for the best means of implementing the quality standards developed by the task force as well as any other matters that the minister requests.

The deregulation of this industry has been going through a very long process, and the Liberal Party supported many stages of that journey at both the state and federal level. The attack that I received as minister for agriculture from the Liberal Party three years ago was that the reforms I was putting forward were not going far enough. They put amendments that I accepted to actually extend deregulation.

I congratulate the Nationals on what they have achieved in the joint party room. They have taken control of economic policy on one of our most significant exports. That is a big achievement for a little party. The Nationals should be very proud. This is back to the days of McEwen. They should be boasting quite proudly about what they have achieved. But the Liberal Party should be in absolutely no doubt of what they are about to do. Thankfully, not all of them are about to do it. Some of them have made comments that they intend to be true to the principles that their party stood for up until the new Leader of the Opposition arrived. There is a level of consistency, decency and intellectual honesty that has come from those members of the Liberal Party. Unfortunately, they are very few and are not in the majority of their party.

At its core, we are going to have two votes, one of which will be to just keep putting it off and say, 'For the next few harvests we will keep telling you what to do, and then we will consider it.' Let us make no mistake: the Nats want that position because they want to go to higher levels of deregulation further down the track. That is at their core. They still have a policy for a single desk. We have a very proud member of the Nationals sitting right here who has always believed in that position. They think they might have half a chance. The first vote will be on the delay, and the second vote will be squarely on the bill. When we get to the second vote, the issue of the delay will be off the table so the Liberal Party cannot claim that is still their position. When we get to the second vote, the Liberals cannot say 'We are doing it for a delay.' That vote will have been had. When we get to the second vote, which we will take in a moment, be in no doubt: the Liberal Party will either be voting with the government to support free enterprise or voting with the Nationals to tell farmers what they are allowed to do. The Liberal Party's history of deregulation, I suspect, is about to be shown to have fundamentally changed. I commend the bill to the House.

The question is that the amendment be agreed to.

The House divided. [18:15]

(The Speaker—Ms Anna Burke)

Ayes 66
Noes 70
Majority 4

AYES

Abbott, AJ	Alexander, JG
Andrews, KJ	Andrews, KL
Baldwin, RC	Billson, BF
Bishop, BK	Bishop, JI
Briggs, JE	Broadbent, RE
Buchholz, S	Chester, D
Christensen, GR	Ciobo, SM
Cobb, JK	Coulton, M (teller)
Dutton, PC	Entsch, WG
Fletcher, PW	Frydenberg, JA
Gambaro, T	Gash, J
Griggs, NL	Hartsuyker, L
Hawke, AG	Hockey, JB
Hunt, GA	Irons, SJ
Jones, ET	Katter, RC
Kelly, C	Laming, A
Ley, SP	Macfarlane, IE
Marino, NB	Markus, LE
Matheson, RG	McCormack, MF
Mirabella, S	Morrison, SJ
Moylan, JE	O'Dowd, KD
O'Dwyer, KM	Prentice, J
Pyne, CM	Ramsey, RE
Randall, DJ	Robb, AJ
Robert, SR	Roy, WB
Ruddock, PM	Schultz, AJ
Scott, BC	Secker, PD (teller)
Simpkins, LXL	Smith, ADH
Stone, SN	Tehan, DT
Truss, WE	Tudge, AE
Turnbull, MB	Van Manen, AJ
Vasta, RX	Wilkie, AD
Windsor, AHC	Wyatt, KG

NOES

Adams, DGH	Albanese, AN
Bandt, AP	Bird, SL
Bowen, CE	Bradbury, DJ
Brodtmann, G	Burke, AS
Butler, MC	Byrne, AM
Champion, ND	Cheeseman, DL
Clare, JD	Collins, JM
Combet, GI	Crean, SF
Crook, AJ	Danby, M
D'Ath, YM	Dreyfus, MA
Elliot, MJ	Ellis, KM

NOES

Emerson, CA
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hayes, CP
Jenkins, HA
Kelly, MJ
Livermore, KF
Macklin, JL
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Slipper, PN
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Hall, JG (teller)
Husic, EN (teller)
Jones, SP
King, CF
Lyons, GR
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Zappia, A

PAIRS

Forrest, JA
Haase, BW
Keenan, M
Somlyay, AM
Southcott, AJ
Griffin, AP
Ferguson, LDT
Leigh, AK
Sidebottom, PS
Marles, RD

Question negatived.

The SPEAKER: The question is that this bill be now read a second time

The House divided. [18:25]

(The Speaker—Ms Anna Burke)

Ayes 70
Noes 67
Majority 3

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Crook, AJ
D'Ath, YM
Elliot, MJ
Emerson, CA
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hayes, CP
Jenkins, HA
Kelly, MJ
Livermore, KF
Macklin, JL
Melham, D
Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Hall, JG (teller)
Husic, EN (teller)
Jones, SP
King, CF
Lyons, GR
McClelland, RB
Mitchell, RG
Murphy, JP
Oakeshott, RJM
O'Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Slipper, PN
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Zappia, A

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Gambaro, T
Griggs, NL
Hawke, AG
Hunt, GA
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Smith, ADH
Tehan, DT
Tudge, AE
Van Manen, AJ
Wilkie, AD
Wyatt, KG
Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gash, J
Hartsuyker, L
Hockey, JB
Irons, SJ
Katter, RC
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Windsor, AHC

PAIRS

Ferguson, LDT
Griffin, AP
Leigh, AK
Marles, RD
Sidebottom, PS
Haase, BW
Forrest, JA
Keenan, M
Southcott, AJ
Somlyay, AM

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (18:30): I present a supplementary explanatory memorandum to the bill and I ask the leave of the House to move government amendments (1) to (8) on sheet BR302 and amendments (1) to (8) on sheet BR322, as circulated, together.

Leave granted.

Mr BURKE: I move government amendments (1) to (8) on sheet BR302:

(1) Schedule 1, item 29, page 6 (line 14), at the end of the heading to section 7, add "—**general rule**".

(2) Schedule 1, item 29, page 7 (after line 8), after section 7, insert:

7A Requirement to pass the access test—transitional rule

Who must pass the access test

(1) A provider of a port terminal service must pass the access test in relation to the port terminal service if the provider was, immediately before the commencement of this section:

(a) an accredited wheat exporter; or

(b) an associated entity of an accredited wheat exporter.

When the access test must be passed

(2) The provider must pass the access test in relation to the port terminal service at all times during the period:

(a) beginning at the commencement of this item; and

(b) ending at the earlier of the following times:

(i) the first time the provider is required by section 7 to pass the access test in relation to the port terminal service;

(ii) the end of the 12 month period beginning on the day this item commences.

Exception

(3) The Secretary may, by writing, determine that this section does not apply in relation to a specified provider and to a specified period if the Secretary is satisfied that there are special circumstances that justify the Secretary doing so.

Determination not a legislative instrument

(4) A determination under subsection (3) is not a legislative instrument.

Definitions

(5) For the purposes of this section:

accredited wheat exporter has the same meaning as in the old Act.

(3) Schedule 1, item 29, page 7 (lines 10 to 23), omit subsection 8(1), substitute:

Scope

(1A) This section applies to a person if:

(a) the person is the provider of a port terminal service; or

(b) an associated entity of the person is the provider of a port terminal service.

Exports of wheat

(1) The person (the relevant exporter) must not export wheat using the port terminal service if:

(a) both:

(i) a person (whether the relevant exporter, the associated entity or another person) was required by this Act to pass the access test in relation to the port terminal service at a time during the 12 month period ending on the day of the export; and

(ii) the person mentioned in subparagraph (i) did not pass the access test at that time; or

(b) the accreditation of an accredited wheat exporter was cancelled because a person (whether the relevant exporter, the associated entity or another person) failed the old access test in relation to the port terminal service at a time during the 12 month period ending on the day of the export.

(4) Schedule 1, item 29, page 8 (after line 20), at the end of section 8, add:

Definitions

(8) For the purposes of this section:

accredited wheat exporter has the same meaning as in the old Act.

old access test means the access test within the meaning of the old Act.

(5) Schedule 1, item 29, page 10 (line 2), omit "the name of", substitute "a unique slot reference number for".

(6) Schedule 1, item 29, page 10 (line 6), omit "a unique slot reference number", substitute "if the person knows the name of the ship—the name".

(7) Schedule 1, item 30, page 14 (line 29) to page 15 (line 10), omit the item.

(8) Schedule 1, item 54, page 18 (after line 6), after paragraph 72(a), insert:

(aa) a decision under subsection 7A(3) to determine that section 7A does not apply in relation to a specified provider and to a specified period;

And I move government amendments (1) to (8) on sheet BR322:

(1) Clause 2, page 2 (table item 2), omit "1 October 2012" (wherever occurring), substitute "10 December 2012".

(2) Schedule 1, item 29, page 12 (line 9) to page 14 (line 28), omit Division 5.

(3) Schedule 1, item 59, page 18 (line 26), omit "contravention; or", substitute "contravention.".

(4) Schedule 1, item 59, page 18 (lines 27 to 29), omit paragraph 76(4)(c).

(5) Schedule 1, item 60, page 19 (lines 11 to 14), omit subsection 77(1A).

(6) Schedule 1, item 61, page 19 (lines 21 to 23), omit paragraphs 86(1)(b) to (d).

(7) Schedule 2, item 11, page 23 (lines 1 and 2), omit the item.

(8) Schedule 2, items 18 to 21, page 24 (lines 13 to 20), omit the items.

These are minor amendments to ensure consistency with the Australian government's response to the Productivity Commission's inquiry into wheat export marketing arrangements. They will also ensure that the new wheat export marketing arrangements operate effectively and are aligned with current practice.

The bill as drafted could allow a port terminal service provider, who is required to pass the access test under the Wheat Export Marketing Act 2008, to avoid complying with the access test from 1 October 2012 until the date of their first export under the new arrangements. The proposed amendments resolve this issue and ensure that there is no break in a port terminal service provider's compliance with the access test in the transition from the 2008 arrangements to the new arrangements. Continuous disclosure rules form part of the access test and require a port terminal service provider to publish information regarding the details of any vessel booking applications for the export of grain, also known as a shipping stem. At the moment the bill requires port terminal service providers to publish a loading statement that includes information on each ship scheduled to load grain, as part of compliance with the CDRs. As it is possible that the name of the ship may not be available at the time of booking, section 9(4) of the bill has been amended so that the unique slot reference number that confirms the booking is the point of reference for the requirement to provide the necessary information, with the ship's name to be included if available. I commend the amendment to the House.

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

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (18:32): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Constitutional Recognition of Local Government Committee

Appointment

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:34): I move:

(1) a Joint Select Committee on Constitutional Recognition of Local Government be appointed to inquire into and report on the majority finding (financial recognition) of the Expert Panel on Constitutional Recognition of Local Government including by amending section 96 of the Constitution, and in conducting its inquiry, the Committee will assess the likelihood of success of a referendum on financial recognition, and will take into account the following matters:

(a) the report of the Expert Panel on constitutional recognition of Local Government, including preconditions set by the Expert Panel for the holding of a referendum;

(b) the level of State and Territory support;

(c) the potential consequences for Local Government, States and Territories of such an amendment; and

(d) any other matters that the Committee considers may be relevant to a decision on whether to conduct a referendum, and the timing of any referendum;

(2) the Committee consist of twelve members, three Members of the House of Representatives to be nominated by the Government Whip or Whips, three Members of the House of Representatives to be nominated by the Opposition Whip or Whips, and one non-aligned Member, two Senators to be nominated by the Leader of the Government in the Senate, two Senators to be nominated by the Leader of the Opposition in the Senate and one Senator to be nominated by any minority group or groups or independent Senator or independent Senators;

(3) every nomination of a member of the Committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives;

(4) the members of the Committee hold office as a Joint Select Committee until presentation of the Committee's report or the House of Representatives is dissolved or expires by effluxion of time, whichever is the earlier;

(5) the Committee elect:

(a) Government Member as Chair; and

(b) an Opposition Member as its Deputy Chair who shall act as Chair of the Committee at any time when the Chair is not present at a meeting of the Committee, and at any time when the Chair and Deputy Chair are not present at a meeting of the Committee the members present shall elect another member to act as Chair at that meeting;

(6) in the event of an equally divided vote, the Chair, or the Deputy Chair when acting as Chair, has a casting vote;

(7) three members of the Committee constitute a quorum of the Committee provided that in a deliberative meeting the quorum shall include one Government Member of either House, and one non Government Member of either House;

(8) the Committee has power to appoint subcommittees consisting of three or more of its members and to refer to any subcommittee any matter which the Committee is empowered to examine;

(9) the Committee appoint the Chair of each subcommittee who shall have a casting vote only and at any time when the Chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as Chair at that meeting;

(10) two members of a subcommittee constitute the quorum of that subcommittee, provided that in a deliberative meeting the quorum shall include one Government Member

of either House and one non Government Member of either House;

(11) members of the Committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum;

(12) the Committee or any subcommittee:

(a) has power to call for witnesses to attend and for documents to be produced;

(b) may conduct proceedings at any place it sees fit; and

(c) has power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives;

(13) the Committee may report from time to time but that it present a preliminary report no later than December 2012 if possible, and a final report no later than February 2013;

(14) the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders; and

(15) a message be sent to the Senate acquainting it of this resolution and requesting that it concur and take action accordingly.

I move this motion to establish a joint select committee to enquire further into constitutional recognition of local government. This is an amended version of the motion I placed on the *Notice Paper* on 11 October. Since that first notice of motion I have had discussions with the Leader of the Opposition and the shadow minister for local government. I thank both of them for their engagement and support for this process. The government has also had constructive discussions with the Leader of the Australian Greens. The process of getting this motion to the chamber has been one of bipartisanship and cooperation.

As a consequence, we have amended the original motion to now include an opposition member as deputy chair of the committee and have increased the membership to 12 to include one Greens senator. My original motion also contained words referring the committee to examine 'the level of support within the Commonwealth parliament'; however, given the discussions I have had with the opposition, and the Leader of the Opposition in particular, I am convinced that we can achieve strong bipartisan support in this parliament for the majority view of the Spiegelman expert panel—that is, financial recognition of local government. Indeed, in the terms of reference we have asked the committee to focus on that finding and assess the likelihood of its success should it be put to a referendum.

The support of this parliament itself will not be sufficient to carry the referendum. For that it also requires the state and territory governments to embrace bipartisanship, and local government must play a more activist role both through and beyond this committee process to lobby their respective state and territory governments for that support.

Consideration by a parliament committee was also one of the preconditions outlined in the Spiegelman panel report. The committee will be able to inquire into that majority finding of the expert panel and assess the likelihood of success of a referendum, including the level of support and the potential consequences of an amendment to the Constitution.

We have asked the committee to aim to provide a preliminary report by the end of the year and a final report to parliament by the end of February 2013.

We do have to recognise that the recognition of local government in the Constitution is an issue of national importance, given the vital role local government now plays in Australian communities as the third tier of government and given the expanded role and crossover activities that local government is involved in in the delivery of services—be they state, federal or a combination of both.

I have found in my role as minister for regional development that there is also an increasing expectation, because of this overlap, that the three levels of government work together more effectively in creative ways to deliver outcomes for their communities. But if that is to be achieved we need to create a secure financial environment in order to grow and sustain partnership initiatives and to deliver that expanded role.

From our point of view, the government has not wavered in its commitment to constitutional recognition of local government. Indeed, I would observe that both major parties have committed themselves to this in their policy platforms. The committee will be an important mechanism for gathering further support for a referendum, and the Australian Local Government Association is fully supportive of a parliamentary committee to further inquire into this issue. Indeed, it was a specific recommendation in their submission to the expert panel.

Previous referenda on this issue were put in 1974 and 1988, both promoted by Labor governments. They were not carried, because they lacked a bipartisan commitment, being opposed by those who were then opposite in this chamber and some states. Now that the Spiegelman report is out we are acting on a key recommendation in a bipartisan manner through this motion. The challenge is for the proponents of the referendum to make their case, both inside and outside the committee.

I commend the motion to the House.

Question agreed to.

Selection Committee

Report

The DEPUTY SPEAKER (Ms Owens) (18:39): On behalf of the Speaker I present report 71 of the Selection Committee, relating to the consideration of committee and delegation business and private members' business on Monday 26 November 2012. The report will be printed in the *Hansard* for today, and the committee's determinations will appear on tomorrow's *Notice Paper*. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of committee and delegation business

1. The committee met in private session on Wednesday, 31 October 2012.

2. The committee decided to amend its determinations in respect of committee and delegation business on Monday, 26 November 2012, as reported to the House earlier today, by substituting:

2 Standing Committee on Education and Employment

Report on the inquiry into its inquiry into workplace bullying

The Committee determined that statements on the report may be made—all statements to conclude by 10:30 a.m.

Speech time limits—

Ms Rishworth—5 minutes.

Next Member speaking—5 minutes.

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

in place of:

2 Joint Standing Committee on Migration

Inquiry into Multiculturalism in Australia

The Committee determined that statements on the inquiry may be made—all statements to conclude by 10:30 a.m.

Speech time limits—

Ms Vamvakinou—5 minutes.

Next Member speaking—5 minutes.

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

BILLS

Fair Work Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr TEHAN (Wannon) (18:40): It gives me great pleasure to rise tonight to talk on the Fair Work Amendment Bill 2012, because it really shows this government up for what it is: a tricky and untrustworthy government. The first point of proof on this fact is the way the government has rushed this bill into this place. It has not given the opposition or the Independent members any time to carefully examine and look at the detail—because it does not want the detail looked at when it comes to this bill, even though the minister has had the time to look at the detail, to examine it. He has obviously had the report sitting on his desk for a long time. Then, bang—just whip the legislation in and try to get it off the table so we do not get the scrutiny of what the government is up to in presenting this bill.

If anything belled the cat in this regard, it was what happened today in this chamber with the member for Throsby. The member for Throsby was rushed in to speak on this bill. So hurried was he that he grabbed the wrong talking points, and he spoke on a different bill for his whole time, even though members from this side were interjecting and saying, 'You're talking about the wrong bill!' There are embarrassing things you can do in this chamber. I am sure all of us at some stage will do some embarrassing things, and we will say, 'I wish I hadn't gone down that path.' You would think that if you spoke for five minutes on a different bill and the opposition was telling you that you were talking about the wrong bill you would say: 'Hell, what am I going to do here? I'd better change direction.' But no, the member for Throsby went for 15 minutes, the whole way. It is as though he drove down a wrong-way road, in the wrong direction, for 15 minutes, with people saying to him, 'Turn around; you're going the wrong way.'

Mr Briggs: The workers' representative!

Mr TEHAN: The workers' representative—this is him. I pity the workers! This is the calibre of their representation. A former member of the ACTU is about to depart—and I think he wants to depart because he does not want to hear any more about the performance of the member for Throsby.

But it is not his fault, in all essence, because it is the minister's fault. The minister should not treat this place with such contempt. He should not put members on that side in that predicament. He should not have them rushing into this place not knowing what the bill is, not knowing what they are talking about. Worse than that, he is trying to sneak things through this parliament without the proper exposure.

I commend the member for Mayo in this regard, because he belled the cat on this; he belled the cat quite clearly on what this minister was up to—about how he was creating more jobs for the boys. We know where the minister comes from. His heart and soul are still with the AWU and the union movement, and he wants to make sure that continues.

So he is sneaking in, in this legislation, the creation of two extra positions. Now, who will those positions go to, I wonder. One might think that, on past history, you might want to be able to say that there would be some balance in those appointments. But we know, when we look at the history of recent appointments, that there will be no balance, that it will be jobs for the boys, that

it will be the union mates who are looked after. And such is the rush that this is being done with that we do not even know how these two new positions are going to fit with the existing vice-president positions. We know they will have a position of privilege above those other positions, but how it all neatly fits together no-one is clear on. But, for the minister, that is irrelevant, because what is important to him is to make sure that the jobs for the boys can continue.

We only have to look at the process which has brought us here tonight to see that that is what will happen. Let us take a few steps back. Let us look at how the review of the Fair Work Act was conducted. If you want to do a review that will come up with exactly the recommendations that you want, that you require, what is the best way to ensure that happens? You appoint people to your review panel who you know will give you what you want, and that is exactly what the minister did in putting the panel together to review the act. He put three people on there who, when you look on their record and everything they have said, in no way can be seen to be impartial. All of them are on the record as saying that, in essence, the union movement should be front and centre of any workplace relations arrangements. That is what they are on the record as saying, and that is what their review has done.

The irony is that those recommendations where there might have been a little bit more balance put in have been disregarded by the minister in this bill. He has just taken those recommendations which he thinks will cement the unions, front and square, in the centre of our workplace arrangements and brought them in. And he has disregarded a real opportunity to make sure that people can get employed in this country. He has made sure that long-term unemployment will continue to rise. He has made sure that youth unemployment will continue to rise. I know this because I wrote to this minister, asking him to include, as part of this process, an assessment of whether the way that the three-hour minimum rule was introduced, dealt with and then wound back could be assessed, because the time it took for that three-hour minimum engagement for after-school work to become 1½ hours again was over 18 months and required three court decisions—and a length of time that meant that the people who originally sparked the case had left school and missed 18 months of gaining valuable work experience and income. And what was the minister's response to that? He completely ignored it and said it was irrelevant and did not need to be looked at. What he did, in essence, was say that, if you have an issue with the Fair Work Act and the way it deals with things, then he is quite happy for the process to end up in the courts, for it to take over a year and a half to be dealt with, and he couldn't care less what happens in that period of time. The real damage that will be done is to unemployed youth and the long-term unemployed, because they are the people who always suffer when the union movement are put front and centre and are the only consideration in the way that the workplace relations legislation and arbitration system works in this country.

There are other aspects of this bill that we also need to look into. Another one is how the default process will work for superannuation within awards. Once again, we have had excellent speeches by members on this side on this issue. In particular, I would like to commend Mr Fletcher, the member for Bradfield. He has really belled the cat on what the government is about with this issue. He went chapter and verse through what the Productivity Commission recommended to the minister in this regard. It quite clearly showed that the default position should be that, if an employee wants to choose a super fund which is not an industry super fund, which is a retail super fund, then they should be able to make that choice. But what has the minister done? The minister has been tricky. There is no other word for it: the minister has been tricky. And the sad thing here is that I think what we are seeing is that the Prime Minister's trickiness is starting to rub off on the frontbench of the government—

Mr Frydenberg interjecting—

Mr TEHAN: Well, maybe that's true! Maybe it's the other way around, because in many ways I suppose the minister did put the Prime Minister there, so maybe I'm being a little bit unfair on the minister. Whatever it is, we have seen trickiness when it comes to saying one thing before an election and one thing after when it comes to the carbon tax. We have seen trickiness when it comes to saying one thing on a budget surplus and then doing another thing after it. And what we are seeing here is trickiness again.

We have seen the Productivity Commission make quite clear recommendations to the minister as to how this issue should be treated. And what has the minister done? The minister has ignored it and once again made sure that his union mates will be looked after, because it is his union mates who benefit from sitting on these industry super fund boards. It is his union mates who are the beneficiaries of the huge incomes they get from sitting on these boards.

Mr Frydenberg: That's what he was!

Mr TEHAN: And he knows about this, as the member for Kooyong rightly points out, because, before he came into this place, he was a beneficiary of this jobs-for-the-boys regime.

Industry super funds have their place. Let us not confuse the issue; they have their place, but we have to ensure that they are not the only place where default funds go. We have to ensure that there is choice in this sector because the superannuation system and industry

in this country are too important for the future of Australians to have them played around with and manipulated. Yet, sadly, it seems that is what this government is intent on doing.

I say to the Minister for Financial Services and Superannuation that, when he looks at default funds in modern awards, it is not too late to say: 'I've got this wrong. I am manipulating the industry here. I am showing a deliberate bias towards retail funds and I need to correct this.' Let us not forget what the minister has already put the superannuation industry through, through his so-called reforms which have done nothing but create red tape and more red tape for that sector. Now he wants to punish them and penalise them again. Minister, these are the future savings of Australians that you are playing with here. They are not something that should be toyed with. You should change your mind on this, and we on this side will be doing everything we can to make sure that you do.

In summary, this is a bad bill, a tricky bill and a rushed bill. The reason it is being rushed is that the government does not want it to have the scrutiny that it should have, because the government is trying to rush things through to get away with blue murder. We will hold the government to account for this. It is not good enough. This is not the way you govern a country.

As a matter of fact, the Australian people are sick of being governed in this way. What they want to see is good governance, integrity in government and high-calibre people delivering policies which are there for all members of the Australian community and which do not benefit privileged sectors of the community that ministers owe their allegiance to and owe their position in this place to. We need a better government for this country. My hope is that those on the other side will finally recognise this and have the courage to go to an election because, if they keep putting through this place pieces of legislation like this, they will harm the long-term interests of this nation, and the repair job in fixing it will be enormous. This is a bad bill. It has been rushed in, and it should be opposed.

Mr FRYDENBERG (Kooyong) (18:55): I rise to speak on the Fair Work Amendment Bill 2012 and, in so doing, I follow some excellent speeches by my colleagues. I would like to pay tribute to the member for Wannon, the member for Mayo, the member for Farrer and of course the member for Bradfield, who has done, as the member for Wannon said, some very important work both publicly and in this House in shining a light on this union dominated racket that we call our superannuation funds.

I was recently asked what I most dislike about the Labor Party. At the top of my mind was economic mismanagement. Then I thought about the class warfare that they embark on. Then I thought that what really irks me most about the Labor Party is that they are beholden to the union movement. Only 12 per cent of the private sector workforce and about 18 per cent of the total Australian workforce are members of a union. But do you know what? One hundred per cent of the frontbench of those opposite are members of a union and 70 per cent of the caucus are members of a union. The minister for industrial relations—the fox in charge of the henhouse—was a former secretary of one of our major unions. You do not call that democracy; you call it a union dominated Labor agenda. We have seen it played out so many times—for example, the decision to lift compulsory superannuation from nine to 12 per cent, which will see $8 billion a year plough its way back to industry super funds. Out of the 10 appointments that were made to Fair Work Australia between December 2009 and December 2011, eight had union backgrounds. You do not call that democracy; again, you call it a union dominated agenda.

In today's bill before this House the Labor Party are seeking to deny the Productivity Commission's recommendation that they should open up default super beyond industry superannuation funds to retail funds and other funds—again, another example of a union dominated Labor agenda.

The superannuation industry in Australia is huge—$1.4 trillion is under management. In 2011-12, $90 billion of new money flowed into superannuation. The industry super funds are the giants among the superannuation industry. In 2011 they had $250 billion under management. In 2009-10 industry super funds received 31 per cent of the $78 billion that was contributed to super funds, not including self-managed funds, during this period. And AustralianSuper, which, as we know, the minister has had a personal relationship with, is also a major fund.

The Institute of Public Affairs, a very reputable organisation, has undertaken a study. It found that, across 166 modern awards approved by Fair Work Australia, 513 of the 566 super funds were industry or public sector funds. They were the default funds for millions and billions of dollars. These industry super funds, typically, choose up to half of their directors from unions. The unions get to nominate up to half of their directors.

I ask you the question: why should more than 10 million people in these industry funds have to pay directors' fees to half of those directors who come from union backgrounds, when the unions have only just over one million members across the country?

This is a closed shop; it is anticompetitive. It lacks transparency and it lines the pockets of union members. In the 30 seconds I have left, I promise you that on this side of the House we have an alternative. *(Time expired)*

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. BC Scott) (19:00): Order! It being 7 pm, I propose the question:

That the House do now adjourn.

Homeownership

Mr HAWKE (Mitchell) (19:00): I rise tonight to speak on the very important issue of homeownership following a visit from a constituent of mine, Howard Ryan, who has written to me and visited me on many occasions. I come from an electorate with one of the highest proportions of families in Australia and a vibrant building industry. My electorate is home to Homeworld, at Kellyville, and it is one of the fastest-growing sections of Sydney. Homeownership and building are one of the great Australian dreams that we see realised every day in my electorate. Homeownership is an aspiration, but especially in my electorate, with first home owners and new families buying in housing developments in and around north-western Sydney, we find that the regulatory standards for building are not keeping pace with development.

Howard Ryan is a small business owner in my local community who specialises in property inspection and how to best guard properties against what he describes as the 'deadly effects affecting Australian properties'. He has put together a document on what he sees as the seven deadly effects affecting Australian properties today: asbestos; gas and carbon monoxide; termites, wood decay and mould; plumbing and electrical; site drainage; swimming pool fence safety; and strata insolvency. Without going into the detail today, obviously a national occupational licensing project is an essential component of moving forward in this area in Australia.

Howard Ryan has a book of stunning examples of things that go hideously wrong in this area and produce great pain for Australian families. I will quickly read out some examples. He cites an elderly couple with a house in Bellevue Hill who found out they would suffer $300,000 in legal fees due to a Supreme Court claim against the pest and building inspector. That claim was for over $1 million. The matter ended up being settled with the insurers for around $600,000 after 2½ years. A couple in Penrith who used one of the cheaper alternative property inspectors ended up paying over $80,000 in legal costs and having a claim in court for over $150,000—and that is still not settled. A young couple who moved to Menai obtained a pest and building inspection from an inspector who was referred to them by their conveyancer. The conveyancer read the report and told the purchasers that all was okay. Twelve months later, when the couple decided to do some renovations, they found over $200,000 in termite damage. The damage was mentioned in the reports, but the conveyancer failed to identify this fact and the couple bought the property. So far, two years later, they have spent over $100,000 in legal costs and the matter is continuing. And the examples go on and on and on.

In 2006, Howard Ryan started the Pre-Purchase Inspectors National Registry to allow prospective homeowners peace of mind when they have a house inspected before purchase. He has a great business where he now trains people in pest and building inspection to ensure that they are properly trained and qualified. However, a national occupational licensing scheme would enhance what is going on here—not just from Howard's private building perspective but in the sense that we need to do something to address this critical problem which is impacting on so many families in Australia. Some people would say this is a matter for the offices of fair trading in the states. But one of the challenges is that, with different state regulations and different state schemes, it is hard to ensure a consistent standard across the states for trainers to ensure that pest and building inspections are done properly and indeed that the building standards are written properly. So Howard is of course a great advocate of the COAG process and the national occupational licensing scheme, a project which has been underway for some time now.

With the brief for the Minister for Fair Trading in New South Wales, it is encouraging to see that New South Wales is now considering, through COAG, a national occupational licensing system task force, ensuring that they do move on this in a reasonable time frame. Given that the seven deadly dangers that Howard has identified can affect anybody, it is vital that we do something in Australia today to ensure there are proper and sound standards for homebuyers so that they can purchase a property sound in the knowledge that it is not affected by one of those seven areas.

I am certainly a big supporter of this. Aussie Home Loans director John Symond said in the *Daily Telegraph* in 2011 that the vendor of a property should be required to obtain a pest and building inspection before the property can be listed for sale. That is a suggestion for one reform that could make a big impact. In the same article, Rapid Solutions, a major supplier of professional indemnity insurance, stated that upwards of 30 per cent of those completing these inspections are uninsured. There definitely is a need for higher standards in this industry. It is something that affects homeowners around the country. The lack of professional standards and training and proper accountability for this vital area affects all homeowners and potential homeowners. I thank Howard for the work he has done in bringing this issue to the fore. I encourage COAG to continue this process quickly so that we can get to a better standard in Australia today.

Newcastle Electorate: Hunter Institute of TAFE

Ms GRIERSON (Newcastle) (19:05): I rise to inform the House of the outstanding results that the Hunter Institute of TAFE is achieving locally in Newcastle and on a national and international scale. I recently attended the official opening of Hamilton TAFE's $8.8 million refurbished facilities in my electorate. Benefiting from in excess of $7 million from the federal Labor government, the facilities represent the confidence we have in the TAFE system to provide quality training and to build quality relationships with industry to support that training. It is also recognition that the TAFE system has the capacity and the foresight to build industry-sector-wide relationships within their regions and in that way play a valuable role in responding to local skill demands and shortages. While private providers can provide fee-for-service solutions, the TAFE system can respond to the big picture demands and lead communities and regions through their broader reach and strategic approaches.

Since federal Labor formed government in 2007, we have invested more than $27.3 million in local TAFE facilities in my electorate and in special program grants. A program worthy of special mention is the e-training program, which funds over $2 million to the Hunter Institute of TAFE to design online courses—again, leading the nation in 21st century delivery models for the switched-on generation, soon to benefit Newcastle with the National Broadband Network.

It is this investment in skills and training and the involvement of the Hunter Institute of TAFE that has strengthened Newcastle's services, hospitality, trades and manufacturing sectors, because Labor understand that the strength of our employment sectors can only be as strong as our skills base. Diversification of our economy and maintaining the skills that support that diversification remain a key challenge for governments.

Hamilton TAFE campus is the largest training facility for tourism and hospitality outside of Sydney, and it is the key training centre for commercial cooking in the Hunter region. My first ever visit to TAFE as the member for Newcastle was to that campus, at the invitation of Peter Frost, a well-known businessman, butcher, teacher and patron of the arts.

One notable Novocastrian export and TAFE graduate is Brett Graham. After studying hospitality at Hamilton TAFE, Brett went on to Sydney's award-winning Banc restaurant and later moved to the UK. There he was named Young Chef of the Year in 2002, and he is today the owner and head chef of The Ledbury restaurant in Notting Hill, London. Here he has won many awards, including the Best in London for food by both Zagat and Harden's restaurant guides. His restaurant was also named the UK's No. 1 restaurant and Brett was named the nation's best chef in the National Restaurant Awards. The local TAFE now hosts the Brett Graham Invitational Cookery Competition, in which students compete for a $5,000 scholarship, travelling to London and gaining work experience at Brett's restaurant. He is a shining example and one of many that the TAFE system produces—and one of many who continue to give back to the community.

Our wonderful TAFE graduates certainly contribute to, as a recent Newcastle *Herald* headline read, 'Newcastle's growing reputation as a foodie mecca'. The article detailed the efforts and achievements of local restaurateurs and those in the hospitality industry. In September, the *Sydney Morning Herald Good Food Guide 2013* awarded a number of hats to local restaurants, including Restaurant Mason, operating in just its first year, along with other Newcastle establishments Bacchus, Subo and Restaurant Deux.

Hunter Street TAFE campus, home of the 120-year-old Newcastle Art School, has also produced a number of national success stories, including Sulman Prize winner and Archibald finalist Nigel Milsom, designers Catherine and Jennifer Strutt, *Young Einstein* filmmaker Yahoo Serious, model Jennifer Hawkins, and Knights captain Kurt Gidley—all educated at our local TAFE.

Such places are doing great things for Newcastle, and credit is due to the young entrepreneurs who are revitalising Newcastle's transitioning and diverse economy, putting us on the map—just like in 2011, when Lonely Planet named Newcastle the ninth best city in the world to visit. Our appetite for such success continues to grow. But I note that Barry O'Farrell has said that there are no jobs in the arts and that TAFEs really need to have a fee-for-service approach—which, of course, defies reality. I did not really know he was such a bogan. Our local TAFE campuses deserve to take pride in such accomplished achievers as Brett Graham, and he is not alone, and there are many others who will follow. I note too that chef Heston Blumenthal has just been here and said how important the Australian food industry is and how vibrant it is. He says he has not seen anything like it around the world.

So I think TAFEs deserve great credit. I know that Hunter TAFE will continue to produce fine, skilled people that do Newcastle proud. I congratulate its director, Phil Cox, and his team on their outstanding achievements and I wish them continued success. *(Time expired)*

Road Safety

Mr CIOBO (Moncrieff) (19:10): I rise in this adjournment debate to discuss an issue that is causing growing frustration in the community, and that is road rules and, in particular, various state governments'

focus on the use of mobile phones. Most recently, we saw in the media today that the New South Wales government—I am embarrassed to say, a Liberal government—has taken the decision to outlaw even holding your mobile phone in a vehicle. I understand road safety advocates' view that each and every life is precious, and that is absolute gospel. That is certainly the case, and we all hate to see any situation whereby, through negligence or recklessness, people lose their lives on the road. But the sad reality is that people do. Accidents do occur and, as long as people are involved in guiding vehicles, this will always be the case. But there has to be a trade-off at some point on that spectrum between the risk that we deem acceptable in order to allow society to progress, for people to have rapid transit et cetera, and the desire to curb that risk to make it a safer form of travel.

As I said, the laws that have been proposed by the New South Wales government will actually outlaw even holding a mobile phone. I think enough is enough. It has reached the stage where it is ridiculous, when people cannot even hold a mobile phone. What is the logical next step? Will it become illegal to put the window down? Will it become illegal to turn the radio on? Will it be illegal to have a drink of water whilst you are driving? These must certainly be the logical next steps if you are going to outlaw someone even holding a mobile phone.

The reality is that these constant infringements on people's liberties have reached such proportions that the general populace is now pushing back. We know this because there was a study done by the TAC in Victoria which was leaked by 3AW which found that the vast majority of people have had a gutful. The vast majority of people no longer take any notice of the various road laws out there and take no notice of the various shock advertisements that are put out there. In addition, they are tired of the constant propaganda that governments use. I call it propaganda because I believe that is what it is.

The single biggest killer on our roads, after alcohol and drugs, is road conditions, yet we fail to see any money being spent by the various state governments advertising dangerous roads. We do not see advertisements from state governments saying, 'Be careful of this poorly maintained road,' or, 'On this particular section of road, we haven't done our job, therefore you should travel more slowly.' You never see that, even though road conditions are the second leading cause of fatalities on our roads, after drugs and alcohol. And the reason for that is that there is no revenue in it. It is a cost centre. If I bell the cat tonight, well, so be it, because I know from speaking to people that they are sick and tired of the constant revenue grab by state governments when it comes to road rules.

I am happy to put on the record that in the last five years, to the best of my knowledge, I have had two speeding tickets. I am sure there are plenty of others in the chamber who have had tickets. But—shock, horror—I have had two speeding tickets. Those two speeding tickets were as a result of a fixed speed camera on the M1 between the Gold Coast and Brisbane, a road that is travelled by hundreds of thousands of vehicles every single day. It just so happens that the speed camera that caught me out did so about two kilometres out of the end of a 110 zone, where the speed limit goes back to 100. Like many people, I put on cruise control; I drive with the traffic. Lo and behold, you pass through a fixed speed camera and, boom, it takes a photograph. Is it really about road safety or is it actually about revenue raising?

I say it is time that, across the various state jurisdictions, we re-evaluate the approach to road safety and doing what we can. I have a theory, and it is this: for as long as these ridiculous laws keep going further and further, and for as long as the general public keep growing tired of these laws and start making their own decisions to no longer obey them, the reality is that they will also grow more susceptible to disobeying the really important laws. The logical consequence of people's picking and choosing which laws they think need to be upheld and which do not because the laws are so pervasive will simply lead to a decrease in their general level of respect for the really important ones that do make a difference, and we are seeing that increasingly across the community.

Armenian Genocide

Mr DANBY (Melbourne Ports) (19:15): 'Who remembers the Armenians?' This is the phrase that presaged genocide. They were Hitler's words to Oberkommando der Wehrmacht in the Obersalzberg on the eve of the Second World War in 1939, recorded by Admiral Canaris, the head of the Abwehr, German military intelligence. Raphael Lemkin, the great Polish historian, began his research into the jurisdiction and the law of genocide because he saw what happened to the Armenian minority in Turkey as one of the great injustices of history that unfortunately the world at that time did not address.

On Monday I met Professor Taner Akcam, a great Turkish patriot and professor of history at Clark University. He fights the revisionist history which is the social norm in Turkey and seeks to dismiss and denigrate an evil: the apocalyptic event of genocide of the Armenians. The professor lamented the fact that Turkey has not progressed in recognising the atrocities that the Young Turks movement committed against the 1.5 million Armenians who were murdered in the years 1915 to 1923. In an article in the *New York Times* on 19 July 2012, Akcam argued:

Confronting the past is closely linked to security, stability and democracy in the Middle East. Persistent denial of historical injustices not only impedes democratization but also hampers stable relations between different ethnic and religious groups.

This is particularly true in former Ottoman lands, where people view one another in the cloaks of their ancestors.

The reverberations of the Armenian genocide continue to reverberate throughout Syria, Lebanon, Iraq and Turkey.

What is not widely known is that, in Turkey, 200 military trials were conducted immediately following the massacre of the Armenians in the early 1920s. They were denounced by people including Ataturk himself. However, the failure of the west to take up these issues meant that the Young Turks movement asserted itself and has asserted this terrible historical injustice ever since.

With the new political order that has emerged in Turkey under the AKP, Prime Minister Tayyip Erdogan has recently taken a stand against authoritarian regimes. He has continued to denounce, for instance, the massacre of more than 30,000 civilians in Syria as an attempted genocide. Taking a stand against such regimes and genocide by Mr Erdogan is praiseworthy, but it might be seen somewhat cynically by some, as Turkey continues to deny the crimes against non-Turks in the early 1900s, during the final years of the Ottoman Empire.

Turkey calls for freedom, justice and humanitarian values—values we can all admire—along with its desire to promote human rights in the region. These are positive steps in the right direction. But they ring false and untrue with the international community when Turkey does not practise what it preaches. Professor Akcam's moving argument is that Turkey should abandon its century-old policy of denial of the Armenian genocide. If it does not, it will remain the heavy reality of an unresolved problem for that country. Turkey can try to suppress and deny the truth domestically, but internationally there will be continual reminders of the issue, which Turkey must confront and resolve in order to move forward into the world today.

Professor Akcam saw many people in this parliament. He made a big impact on many of the serious programs on which he was interviewed around the country. He is a great Turk; a Turk who is unafraid to take on a vested interest in his own country; a Turk who pointed out to me that in Istanbul now there is a demonstration every year on the occasion of the Armenian genocide of 5,000 Turkish people. He says that he holds great hope that Turkey will one day resolve its own historical injustices by confronting this problem.

It has a contemporary reality that is very important. He said in The *New York Times*:

In the Middle East, the past is the present. And truth and reconciliation are integral to establishing a new, stable regional order founded on respect for human rights and dignity. Turkey should lead by example.

Congratulations to Professor Akcam, a great Turkish patriot.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:20): I require the question to be put immediately.

The SPEAKER: The question is that the House do now adjourn.

The House divided. [19:25]

(The Speaker—Ms AE Burke)

Ayes 63
Noes 67
Majority 4

AYES

Alexander, JG	Andrews, KJ
Andrews, KL	Baldwin, RC
Billson, BF	Bishop, BK
Bishop, JI	Briggs, JE
Buchholz, S	Chester, D
Christensen, GR	Ciobo, SM
Cobb, JK	Coulton, M (teller)
Crook, AJ	Dutton, PC
Entsch, WG	Fletcher, PW
Frydenberg, JA	Gambaro, T
Gash, J	Griggs, NL
Hartsuyker, L	Hawke, AG
Hockey, JB	Hunt, GA
Irons, SJ	Jensen, DG
Jones, ET	Kelly, C
Laming, A	Ley, SP
Macfarlane, IE	Marino, NB
Markus, LE	Matheson, RG
McCormack, MF	Mirabella, S
Morrison, SJ	Moylan, JE
Neville, PC	O'Dowd, KD
O'Dwyer, KM	Prentice, J
Pyne, CM	Ramsey, RE
Randall, DJ	Robb, AJ
Robert, SR	Ruddock, PM
Schultz, AJ	Scott, BC
Secker, PD (teller)	Smith, ADH
Southcott, AJ	Tehan, DT
Truss, WE	Tudge, AE
Turnbull, MB	Van Manen, AJ
Vasta, RX	Washer, MJ
Wyatt, KG	

NOES

Adams, DGH	Albanese, AN
Bandt, AP	Bird, SL
Bowen, CE	Bradbury, DJ
Brodtmann, G	Burke, AS
Butler, MC	Byrne, AM
Champion, ND	Cheeseman, DL
Clare, JD	Collins, JM
Combet, GI	Crean, SF
Danby, M	D'Ath, YM
Elliot, MJ	Ellis, KM

NOES

Emerson, CA	Ferguson, MJ
Garrett, PR	Georganas, S
Gibbons, SW	Gray, G
Grierson, SJ	Griffin, AP
Hall, JG (teller)	Hayes, CP
Husic, EN (teller)	Jenkins, HA
Jones, SP	Kelly, MJ
King, CF	Livermore, KF
Lyons, GR	Macklin, JL
McClelland, RB	Melham, D
Mitchell, RG	Murphy, JP
Neumann, SK	O'Connor, BPJ
O'Neill, DM	Owens, J
Parke, M	Perrett, GD
Plibersek, TJ	Ripoll, BF
Rishworth, AL	Rowland, MA
Roxon, NL	Rudd, KM
Saffin, JA	Shorten, WR
Slipper, PN	Smith, SF
Smyth, L	Snowdon, WE
Swan, WM	Symon, MS
Thomson, CR	Thomson, KJ
Vamvakinou, M	Wilkie, AD
Zappia, A	

PAIRS

Abbott, AJ	Gillard, JE
Forrest, JA	Fitzgibbon, JA
Haase, BW	Ferguson, LDT
Keenan, M	Leigh, AK
Roy, WB	Marles, RD
Somlyay, AM	Sidebottom, PS

Question negatived.

BILLS

Fair Work Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr FRYDENBERG (Kooyong) (19:32): This bill from this government is about a closed shop. It is anticompetitive. It is putting the workers last and politics first. Let's face it: those on the other side have 100 per cent of their front bench who are members of the union. Seventy per cent of their caucus are members of the union. At a Labor conference 50 per cent of the votes go to the union. But in Australia only 12 per cent of the private sector workforce are members of the union and only 18 per cent of the general workforce are members of the union.

Why will you not give the workers of Australia a free choice about who their default super fund will be? Industry super funds are in the pockets of the union. Who knows this best? The Minister for Industrial Relations and Workplace Relations. He knows this best, because he was a director himself of an industry super fund and now he is the fox in charge of the henhouse.

The Productivity Commission has made a recommendation that this government extend default super funds much more broadly than it currently does with industry super funds. We on this side know that if we get our chance in government we will extend default super funds to any MySuper-compliant super fund. This is about allowing the market to determine where the workers choose to place their super funds. We have $1.4 trillion in superannuation in this country. That is a massive amount of money. The workers of Australia should have the right, the choice and the freedom to determine where their money goes.

Choice and freedom are essential to the Liberal Party's DNA. It does not matter whether it is in health, where private health insurance is being cut by the government. It does not matter whether it is in education, where you seek to deny funding to private schools, independent and Catholic. It does not matter whether it is in workplace relations and the superannuation industry.

Many of my colleagues on this side have spoken passionately and with conviction about the rort that is currently taking place before our very eyes—a rort that is in the interest only of the union movement and not of the workers of Australia and a rort that is against the Productivity Commission's very recommendations. With some important legislation before this House you would think there would be proper scrutiny. You would think that we would have weeks to look at the legislation and to consult the stakeholders. We were given less than 24 hours to look at this legislation. Shame on you! Shame on the member for Maribyrnong! Our parliamentary draftsmen did not even have time to draft the amendments that we wanted to bring forward.

Why are you hiding from scrutiny? You know why the member for Maribyrnong is hiding from scrutiny. He does not want the Australian people to know about this cover-up. He does not want the Australian people to know that it is his mates in the union movement who are the ones who will benefit. You do not want members of the Australian public—or indeed more than $10 million people who are in industry super funds—to know that industry super funds typically ask for more than 50 per cent of their directors to come from the unions, to be nominated by the unions so that these directors can supplement their incomes with a directorship of these industry super funds.

We know that Fair Work Australia has been discredited because of the Thomson affair. We know that of the last 10 appointments to Fair Work Australia, between December 2009 and December 2011, eight had union backgrounds.

Mr Tehan: How many?

Mr FRYDENBERG: The member for Wannon asked me how many had union backgrounds. Eight out

of ten appointed to Fair Work Australia between December 2009 and December 2011 had union backgrounds. The member for Maribyrnong may want to know why the government has increased compulsory super from nine per cent to 12 per cent. The reason is that this will see more than $8 billion annually go into industry super funds. Who are the big beneficiaries in industry super funds? It is the unions—the unions that dominate the Labor Party and dictate the policy of the Labor Party.

Let me remind the House and all those that are listening around Australia to this telecast that only 12 per cent of Australians working in the private sector workforce are members of unions. In the general Australian workforce only 18 per cent are in a union. But on the front bench—and I am looking at you, the member for Maribyrnong—100 per cent are members of unions. In the caucus, 70 per cent are members of a union. One hundred per cent of the front bench are members of a union and 70 per cent of the caucus are former union officials. We talk about the gene pool of the Labor Party shrinking before our eyes. We know why: the unions are dominating the membership of the other side.

More and more members of the Australian workforce are giving up the union ticket because they want to have a say where their money goes. They want flexibility in the workplace. They want you to change your unfair dismissal laws. You owe it to them to loosen up your unfair dismissal laws. We want to get the regulation off the back of small business. We want to see some freedom in the workplace rather than just the unions dominating the show. Why did you increase super from nine per cent to 12 per cent? You did it because you wanted to see $8 billion a year flow back into the industry super funds. Member for Maribyrnong, why do 50 per cent of the votes at your federal conference automatically go to the Labor Party? Why have eight out of the 10 appointments to Fair Work Australia gone to people with union backgrounds?

Mr Tehan: Why don't pie shop workers have choices?

Mr FRYDENBERG: The member for Wannon asks: 'Why don't pie shop workers have choices?' Even those who cannot even warm a pie should have choice. Those who serve a cold pie and those who serve a warm pie should have choice. The problem is that in every aspect of workplace relations on your watch we have seen a reregulation of the labour market. This has cost jobs, this has sent up wages and this has seen lower productivity.

The CEO of Santos, David Knox, said on the front page of the *Financial Review* that if he was to open a gas facility in the Gulf of Mexico it would be one third of the price of opening a similar facility in Australia. Why? It is because wages are out of control in this country. Productivity, by any international standard, is falling in this country. We have more than five million Australians employed in more than two million small businesses, and they complain every day to me about the unfair dismissals and the penalty rates that the other side has introduced.

We need to get a smarter, more efficient and more effective workforce. We will not do that by letting the unions dictate the policies. Fair Work Australia is discredited under this government. Productivity has come down, wages have gone up and we have not seen an improvement in the bottom line of companies. When we look around the world we see the economic troubles that are facing Europe, the United States and elsewhere. What has this government decided to do? It has decided to re-regulate the workforce and send productivity down and wages up with no commensurate gain for the Australian people.

On this particular legislation before this House we are seeing those opposite play a sop to the union movement. Their union masters are dictating the policy that they bring into this House. This is a bad outcome for the workers of Australia because the Productivity Commission, an independent body which so often provides intelligent information for this House to consider, has found that you need to broaden out the default super funds beyond the industry super funds alone.

The industry super funds are a reflection of the vested interests of the union movement. This goes back to the Hawke and Keating years in the 1990s, when they sought to put industry super funds at the centre of our workplace relations system. Why do more than 50 per cent of the directors on the industry super funds come from the union movement when the union movement represents only 12 per cent of the private sector workforce and about 18 per cent of the general workforce? The number of people who are prepared to pay their union money has gone down year after year. People are voting with their feet.

I say to the members on this side of the House that we will take a tough, strong stance against the union dominated Labor Party, which is producing bad policy for the people based on politics alone. Default super funds deserve to be expanded beyond just industry funds and that is why we on this side will support changes in government and we on this side will not tolerate bad legislation from this government. *(Time expired)*

Mr KATTER (Kennedy) (19:44): I thought I was going to grow horns and a tail there for a while, because I was a union rep in my younger days and it seems that they are the epitome of all evil. Let me tell the previous speaker that I have a lot of union officials who are friends of mine. They are presidents of our

P&Cs, they sell raffle tickets at our local shows, they stand out in the hot sun selling tickets for our local shows, they run our rugby league and they run our voluntary fire brigade boards. They are not people with horns and tails as the previous speaker—who is laughing and thinks it is funny that people should do those things—says. I suppose he does so because he has never in his life such things. His sort of mentality was abroad in this place 100 years ago when we went down the mines. One in 31 of us never came back up again with that sort of mentality abroad in this place. Unlike him I have a record for standing up to unions when there was a time to stand up. I did not notice any Liberals standing beside us when we stood up in Queensland when they turned the lights out. We were the only government in Australian history that actually confronted them. I did not notice you blokes. You were hiding. You were lucky the lights were out so they could not see you. We could not find you. There is a time when there are excesses.

The reason I rise to speak is that numbskulls on my right here and also on the left—I do not want to let them off—are continuing to back the superannuation funds in Australia. I want to speak in praise of some of the trade union members on those superannuation funds.

Opposition members interjecting—

Mr KATTER: Mr Deputy Speaker, I would like to speak here instead of the Liberal Party taking over.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The member for Kennedy will resume his seat. The member for Mitchell, the member for Kooyong and the member for Wannon are conducting a private conversation. They could do it outside the chamber or return to their seats.

Mr Hawke: I just wanted to get on TV.

The DEPUTY SPEAKER: The member for Mitchell will resume his seat. I call the member for Kennedy.

Mr KATTER: I want to speak in praise of some of the union appointees on the superannuation boards in Australia because three of them have come to see me. They have pointed out—

Opposition members interjecting—

Mr KATTER: I would like you to tune in, fella; you might learn something. You are sitting there like a giggling idiot, so I suppose I am not likely to get on your wavelength—that is for sure.

The DEPUTY SPEAKER: Order! The member for Kennedy will withdraw.

Mr KATTER: I withdraw those remarks unequivocally. I praise those people who have come to me and said that all of the superannuation moneys are going into real estate and shares. We are just blowing up the balloon. If you keep blowing up the balloon it will burst. We have the most unaffordable housing prices in the world because the superannuation funds are being pumped into those areas. Under the great leadership in this place of people like Jack McEwen there was a 60-40 rule, and 60 per cent of your superannuation money was put into government securities where they were used to build things. It is not a concept that the Liberal Party understands; probably the Labor Party does not understand it either. They were used to build things such as railway lines to get our coal out, ports to get our coal out and transmission lines to take electricity into these areas and to open them up. They were government guaranteed.

We now have a superannuation system where there is no government guarantee on the retirees' funds and we know that they are all going into a hyper-volatile balloon about to explode in real estate and in the share market. I speak with authority because, unfortunately and sadly, I represent a lot of people who were prime losers in the collapse of Storm in Northern Australia. There were no union representatives on Storm, I can assure you. It seemed to go down pretty spectacularly. There have been a number of other organisations that have gone down spectacularly, and there were no union representatives there.

I ask sincerely that the people in this place listen to me when I say and when I communicate to you what those union members said to me. They said that all of that money is going into real estate and the stock market. It is not productive, it is not producing wealth in the long term. It is producing inflation. It is blowing up a balloon that is absolutely guaranteed to explode. When this place was much more successful than it is these days, we had people like Jack McEwen who ensured that 60 per cent of that money was protected. We had absolute protection for those people and government guarantees on the money. The money was used to go into productive resources instead of speculation. I venture to submit that all of that 23 thousand million of hard-earned savings in Australia is simply being pumped into speculation. None of it is going into production and into the facilities that we need for that production. Unfortunately and sadly, it is at great risk because it is going into inflationary areas.

Finally, I want to put on record my request to the minister that the financial consultants or planners be included in the list—which was my old business. I would very much like to see those people put on a list. Then, if you are an employee and you have a list of recommended superannuation funds, you also have a list of the local people that you know you can go along to and talk about where your money should be invested. So, whilst the minister has not agreed to put it in the bill, I would ask him to please consider this proposal further down the track. These people live in our local communities. They are well known, well

liked and well trusted, and 99 per cent of them, from my experience, have done the right thing by the people that they do business with. If they did not, they could not survive in their suburbs or their small communities in which we know and like them. I would like to see those sorts of people in that recommendation as well as the superannuation recommendation from the fairness tribunal.

On the condemnation of trade union officials and making them out to be monsters: my friend, your great granddaddy went down a mine, and one in 31 of his mates never came back up again. The only reason that does not exist today is the work of those trade union officials. So just be a bit careful of the graves that you are spitting on.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (19:52): I thank the honourable member for Kennedy for his contribution. I also thank the government members for their contributions to the debate on the Fair Work Amendment Bill 2012. This bill delivers another part of the government's workplace relations and superannuation agenda. It is another step in ensuring a balanced, workable, simple and flexible workplace relations system for Australia, it is another step in the evolution of the national workplace relations tribunal—the new Fair Work Commission—and it is another step in improving the operation of the superannuation system to boost the retirement incomes of Australians into the future.

This bill is a further example of the government's cooperative and consultative approach to workplace relations. The bill implements recommendations from an independent expert review of our legislation that has been on the record since mid-July. We have announced a clear policy and approach in response. We have developed policy and legislation in consultation with the National Workplace Relations Consultative Council, with small business and with the superannuation industry. Both union and employer stakeholders agree that the bill is non-contentious. I repeat: both union and employer stakeholders agree that the bill is non-contentious. They want to get on to discussing other policy matters in workplace relations that are important to them, and I agree.

This is not the last step in workplace relations reform. I am committed to continuing to work with the serious stakeholders on making appropriate amendments to the Fair Work Act where there is clear policy justification and where they reflect the government's clear policy frameworks. I retain an open mind on all remaining recommendations from the Fair Work Act review panel. None of them have been ruled in or out. Yet the opposition's current workplace relations policy, despite their huff and their puff, remains a well-kept secret.

In relation to superannuation, there is one thing that we do know: the opposition will raise taxes on 3.6 million Australians earning up to $37,000 per year by slashing the Gillard government's low-income superannuation contribution. Around one in three workers will pay up to $500 a year more in tax because of the coalition's plans to slash any programs that are linked to the mining resource rent tax. Sadly, the coalition's destructive negativity means that they would rather reduce the wealth of 3.6 million workers than take money from those who can afford to pay. It is clear that some things have not changed for the opposition.

Their overriding principles in workplace relations were on show again last night when they voted to reduce the protections for worker entitlement and yet again even in the House today when they continued to speak against legislation that will boost the superannuation savings of workers. The opposition have publicly said that they support the overwhelming majority of the recommendations of the independent review panel. Given that this bill reflects the non-contentious aspects of the panel's recommendations, includes measures to improve the operations of Fair Work Australia and delivers an improved process for choosing default superannuation funds in modern awards, I trust that the opposition will support the bill and assist its passage through the parliament.

I must turn very briefly to some of the remarks made about industry funds and superannuation. I submit to the House that the opposition are long on rhetoric and short on facts. It is a fact that the Productivity Commission found that the existing default fund arrangements have resulted in net returns generally exceeding those of non-default funds. Over the eight years to 2011, default funds in modern awards have averaged an after tax return of 6.4 per cent compared with 5.5 five per cent for non-default funds. It is a fact that the Gillard government reforms will deliver a more contestable and transparent selection process than ever existed under those opposite.

The member for Wannon said that superannuation is too important to be played around with. We agree with that part of his contribution. The opposition play with superannuation when they selectively quote the Cooper review. They do not mention that recommendation 1.4 of the Cooper review concluded that the Productivity Commission should complete its review of default super and awards by 2012. The Gillard government has met this commitment. They did not mention that they have opposed other Cooper recommendations when it has suited them. They did not mention that they seek to abolish the tax concession that we are providing low-paid workers. Indeed, I have to say that they have

criticised some on this side of the House for having industry experience and having had involvement with industry funds. The member for Kooyong described industry funds as giants. In any other industry the Liberal Party would be genuflecting when they talked about industry giants. But when organisations have equal member representation, it is too much for the opposition to stomach and it triggers their bias against equal representation in superannuation funds.

There is a clear reason that we departed from one of the Productivity Commission's recommendations. Unlike those opposite, who are interested only in attacking unions and industry funds—and we heard some of that bigotry spew forth tonight—the Gillard government was very mindful of a solution that is workable for all parties in superannuation, including employers. Those opposite ask why any MySuper product cannot be a default fund superfund, and they ask why we need to have between two and 10 funds listed. I submit that an outcome where there are over 100 funds for employers to choose from in an award is not efficient—certainly the employers agree with us. It creates red tape, especially for small businesses, who will face considerable search costs in determining which fund to choose. Unlike those opposite, we listen to big and small businesses who use the award system. We have modified the final Productivity Commission recommendation while retaining the essence of an open and transparent process.

While listening to those opposite debate the superannuation aspects of the bill, it struck me how infrequently they mentioned employers and their needs and how frequently they sneered at the contribution that employers make on the industry funds of Australia. It struck me how little they understand or respect the contribution of industry funds to delivering good retirement outcomes for Australians. I believe that all too often we see too much simplification from those opposite about industrial relations and indeed industry funds. I trust that the opposition will assist the passage of this constructive bill through the parliament. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (19:58): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADJOURNMENT

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (19:59): I move:

That the House do now adjourn.

Question agreed to.

NOTICES

The following notice(s) were given:

Mr Clare: to present a Bill for an Act to amend the law relating to customs, and for related purposes.

Mr Gray: to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, and by reason of the urgent nature of the works, it is expedient that the following work be carried out without having been referred to the Parliamentary Standing Committee on Public Works: Preliminary works to establish a Regional Processing Centre on Nauru.

Wednesday, 31 October 2012

The DEPUTY SPEAKER (Mr BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Meals on Wheels

Mrs PRENTICE (Ryan) (09:30): Meals on Wheels is a familiar name to all Australians and it is at the heart of many communities across the country, including the Ryan electorate. Meals on Wheels has been active across Australia for more than 50 years, helping the frail and elderly, and younger people with disabilities and their carers, stay in the comfort and security of their own homes. That is the organisation's main aim.

Meals on Wheels volunteers go beyond just providing a nutritious meal for clients. A friendly smile every day, a chat about the weather or simply knowing someone will drop by to say hello can make a real difference to the lives of many Australians who would otherwise have limited contact with others in the community. But it is not just the clients who value this contact; ask any Meals on Wheels volunteer and they will tell you that reaching out and brightening someone else's day makes their day better too.

Independence is something we all value, and to have that taken away through not being able to go to the shops for groceries or to cook regular meals should not be an obstacle to autonomy. As someone who remembers doing meals on wheels in the school holidays with my mother, I was delighted to attend the 40th anniversary celebrations for the Mitchelton Meals on Wheels, with local state members Tim Mander and Dale Shuttleworth, Brisbane City councillor for Enoggera Ward Andrew Wines and Moreton Bay regional councillor Brian Battersby.

Mitchelton Meals on Wheels delivers meals to more than 200 people across the north-west of the Ryan electorate. With an extensive catchment area, the fantastic volunteers at Mitchelton Meals on Wheels deliver, on average, 125 meals a day across nine delivery runs, Mondays to Fridays, including most public holidays. Six volunteers work in the kitchen each morning assisting the full-time kitchen manager. As a result of a group of exceptionally skilled kitchen managers, Mitchelton Meals on Wheels is able to provide quality meals for only $7 per meal for their clients.

Mitchelton Meals on Wheels is one of the most highly regarded volunteer organisations in their community. From humble beginnings with a handful of volunteers delivering meals to 10 clients out of premises in Wakefield Street, Alderley, the organisation has grown into one whose achievements have been recognised in the Quest Business Achiever Awards over many years, and they have now reached the highest level possible, having been inducted into the Gold Hall of Fame after winning the award eight times.

The organisation's recent celebration was a great opportunity for volunteers past and present to come together and discuss their 40 years of service to the community. It was inspiring to hear just how far they have come over the past four decades and to listen to anecdotes from Rosemary Costello about some of their early challenges. It was a privilege to join with the volunteers in their Mitchelton Meals on Wheels 40th anniversary celebrations. I commend the work of the management committee under the watch of president Harold Brown and treasurer Anne Huggett, who are moving the organisation from strength to strength. Mitchelton Meals on Wheels are just one of many outstanding community volunteer organisations at the heart of the Ryan electorate. I congratulate them on their 40 years of service to the Ryan community and wish them well for the next 40 years.

Blair Electorate: River Heart Parklands

Mr NEUMANN (Blair) (09:33): In mid-October 2012 it was my privilege to officially open River Heart Parklands stage 2, including the Bob Gamble Park, on the King Edward Parade side of the Bremer River in the City of Ipswich, in Ipswich Central. River Heart Parklands 2 results from $3.4 million of federal government funding under the Better Regions Program. This federal Labor government has invested $171 million towards building critical community infrastructure across regional Australia. This includes $11.17 million for community infrastructure in the Ipswich City Council area in the electorate of Blair. One-hundred and six priority investment projects have been delivered under this program across this country that we call Australia.

This park is particularly important because it was devastated during the 2011 floods. What has been built are water-featured play areas with wet and dry playground equipment, pathways, boardwalks, lookouts, lighting, high-quality native landscaped gardens, seating, picnic tables, barbecues, public amenities and disabled access.

Twenty jobs were created during this process, and three ongoing jobs will continue with Ipswich City Council. It is expected 50,000 people per year will utilise River Heart Parklands stage 2 and Bob Gamble Park. I knew Bob Gamble and his family—they lived in the next street to me. He was a great public servant with Ipswich City Council. He gave sage advice to mayor Paul Pisasale when he was a young councillor. It was great to see his

family there to celebrate this wonderful event. There were thousands of people there on the day of the official opening.

I commend the Ipswich City Council because this $8 million project saw $4.6 million contributed by the Ipswich City Council. The council has done a great job in rebuilding Ipswich. This area was totally devastated during the flood in 2011, and seeing young people enjoying this wonderful restoration of the park for the benefit of the people of Ipswich brought a tear to the eyes of a number of people. This whole area around East Ipswich and Basin Pocket was smashed to smithereens by the flood.

This project will encourage tourism in the local area, but I urge the council to consider carefully the need for, say, a coffee van or a cafe in the area. That was clearly something that was missing, and we did see the need for that facility on the night. The council needs to be commended and the federal Labor government needs to be commended—it is funding that has been proposed by us and opposed by those opposite time and time again. *(Time expired)*

Parliamentary Friends of Small Business

Mr BUCHHOLZ (Wright) (09:36): I have the privilege of announcing to the House that last night saw the launch of the Parliamentary Friends of Small Business group. The group was co-launched by Gai Brodtmann, the member for Canberra, and me. I was quite perplexed that the parliament had not already had a friends of small business group, so when I was approached to work with Gai on setting one up I jumped at the opportunity. It was a successful night, given the number of functions that are on. A number of representatives from the small business community came to assist with the launch—names like Peter Strong, from the Council of Small Business of Australia, and Dr Christopher Peters, the Chief Executive of the ACT Regional Chamber of Commerce and Industry. Christopher made the point that 50 per cent of the people employed here in Canberra are employed by small business. You would think that in Canberra the number would be skewed towards the public service, but it was interesting to hear that 50 per cent of employment positions in Canberra are in small business.

Why is small business so important to Australia and how can the Parliamentary Friends of Small Business be effective? Two million small businesses in Australia employ five million Australians—70 per cent of the workforce. Small business contributes 20 per cent of GDP. One of the concerns I have as a previous small business owner and as a member of this group—I hope we can answer this question—is how do we encourage the next generation of small business owners to step up to the plate to make sure that those statistics I mentioned earlier are maintained? If you have kids growing up in families in small business and they see Mum and Dad working from daylight til dark, in some cases not making an enormous amount of money, they are the first ones to say, 'This small business gig is just not for me,' and they run off and pursue other careers. I have a 16-year-old who has just been to a careers market to find out about jobs that will be available in the future. No-one at the careers market was saying they should pursue their own dreams and think about starting their own business. That view was just not to be heard.

The small-business sector needs all the assistance we can give it. I trust that Parliamentary Friends of Small Business will be able to act as a conduit in assisting small business. I thank our other co-launchers last night, the Minister for Small Business, Brendan O'Connor, and the shadow minister for small business, Bruce Billson. *(Time expired)*

Deakin Electorate: Great Ryrie Primary School

Mr SYMON (Deakin) (09:39): On 24 August this year, I had the great pleasure of officially opening the new sports and performance centre at Great Ryrie Primary School in my electorate of Deakin. Great Ryrie Primary School is a very large primary school with over 550 students. It services both Heathmont and Ringwood and is growing, as many schools in my electorate are. This particular BER facility took rather a long time to come about and that was due to some unusual circumstances. The results, in the end, speak for themselves, but there is a story to be told about why it has taken the time it has to be completed.

I first visited the school back in March 2009 to talk with the principal, Doug Elliot, about what the Building the Education Revolution funding for the school could mean. We discussed what could be done, how it could be done and whether the school should go for the Victorian government template building or do their own design. After much deliberation, the school decided to pursue their own design. But then problems started with the proposed location for the building. Unfortunately, it was found that the soil was not suitable on the chosen site for the building—there were old watercourses and various other things running under the school grounds which had not been mapped. That meant that there were substantial delays before a site on the school grounds was found where a building could be built and remain stable over many decades. Eventually that did happen, so this year we got to the point where the school did get to open its brand-new building.

On the day, I was welcomed by the school captains, Jakob Rhodes and Amber Lawndee, and the school vice captains, Ben Holland and Freya Scott. They, along with principal Doug Elliot, showed me around the new facility. They showed me what they could do not only with their new space, in which they can hold indoor assemblies or sports or music performances, but also with the extra rooms that came with the new centre. Among other things, these extra rooms now allow their music teacher to teach students learning different instruments in separate rooms, instead of having to teach them in the same room at the same time—not a good learning experience for anyone.

The school received $2.6 million for this fantastic new facility and they have made use of every single cent of it. It is a great result for our local community which will stand the test of time. Architecturally designed, it opens out onto the oval, allowing it to be used as either an indoor or an outdoor performance centre. It is not unique. There are other similar buildings in my electorate where the design has gone outside the template. But it is a great example of what can be done when the federal government puts money into our local schools. I am sure the new building will stand the test of time and that it will be there for everyone to see for many years to come.

Bradfield Electorate

Mr FLETCHER (Bradfield) (09:42): Earlier this year, the Prime Minister engaged in some remarkable attacks on the people of Sydney's north shore, including the constituents of Bradfield, my electorate. On 9 May 2012 on Sky News, she said:

Mr Abbott's got to get off Sydney's North Shore and go and talk to some real families and get himself in the real world.

In the parliament, later that same day, she repeated her attack, saying:

It is only those who are cosseted on Sydney's North Shore that could fail to realise that working families need relief, working families face the costs of getting kids to school.

I thought it was important to gauge the views of the constituents of my electorate, squarely in the centre of Sydney's north shore, on these frankly offensive comments about Sydney's north shore. Accordingly, I sent out this postcard to many thousands of my constituents and I received an overwhelming response, which I am pleased to report to parliament on today.

The response of my constituents was largely one of shock, offence and disappointment that the Prime Minister of the nation would specifically attack one particular part of the country. In fact, 80 per cent of the postcards I received were critical of what the Prime Minister had to say. I will quote some of the responses I received from constituents. One constituent in Wahroonga wrote:

We on the North Shore are just as real as those living elsewhere.

Another constituent, from Lindfield, wrote:

I think it is extremely offensive for you to stereotype residents of the North Shore.

Obviously, that comment was addressed to the Prime Minister. A constituent in Turramurra wrote:

The majority of families on the North Shore have both parents working full time to be able to provide for their children. What would you call us if not "working families" facing "the costs of getting kids to school"?

As these comments—and the many others in the hundreds of responses I have received—demonstrate, my constituents are disappointed at this attack on them and on their part of Sydney. I again call on the Prime Minister to apologise for her offensive comment. Indeed, I invite her to come to the north shore and meet some of the real people, some of the ordinary people and some of the hardworking people in my electorate, rather than perpetrating this slur and this outdated stereotype. I will be writing to the Prime Minister giving her more formal and detailed feedback I have received from the postcards, and I will offer to brief her personally on the attitudes in my electorate to her outrageous slur against our part of Sydney and against the people in my electorate who work so hard to provide for their children and their families.

The DEPUTY SPEAKER (Hon. BC Scott): I call the member for Kennedy and remind him, as he takes his place, that the use of mobile phones is not allowed in this chamber or the main chamber.

Kennedy Electorate: Sikhs

Mr KATTER (Kennedy) (09:46): I rise today to speak on behalf of those very patriotic and great Australians whose forebears migrated from the Punjab, mainly, in India—the Sikhs. Our soldiers fought beside them. My great grandfather's brother, who died at Gallipoli, fought beside the Sikhs at Gallipoli. For reasons I do not quite understand, I do not know of any group who have ever come to Australia from another country that instantly become such patriotic, hardworking and contributing Australians as the Sikhs. They are very, very prominent in the banana industry. From time to time, two or three of the banana kings will be Sikhs. I should say Sikh Australians, but Sikhs are members of a religion. It is a monotheistic religion, recognising one true, supreme god.

It is also a religion that stood as a bulwark against the Islamic invasions into the Indian mainland and, interestingly, they are the only people who have ever defeated the Afghans.

During the terrible days of Cyclone Larry, I went hungry on many occasions because money would not work and I had to walk the streets of Innisfail. It was very dismal and depressing but a very challenging situation. On one occasion I went hungry I remember handing out pies that I got hold of to the police control room. The sergeant of police there said, 'The pies are cold.' I said, 'Yes, but the Coca-Cola is hot, so don't worry.' He did not think that was particularly funny. Indeerjeet Singh and his family took me in and fed me, which I was deeply appreciative of at the time.

In our great demonstrations in the sugar industry and the banana industry, where we have been fighting desperately for survival, people like Sona Singh were very heavily involved in organising those demonstrations. These people who come to Australia are immensely popular. No sooner do they arrive here than they shout with pride, 'I am an Australian.' And there is never any doubt in anyone's mind that they are. When you see our huge demonstrations, you will always see people in turbans upfront, because they are extremely popular and people feel very comfortable. If they are in a battle, people know the battle is a good battle. *(Time expired)*

Men's Sheds

Mr MATHESON (Macarthur) (09:49): Yesterday I attended the Australian Men's Shed Barbecue on the front lawn of Parliament House. It was a great day with hundreds of men's shed members from across the country descending on Canberra to celebrate the great things they are doing in our communities. I was fortunate enough to catch up with members who travelled from my electorate and some surrounding suburbs. The blokes from Warradale, Oakdale and Tahmoor men's sheds shared a bus down for the barbecue and it was great to catch up with them.

I think the concept of the men's shed is a fantastic idea, and I know that there are many blokes in Macarthur who value the time they spend each week with like-minded males, sharing their stories and skills and assisting in community projects. In Macarthur, we have several men's sheds that meet a few times each week and take part in activities such as woodwork and metalwork, restoration of furniture and old cars, making and repairing items for schools, hospitals and councils, and learning new skills with hand tools, machinery and computers. Men's sheds like those in Macquarie Fields, Airds-Bradbury, Camden, Oakdale, Warradale, Camden Community, Wollondilly Community, and the new shed in Narellan provide great support and friendship for their members as well as the opportunity to take part in some very important community projects.

I have dropped in to see many of these sheds in action across the electorate and have been very impressed by the skills, workmanship and mateship I witnessed during my visits. For example, in Camden the men's shed looks after the Camden Bicentennial Equestrian Park with voluntary park maintenance and development work. The members look after grass cutting, tree maintenance, building and fencing, painting, noxious weed removal and general cleaning. The shed has even participated in a research study with the University of Sydney aimed at increasing the participation of older people with chronic disabilities in community groups and voluntary work. This is just one example of a shed that prides itself on voluntary work which creates huge savings for the local community—something they should all be very proud of.

The new men's shed at Narellan will be another example of members doing their bit to help the community. The shed is based at the Macarthur Centre for Sustainable Living and members will help to maintain the grounds and a vegetable patch at the centre. Another example is the Tahmoor men's shed, which has recently constructed timber frames for garden beds and helped develop the playground area of the Rainbow Playhouse Preschool in Tahmoor. These are just some of the examples of the great things that men's sheds across Macarthur are doing for my community.

I believe that we have come to a point where the community would be at a disadvantage without the existence of these valuable sheds and the dedicated members within. Men's sheds across this country may have initially been established to give retired men a place to go, to reconnect with society, make new friends and continue to use the skills they acquired over many years in the workforce, but now these sheds and their fine members are an important part of our communities that we would not want to do without. I am proud to say that in Macarthur these men make a valuable contribution each week to those who need help or are doing it tough. This is why I stand here today to congratulate all of the men who are members of men's sheds in the Macarthur region for their commitment, not only to supporting each other but to supporting a community which they have become a very important part of.

Morris, Mr Ivan

Halvorson, Aunty Mavis

Mr HUSIC (Chifley—Government Whip) (09:52): Many in our electorate of Chifley were saddened recently to hear of the passing of two special individuals. In this place, we have an opportunity to reflect on large figures who shape public life, and in our community Mr Ivan Morris and Aunty Mavis Halvorson shaped the lives of so many. It is fitting that people so valuable to our community fabric have the opportunity to be honoured in our nation's parliament.

I will start by paying tribute to Mr Ivan Morris. He lived in Bidwill and passed away recently. He was originally from Walcha and was also active in the Redfern community. He moved to Bidwill with his wife, Daisy, in the 1960s. He is remembered as a father figure for youth, helping people regardless of their background, providing housing and fostering young people in his home in Bidwill. He may not have had much, but he gave all that he could to help young people, particularly people in our area, who had hit hard times—and not just in a material sense—by giving them a sense of belonging and purpose and the ability to demonstrate that they, as much as anyone else in the community, have an opportunity to shape local events and participate and reap the rewards of that. He was involved in the Derrubin Land Council, as the respect and recognition of sacred sites was important to him and his wife, Daisy, who continues her involvement in the Baabayn Aboriginal Corporation, a local Indigenous women's group in Chifley.

I also want to mention Jenny Ebsworth from Glendenning, a close friend to Daisy and Ivan, who is also from Baabayn, and also Daisy's cousin, George Nelson, from Bidwill, who, when reflecting on Ivan, remembered him for his charisma and great sense of humour and for being very proud of his culture and heritage. Ivan's funeral service, I am told—and it pains me that I was unable to attend—was attended by many who wanted to pay their respects. Ivan is survived by his wife, Daisy Barker, three children, six grandchildren and a great-grandchild, and I want to pass on my sincere condolences to his family. On behalf of the community, I acknowledge his contribution.

Aunty Mavis Halvorson was a senior elder of the Dharug people, the Aboriginal custodians of the area surrounding Blacktown, who passed away on 21 October at the age of 88.

Aunty Mavis was last awarded Blacktown City Council Elder of the Year for her dedication over decades, and the preservation of the Dharug heritage and culture. She was a descendant of Richmond tribal chief Yarramundi, the father of Colebee, who, with Nurragingy, were the first Aboriginal people to get a land grant from Governor Lachlan Macquarie in 1816. Aunty Mavis was the great-granddaughter of Maria Lock, Yarramundi's daughter, who is the only Aboriginal person buried at St Bartholomew's in Prospect. I offer her and her family the deepest respect and condolences.

China Study Tour

Mr VASTA (Bonner) (09:55): It is with pleasure that I rise this morning to discuss my recent study tour of China, Hong Kong and Macau. As a former small business owner, it was important for me to undertake a study tour in China to ascertain whether or not there were opportunities or other practices that we could adopt to further strengthen Australian business practices.

During the trip, I met with Mr Phil Ingram of the Australian Trade Commission in Hong Kong, and Mr James Nachipo, the Deputy Consul-General. We had very informative meetings. Austrade assists businesses by navigating the idiosyncrasies of Chinese business practices, identifying business partners, new customers and real opportunities, accessing both urban and high-growth regional centres in China and separating business reality from myth in this dynamic marketplace. I met with Mr Ingram's team, who have an extraordinary level of dedication to their jobs, with some of them serving the public for over 20 years. I was very privileged to talk with Mr Wilson Tang, Mr William Lin, Ms Sarah Chan, Ms Rosita Wong, Ms Frances Cheung, Ms Emesa Yeung, Ms Sally Lam and Ms Eve Ching.

I also met with Mr Stevan Tao from the China-Australia Chamber of Commerce, where we discussed the great potential for Australia in the Chinese market and how Australian expertise—especially in the hospitality industry—could be utilised. Hong Kong has a very commerce-driven government, with the major players in the chamber of commerce generally invited to sit in on cabinet meetings. The Hong Kong General Chamber of Commerce has an incredible understanding of the Hong Kong economy, and it assists the Hong Kong government directly with policy. The Australian government could benefit from looking at this model to form policies that are more suited to the industries that they affect.

I believe it is important for all members of parliament to study or visit China and its administrative regions, Hong Kong and Macau. The diverse region of Asia is our biggest trading partner, with an economy that is

dynamic and growing. It is vital that Australia takes advantage of the historical closeness and geographical proximity that we share with one of the world's fastest-growing nations. I recommend that we strive to strengthen out ties with this economy so that our economic fortunes are on the same upward trajectory. By taking advantage of the opportunities that we can offer to our largest trading partner, we can build on our existing relationships to ensure that Australian businesses can benefit from being part of the partnership with one of the world's most vibrant economies.

DisabiliTEAs

Ms HALL (Shortland—Government Whip) (09:58): Last Friday, I attended two disability teas within my electorate, one at Camp Breakaway, and one at the San Remo Neighbourhood Centre. Camp Breakaway is a camp where people with disabilities and their families can go to have respite and to enjoy a holiday. People with disabilities will usually attend Camp Breakaway for a week or a weekend, and during that time they experience the things that we all experience when we are on holidays.

When I attended these disability teas, I was overwhelmed by the commitment of the parents of the children with disability that were there. They need an NDIS. They were asking for the NDIS. These were mothers and fathers who had children with very, very, severe disabilities. These people have high needs as far as respite and care are concerned. They struggle on a daily basis to be able to provide the care that their children need and they have to fight all the way to get the equipment, the resources and the intervention that they need for their children.

Any person who attended that disability tea would have recognised there is a very strong need for an NDIS. I congratulate the organisers of that particular disability tea.

In the afternoon I also attended a disability tea down the road at San Remo Neighbourhood Centre. That was organised by Hilda Delauney. Hilda has a son who had a sarcoma and had his leg amputated at the knee. He has had to work very hard, but he has succeeded. There were a number of people present with disabilities and a number of carers. They all unanimously called for the NDIS. To me it was really interesting because the Central Coast part of my electorate will not be part of the trial that will take place in New South Wales. It will take place in the Hunter region, which is where the other part of my electorate lies. That area has welcomed the NDIS. They are planning for the trial and everything is all go. On the Central Coast they want what the Hunter have, and I call on all members of this House to support the NDIS and help work towards its implementation.

The DEPUTY SPEAKER (Hon. BC Scott): Order! In accordance with standing order 193 the time for members' constituency statements has concluded.

CONDOLENCES

Bilney, Mr Gordon Neil

Debate resumed on the motion:

That the House express its deep regret at the death on 28 October 2012 of the Honourable Gordon Neil Bilney, a former Minister and Member of this House for the Division of Kingston from 1983 to 1996, place on record its appreciation of his long and meritorious public service, and tender its profound sympathy to his family in their bereavement.

Mr McCORMACK (Riverina) (10:01): Gordon Neil Bilney, who died on Sunday aged 73, was a straightshooter and someone with whom you knew where you stood. So said Noel Hicks from Griffith this morning when I telephoned him to talk about the Australian Labor Party's late member for Kingston, to whom we appropriately pay tribute again today. Mr Hicks was the National Country's and the National Party's member for Riverina from 1980 to 1998, spanning the time that Mr Bilney was in the federal parliament. 'I got on well with him,' Mr Hicks recalled. 'Even though we were on opposite sides of politics, I had the greatest respect for him. He was down to earth and he represented the people he served very well. His diplomatic experience was an asset when he came to parliament.'

Gordon Bilney was born in Renmark, South Australia, on 21 June 1939. His first career was as a dentist before becoming a diplomat. He served as the deputy permanent representative of Australia to the Organisation for Economic Co-operation and Development from 1975 to 1978 and as the Australian High Commissioner to the West Indies from 1980 to 1982. Elected to federal parliament for the South Australian seat of Kingston at the 1983 election, the sixth person to serve that electorate, which was formed in 1949, Mr Bilney won all subsequent elections until defeated by the Liberal candidate Susan Jeanes at the 1996 election.

While in parliament, Mr Bilney served as the Minister for Defence Science and Personnel from 1990 to 1993. During his time as minister he lifted the ban on homosexuals in the ranks of the Defence Force. From 1993 to 1996 he served as the Minister for Development Cooperation and Pacific Island Affairs—the first time a minister had been specifically dedicated to this position. Mr Hicks served with Mr Bilney, who chaired the Joint Standing Committee on Foreign Affairs, Defence and Trade during the 1980s and recalled his colleague as 'always being on

top of the subject and one who contributed very well'. Mr Hicks asked me to extend his sincere condolences to Gordon's wife, Sandra, children, Carolyn, Sarah and Nicholas, and grandchildren, Madeleine, Charlotte, Beatrice, Adele and Emma. May he rest in peace.

Mr CHAMPION (Wakefield) (10:03): It is a great honour to speak on the condolence motion for Gordon Bilney. When we talk about those who have passed, we obviously cast our own minds back to our memories and it reminds me of when I first joined the party in the years of the Keating government. When I first started in the party it was the apex of Gordon Bilney's career. He was minister for the Pacific Islands at the time and part of that great group of Centre Left thinkers in the Labor Party—people like Mick Young, Bill Hayden, Chris Schacht and others, who really were a force to be reckoned with in the Hawke and Keating years.

They were not just a political force but an intellectual force. Certainly that group of men and women were to be admired. Rosemary Crowley was also part of that group. The group originated in South Australia and there was a distinctive style about them all. Gordon was an even more colourful part of that colourful tradition.

When we look at his career, he went from dentist to diplomat and was a marginal seat candidate, politician, character, mate of Mick Young's, forthright, intelligent, robust and ebullient—a dedicated character who was not afraid to put his case and make an articulate presentation. But, as we have heard from the member for Riverina, he was respected by his opponents. It was still that rare time in politics where you could have great battles but great friendships as well. I know from my own time on the Foreign Affairs, Defence and Trade Committee how important the Pacific is. I remember Gordon as the first minister to make a real impact in the area, raising Australia's influence in and care for that area and putting our involvement in that area front and centre in government affairs. As we just heard, he made a distinctive contribution as Minister for Defence Science and Personnel in removing discrimination. At that time discrimination, both civil and otherwise, was rife in the community towards gay and lesbian people. Gordon was one of those people who applied intellect and he applied the great Labor tradition of fairness and applied that in practice—he had the courage to apply that in legislation.

I had a limited amount to do with Gordon—I was at the opposite end of the great city of Adelaide, in the northern suburbs, trying to re-elect men like Neal Blewett and others, including Martyn Evans—but many of my friends worked on Gordon's campaigns and we heard rather interesting and sometimes wild stories about campaigning down there. It was a very marginal seat in those days and I am glad to say the current member for Kingston has made it safe, in Gordon's memory.

Gordon was rare because he did not just have to fight off Liberals—he had to fight off Janine Haines from the Democrats, who was a formidable candidate in South Australia at that time. It should not be forgotten that some years later the Democrats got about 23 per cent state-wide in South Australia, so they were a powerful middle force and drew from the traditional base of both parties—they drew from the small business base of the Liberals and from Labor's base as well. To fight off that challenge took a great deal of energy, colour, wit and intelligence.

I remember visiting Gordon's office and there was a wall full of black-and-white bromides, back in the days when you had to have black-and-white photos—or bromides—for your pamphlets. Gordon was in each one of them at a community event or at a school. Such is the life of a marginal seat MP. I vividly remember one of Gordon on his hands and knees planting a small tree with some kids at a local school or a local park. While we might focus on his life as a minister, as a raconteur and as a diplomat, we should not forget that he did not mind getting his hands dirty.

Gordon was very much a colourful voice of the south. He was a great campaigner and I think my generation learnt a great deal off him, particularly my friend John Bistrovic, who was mentioned in Senator Farrell's speech—a speech that I think captured some of the colour of Gordon's political career.

I know he learnt off Gordon a great deal of what he knows about campaigning. Some of those stories of the 1996 campaign when Gordon was defeated—not on the basis of his own candidacy but perhaps he was swept away in the tide against Labor after 13 years of government—I suspect should remain unsaid.

I never realised that Gordon was a dentist. I guess he went, in the life of a marginal seat-holder, from pulling other people's teeth to pulling his own. He really was representative of a time in Australia where people had very varied careers before they entered this place, and they brought all of that with them—and they brought all of the colour with them, at a time when we were not afraid to have people who were representing us in the very highest levels of civil society—people like diplomats and dentists—in our parliament. I do not think the political parties are rejecting these people; I think that, more and more, people see the conflict in politics and the demands it makes on your life—and in particular on your family's life—and are rejecting it as a career. I think that is a sad thing because the more Gordon Bilneys we have, the more colour this building has and the more life it has in it.

Gordon's career is a testament to the Labor movement, to all of its colour and to the dynamic and robust and occasionally cantankerous nature of the Labor movement. He will be sorely missed, I know. It is with great sadness that we mourn his passing. My condolences go to his family, and to his partner Sandy. Vale.

Mr GEORGANAS (Hindmarsh—Second Deputy Speaker) (10:12): It is with great sadness that I rise to speak about Gordon Bilney in this condolence motion—sadness that he has passed away and we will never again be able to enjoy those colourful conversations with him; those discussions about politics or about the latest book he has read or about a good drop of red wine and the region it came from. It is also a time to reflect on his life and the many contributions he made to public life and to his friends—some of which my colleague the member for Wakefield has mentioned.

As we heard, Gordon was married to Sandy Colhoun and he had two daughters, Caroline and Sarah, and a son, Nicholas. They will no doubt miss him far more than most, being his closest family. As we heard yesterday from the Prime Minister and others, Gordon was born in Renmark and he was the son of school teachers, so he had education running through his veins. I suppose that is where he got his politics from as well—that sense of fairness and opportunity for all from his school-teacher parents. He was educated at Norwood High School and Prince Alfred College, and then entered Adelaide University to do dentistry, following which he became a practising dentist. He started his career as a dentist but then went back to school. He had a keen interest in foreign affairs. Right up to the last years of his life he was keen on discussing foreign affairs and knowing what was happening in the world and various regions. He went back to university to study this area and then went into the department that he wanted to work in, the Department of Foreign Affairs.

As the member for Wakefield said, Gordon was a very colourful character. We had many characters in the Labor Party. He came from that era of the Mick Youngs and the Chris Schachts and the Bill Haydens, and the Bob Hawke era. He was one of many of those colourful characters that came from a particular part of the ALP—the Centre-Left, which was very prominent both in state parliament in South Australia and state politics in the Labor Party, and up here in the House of Representatives and the Senate.

Gordon became an adviser to Gough Whitlam. Gough hand-picked him to be an adviser on foreign affairs because of his key knowledge and expertise in this area. He later served as Deputy Permanent Representative of Australia to the OECD from 1975 to 1978 and as the Australian High Commissioner to the West Indies from 1980 to 1982. While he was serving in Kingston, Jamaica, as a diplomat in 1981, he was asked to stand for the federal seat of Kingston. After some thought, he did decide to become the Labor Party candidate for that seat. In 1983 he defeated the incumbent Liberal MP, Grant Chapman, who went on to become a senator. Gordon was re-elected to the same seat in 1984, 1987, 1990 and 1993. He was defeated by a very thin margin in the 1996 landslide. It had nothing to do with his performance as a member of parliament; it was just the big swing away from the then Labor government to the Liberals.

There is a very interesting story which made the front page of our local paper in South Australia, the *Advertiser*, at that time. Gordon was invited to go to the opening of a community centre or something by a particular community group in his electorate. Gordon had worked tirelessly over many years to secure funding for the group and they eventually managed to build this community centre or whatever it was—only for Gordon to find the head of this particular group writing an endorsement for his opponent in the 1996 election. The invitation to the opening had come in before that election, although the event was not until after the election. Despite having lost the seat, Gordon still turned up and they thanked him. He got on the podium and said thank you to everyone, but then—and we heard this yesterday—he said that one of the great things about no longer being an MP was:

> … I need no longer be polite to the nincompoops, bigots, curmudgeons and twerps who infest local government bodies and committees such as yours.

And he pointed out the head of the group. That was the character of the man. That was what we saw in Gordon.

In 1998 I ran for the seat of Hindmarsh for the very first time. It was supposed to be an unwinnable seat for Labor, requiring an 8.1 per cent swing. I ended up being in front by about 600 votes on polling night, although the count went on for a few days afterwards. On one of those few days, I went out to dinner with my former boss, Senator Bolkus, and we bumped into Gordon in one of the restaurants at the top end of Rundle Street. He was so excited that we had nearly won Hindmarsh and were still in with a chance. He came up to me and told me what a great job I had done as a candidate, gave me some advice and spoke about a whole range of other things. I told him that we had a particular person—mentioned earlier—who had worked on his campaign working on my team. He said, 'That makes a lot of sense; that is why you did so well.'

He was always keen to talk about politics. He was always keen to know what was going on here in the House. I saw him from time to time. Occasionally I attended lunch with a group of prominent ex-politicians, known as the Hagar group, at the T Chow restaurant in Adelaide. Gordon was a regular at the Hagar lunches. He was always

keen to hear about what was happening and what was going on and he was right up to date with everything. Last time I attended, they had asked me to be there as a guest speaker to talk a bit about what was taking place up here. Gordon was right up to date with all the policies, all the legislation and, in fact, the in-house machinations of our political party.

Gordon was a prolific reader. He loved reading. The books he referred me to were always great reads. I always knew that, if Gordon referred me to a book, it was a ripper of a read. I will never forget one book he referred me to. I saw him at the ALP Christmas show a few years back and he said to me, 'I have to talk to you.' I went up to him and he said, 'I have this great book that I have just finished reading; you must read it.' I put it in the back of my head and forgot about it. A few weeks later, I saw him again and he asked, 'Have you read the book?' I apologised and said, 'No, I haven't.'

At that point I wrote it down. It was a book by Jeffrey Eugenides called *Middlesex*. He was right. He gave me a book which he knew I would absolutely love. This book is about the history of the Greeks, a novel about a family which left Asia Minor at the turn of the last century for the United States after they had been ousted from Asia Minor. This goes to show the type of person Gordon was. He connected me and my background to this book. You can just imagine him reading this book thinking, 'This is a great book for Georganas; he'll love it.' It was a great book and I had great pleasure in talking with him many times about this wonderful book, which won the Booker prize back then.

We are all going to sorely miss Gordon, especially at the Hagar lunches, at which I would be present once or twice a year, together with many other people from South Australian such as Colin McKey; Chris Schacht; Ralph Clerk; John Hill; Rosemary Crowley, who was a regular attender; Terry Groom; and my good friend Kevin Vaughn, whose electorate office was right next door. He speaks about signs appearing in the 1993 campaign. They were unauthorised signs about the GST, and he tells me they had no idea who was putting them up, but we have suspicions about where they came from. He told me that story this morning.

Gordon was a wonderful, colourful character, a friend of many in South Australia, a friend of many Labor Party members and a friend of many South Australians, especially in the southern suburbs, whom he represented with pride for many years. He was a great member of parliament, as we have heard, and not just on the ministerial side. To win so many times in a wafer-thin marginal seat shows the calibre of the man and how he connected with the people in the south. Our condolences go to Sandy, to his two daughters and son, and to his family. Gordon will be sorely missed by everyone in South Australia who had anything to do with him and his colourful discussions, debates and intellect.

The DEPUTY SPEAKER (Hon. BC Scott): I understand it is the wish of honourable members to signify their respect and sympathy by rising in their places.

Question agreed to, honourable members standing in their places.

The DEPUTY SPEAKER: I thank honourable members.

Ms HALL (Shortland—Government Whip) (10:22): I move:

That further proceedings be conducted in the House.

Question agreed to.

Federation Chamber adjourned at 10:23