



COMMONWEALTH OF AUSTRALIA

House of Representatives

Hansard

WEDNESDAY, 10 FEBRUARY 2016

CORRECTIONS

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Wednesday, 17 February 2016

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BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2016

Month	Date
February	2, 3, 4, 8, 9, 10, 11, 22 23, 24, 25, 29
March	1, 2, 3, 15, 16, 17
May	10, 11, 12, 23, 24, 25, 26, 30, 31
June	1, 2, 20, 21, 22, 23, 27, 28, 29,30
August	23, 24, 25, 29, 30, 31
September	1, 19, 20, 21, 22
October	10, 11, 12, 13, 17, 18, 19, 20
November	7, 8, 9, 10, 21, 22, 23, 24, 28, 29, 30
December	1

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**FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD**

Governor-General

His Excellency General the Hon. Sir Peter Cosgrove AK, MC (Retd)

House of Representatives Office Holders

Speaker—Hon. Anthony David Hawthorn Smith

Deputy Speaker—Hon. Bruce Craig Scott MP

Second Deputy Speaker—Mr Robert George Mitchell MP

Members of the Speaker's Panel—Mr Russell Evan Broadbent MP,

Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,

Hon. John Kenneth Cobb MP, Mr Patrick Martin Conroy MP,

Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,

Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP,

Mr Craig Kelly MP, Ms Michelle Leanne Landry MP, Ms Clare Ellen O'Neil MP,

Mrs Jane Prentice MP, Ms Melissa Lee Price MP,

Dr Andrew John Southcott MP, Mr Michael Sukkar MP,

Mr Ross Xavier Vasta MP and Mrs Lucy Elizabeth Wicks MP

Leader of the House—Hon. Christopher Pyne MP

Deputy Leader of the House—Hon. Luke Hartsuyker MP

Manager of Opposition Business—Hon. Anthony Stephen Burke MP

Deputy Manager of Opposition Business—Hon. Mark Dreyfus QC MP

Party Leaders and Whips

Liberal Party of Australia

Leader—Hon. Malcolm Bligh Turnbull MP

Deputy Leader—Hon. Julie Isabel Bishop MP

Chief Government Whip—Ms Nola Bethwyn Marino MP

Government Whips—Mr Ewen Thomas Jones MP and Mr Brett David Whiteley MP

The Nationals

Leader—Hon. Warren Errol Truss MP

Deputy Leader—Hon. Barnaby Thomas Gerard Joyce MP

Chief Whip—Mr Mark Maclean Coulton MP

Deputy Whip—Mr George Robert Christensen MP

Australian Labor Party

Leader—Hon. William Richard Shorten MP

Deputy Leader—Hon. Tanya Joan Plibersek MP

Chief Opposition Whip—Mr Christopher Patrick Hayes MP

Opposition Whips—Ms Jill Griffiths Hall MP and Ms Joanne Catherine Ryan MP

Printed by authority of the House of Representatives

Members of the House of Representatives

Members	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Albanese, Hon. Anthony Norman	Grayndler, NSW	ALP
Alexander, Mr John Gilbert, OAM	Bennelong, NSW	LP
Andrews, Mrs Karen Lesley	McPherson, QLD	LP
Andrews, Hon. Kevin James	Menzies, VIC	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Bandt, Mr Adam Paul	Melbourne, VIC	AG
Billson, Hon. Bruce Fredrick	Dunkley, VIC	LP
Bird, Hon. Sharon Leah	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Hon. Chris Eyles	McMahon, NSW	ALP
Briggs, Hon. Jamie Edward	Mayo, SA	LP
Broad, Mr Andrew John	Mallee, VIC	NATS
Broadbent, Mr Russell Evan	McMillan, VIC	LP
Brodthmann, Ms Gai Marie	Canberra, ACT	ALP
Brough, Hon. Malcolm Thomas	Fisher, QLD	LP
Buchholz, Mr Scott	Wright, QLD	LP
Burke, Ms Anna Elizabeth	Chisholm, VIC	ALP
Burke, Hon. Anthony Stephen	Watson, NSW	ALP
Butler, Hon. Mark Christopher	Port Adelaide, SA	ALP
Butler, Ms Terri Megan	Griffith, QLD	ALP
Byrne, Hon. Anthony Michael	Holt, VIC	ALP
Chalmers, Dr James Edward	Rankin, QLD	ALP
Champion, Mr Nicholas David	Wakefield, SA	ALP
Chester, Hon. Darren	Gippsland, VIC	NATS
Chesters, Ms Lisa Marie	Bendigo, VIC	ALP
Christensen, Mr George Robert	Dawson, QLD	NATS
Ciobo, Hon. Steven Michele	Moncrieff, QLD	LP
Clare, Hon. Jason Dean	Blaxland, NSW	ALP
Claydon, Ms Sharon Catherine	Newcastle, NSW	ALP
Cobb, Hon. John Kenneth	Calare, NSW	NATS
Coleman, Mr David Bernard	Banks, NSW	LP
Collins, Hon. Julie Maree	Franklin, TAS	ALP
Conroy, Mr Patrick Martin	Charlton, NSW	ALP
Coulton, Mr Mark Maclean	Parkes, NSW	NATS
Danby, Hon. Michael	Melbourne Ports, VIC	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
Entsch, Hon. Warren George	Leichhardt, QLD	LP
Feeney, Hon. David	Batman, VIC	ALP
Ferguson, Mr Laurie Donald Thomas	Werriwa, NSW	ALP
Fitzgibbon, Hon. Joel Andrew	Hunter, NSW	ALP
Fletcher, Hon. Paul William	Bradfield, NSW	LP
Frydenberg, Hon. Joshua Anthony	Kooyong, VIC	LP
Gambaro, Hon. Teresa	Brisbane, QLD	LP

Members of the House of Representatives

Members	Division	Party
Giles, Mr Andrew James	Scullin, VIC	ALP
Gillespie, Dr David Arthur	Lyne, NSW	NATS
Goodenough, Mr Ian Reginald	Moore, WA	LP
Gray, Hon. Gary, AO	Brand, WA	ALP
Griffin, Hon. Alan Peter	Bruce, VIC	ALP
Griggs, Mrs Natasha Louise	Solomon, NT	CLP
Hall, Ms Jill Griffiths	Shortland, NSW	ALP
Hartsuyker, Hon. Luke	Cowper, NSW	NATS
Hastie, Mr Andrew	Canning, WA	LP
Hawke, Mr Alexander George	Mitchell, NSW	LP
Hayes, Mr Christopher Patrick	Fowler, NSW	ALP
Henderson, Ms Sarah Moya	Corangamite, VIC	LP
Hendy, Dr Peter William	Eden-Monaro, NSW	LP
Hogan, Mr Kevin John	Page, NSW	NATS
Howarth, Mr Luke Ronald	Petrie, QLD	LP
Hunt, Hon. Gregory Andrew	Flinders, VIC	LP
Husic, Hon. Edham Nurredin	Chifley, NSW	ALP
Hutchinson, Mr Eric Russell	Lyons, TAS	LP
Irons, Mr Stephen James	Swan, WA	LP
Jensen, Dr Dennis Geoffrey	Tangney, WA	LP
Jones, Mr Ewen Thomas	Herbert, QLD	LP
Jones, Mr Stephen Patrick	Throsby, NSW	ALP
Joyce, Hon. Barnaby Thomas Gerard	New England, NSW	NATS
Katter, Hon. Robert Carl	Kennedy, QLD	AUS
Keenan, Hon. Michael	Stirling, WA	LP
Kelly, Mr Craig	Hughes, NSW	LP
King, Hon. Catherine Fiona	Ballarat, VIC	ALP
Laming, Mr Andrew	Bowman, QLD	LP
Landry, Ms Michelle Leanne	Capricornia, QLD	NATS
Laundy, Mr Craig	Reid, NSW	LP
Leigh, Hon. Dr Andrew Keith	Fraser, ACT	ALP
Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Macfarlane, Hon. Ian Elgin	Groom, QLD	LP
Macklin, Hon. Jennifer Louise	Jagajaga, VIC	ALP
MacTiernan, Hon. Alannah Joan Geraldine Cecilia	Perth, WA	ALP
Marino, Ms Nola Bethwyn	Forrest, WA	LP
Markus, Mrs Louise Elizabeth	Macquarie, NSW	LP
Marles, Hon. Richard Donald	Corio, VIC	ALP
Matheson, Mr Russell Glenn	Macarthur, NSW	LP
McCormack, Hon. Michael Francis	Riverina, NSW	NATS
McGowan, Ms Catherine, AO	Indi, VIC	IND
McNamara, Mrs Karen Jane	Dobell, NSW	LP
Mitchell, Mr Robert George	McEwen, VIC	ALP
Morrison, Hon. Scott John	Cook, NSW	LP
Neumann, Hon. Shayne Kenneth	Blair, QLD	ALP
Nikolic, Mr Andrew Alexander, AM, CSC	Bass, TAS	LP
O'Connor, Hon. Brendan Patrick John	Gorton, VIC	ALP
O'Dowd, Mr Kenneth Desmond	Flynn, QLD	NATS

Members of the House of Representatives

Members	Division	Party
O'Dwyer, Hon. Ms Kelly Megan	Higgins, VIC	LP
O'Neil, Ms Clare Ellen	Hotham, VIC	ALP
Owens, Ms Julie	Parramatta, NSW	ALP
Palmer, Mr Clive Frederick	Fairfax QLD	PUP
Parke, Hon. Melissa	Fremantle, WA	ALP
Pasin, Mr Antony	Barker, SA	LP
Perrett, Mr Graham Douglas	Moreton, QLD	ALP
Pitt, Mr Keith John	Hinkler, QLD	NATS
Plibersek, Hon. Tanya Joan	Sydney, NSW	ALP
Porter, Hon. Charles Christian	Pearce, WA	LP
Prentice, Mrs Jane	Ryan, QLD	LP
Price, Ms Melissa Lee	Durack, WA	LP
Pyne, Hon. Christopher Maurice	Sturt, SA	LP
Ramsey, Mr Rowan Eric	Grey, SA	LP
Ripoll, Hon. Bernard Fernando	Oxley, QLD	ALP
Rishworth, Hon. Amanda Louise	Kingston, SA	ALP
Robb, Hon. Andrew John, AO	Goldstein, VIC	LP
Robert, Hon. Stuart Rowland	Fadden, QLD	LP
Rowland, Ms Michelle Anne	Greenway, NSW	ALP
Roy, Mr Wyatt	Longman, QLD	LP
Ruddock, Hon. Philip Maxwell	Berowra, NSW	LP
Ryan, Ms Joanne Catherine	Lalor, VIC	ALP
Scott, Hon. Bruce Craig	Maranoa, QLD	NATS
Scott, Ms Fiona Meryl	Lindsay, NSW	LP
Shorten, Hon. William Richard	Maribyrnong, VIC	ALP
Simpkins, Mr Luke Xavier Linton	Cowan, WA	LP
Smith, Hon. Anthony David Hawthorn	Casey, VIC	LP
Snowdon, Hon. Warren Edward	Lingiari, NT	ALP
Southcott, Dr Andrew John	Boothby, SA	LP
Stone, Hon. Dr Sharman Nancy	Murray, VIC	LP
Sudmalis, Ms Ann Elizabeth	Gilmore, NSW	LP
Sukkar, Mr Michael	Deakin, VIC	LP
Swan, Hon. Wayne Maxwell	Lilley, QLD	ALP
Taylor, Mr Angus James	Hume, NSW	LP
Tehan, Mr Daniel Thomas (Dan)	Wannon, VIC	LP
Thistlethwaite, Hon. Mr Matthew James	Kingsford Smith, NSW	ALP
Thomson, Hon. Kelvin John	Wills, VIC	ALP
Truss, Hon. Warren Errol	Wide Bay, QLD	NATS
Tudge, Hon. Alan Edward	Aston, VIC	LP
Turnbull, Hon. Malcolm Bligh	Wentworth, NSW	LP
Vamvakinou, Ms Maria	Calwell, VIC	ALP
van Manen, Mr Albertus Johannes	Forde, QLD	LP
Varvaris, Mr Nickolas	Barton, NSW	LP
Vasta, Mr Ross Xavier	Bonner, QLD	LP
Watts, Mr Timothy Graham	Gellibrand, VIC	ALP
Whiteley, Mr Brett David	Braddon, TAS	LP
Wicks, Mrs Lucy Elizabeth	Robertson, NSW	LP
Wilkie, Mr Andrew Damien	Denison, TAS	IND

Members of the House of Representatives

Members	Division	Party
Williams, Mr Matthew	Hindmarsh, SA	LP
Wilson, Mr Richard James	O'Connor, WA	LP
Wood, Mr Jason Peter	La Trobe, VIC	LP
Wyatt, Mr Kenneth George, AM	Hasluck, WA	LP
Zappia, Mr Antonio	Makin, SA	ALP
Zimmerman, Mr Trent	North Sydney, NSW	LP

PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; NATS—The Nationals;
 IND—Independent; NATSWA—The Nationals WA; CLP—Country Liberal Party;
 AUS—Katter's Australia Party; AG—Australian Greens; PUP—Palmer United Party

Heads of Parliamentary Departments

Clerk of the Senate—R Laing
 Clerk of the House of Representatives—D Elder
 Secretary, Department of Parliamentary Services—R Stefanic
 Parliamentary Budget Officer—P Bowen

TURNBULL MINISTRY

Title	Minister
Prime Minister	Hon. Malcolm Turnbull MP
Minister for Indigenous Affairs	Senator Hon. Nigel Scullion
Minister for Women	Senator Hon. Michaelia Cash
Cabinet Secretary	Senator Hon. Arthur Sinodinos AO
<i>Minister Assisting the Prime Minister for the Public Service</i>	<i>Senator Hon. Michaelia Cash</i>
<i>Minister Assisting the Prime Minister for Digital Government</i>	<i>Senator Hon. Mitch Fifield</i>
<i>Minister Assisting the Prime Minister for Counter Terrorism</i>	<i>Hon. Michael Keenan MP</i>
<i>Assistant Minister to the Prime Minister</i>	<i>Hon. Alan Tudge MP</i>
<i>Assistant Minister to the Prime Minister</i>	<i>Senator Hon. James McGrath</i>
<i>Assistant Minister for Productivity</i>	<i>Hon. Dr Peter Hendy MP</i>
<i>Assistant Cabinet Secretary</i>	<i>Senator Hon. Scott Ryan</i>
Minister for Infrastructure and Regional Development (Deputy Prime Minister)	Hon. Warren Truss MP
Minister for Territories, Local Government and Major Projects	Hon. Paul Fletcher MP
<i>Assistant Minister to the Deputy Prime Minister</i>	<i>Hon. Michael McCormack MP</i>
Minister for Foreign Affairs	Hon. Julie Bishop MP
Minister for Trade and Investment	Hon. Andrew Robb AO MP
Minister for International Development and the Pacific	Hon. Steven Ciobo MP
Minister for Tourism and International Education	Senator Hon. Richard Colbeck
<i>Minister Assisting the Minister for Trade and Investment</i>	<i>Senator Hon. Richard Colbeck</i>
Attorney-General (Vice-President of the Executive Council) (Leader of the Government in the Senate)	Senator Hon. George Brandis QC
Minister for Justice	Hon. Michael Keenan MP
<i>Assistant Minister for Multicultural Affairs</i>	<i>Senator Hon. Concetta Fierravanti-Wells</i>
Treasurer	Hon. Scott Morrison MP
Minister for Small Business	Hon. Kelly O'Dwyer MP
Assistant Treasurer	Hon. Kelly O'Dwyer MP
<i>Assistant Minister to the Treasurer</i>	<i>Hon. Alex Hawke MP</i>
Minister for Finance (Deputy Leader of Government in the Senate)	Senator Hon. Mathias Cormann
Acting Special Minister of State	Senator Hon. Mathias Cormann
Minister for Agriculture and Water Resources	Hon. Barnaby Joyce MP
<i>Assistant Minister for Agriculture and Water Resources</i>	<i>Senator Hon. Anne Ruston</i>
Minister for Industry, Innovation and Science (Leader of the House)	Hon. Christopher Pyne MP
Minister for Resources, Energy and Northern Australia	Hon. Josh Frydenberg MP
<i>Assistant Minister for Science</i>	<i>Hon. Karen Andrews MP</i>
<i>Assistant Minister for Innovation</i>	<i>Hon. Wyatt Roy MP</i>

Title	Minister
Minister for Immigration and Border Protection	Hon. Peter Dutton MP
<i>Assistant Minister for Multicultural Affairs</i>	<i>Senator Hon. Concetta Fierravanti-Wells</i>
Minister for the Environment	Hon. Greg Hunt MP
Acting Minister for Cities and the Built Environment	Hon. Greg Hunt MP
Minister for Health	Hon. Sussan Ley MP
Minister for Aged Care	Hon. Sussan Ley MP
Minister for Sport	Hon. Sussan Ley MP
Minister for Rural Health	Senator Hon. Fiona Nash
<i>Assistant Minister for Health</i>	<i>Hon. Ken Wyatt MP</i>
Minister for Defence	Senator Hon. Marise Payne
Minister for Veterans' Affairs	Hon. Stuart Robert MP
<i>Minister Assisting the Prime Minister for the Centenary of ANZAC</i>	<i>Hon. Stuart Robert MP</i>
Acting Minister for Defence Materiel and Science	Senator Hon. Marise Payne
<i>Assistant Minister for Defence</i>	<i>Hon. Darren Chester MP</i>
Minister for Communications	Senator Hon. Mitch Fifield
Minister for the Arts	Senator Hon. Mitch Fifield
(Manager of Government Business in the Senate)	
Minister for Employment	Senator Hon. Michaelia Cash
Minister for Social Services	Hon. Christian Porter MP
Minister for Human Services	Hon. Stuart Robert MP
<i>Assistant Minister for Multicultural Affairs</i>	<i>Senator Hon. Concetta Fierravanti-Wells</i>
<i>Assistant Minister for Social Services</i>	<i>Hon. Alan Tudge MP</i>
Minister for Education and Training	Senator Hon. Simon Birmingham
Minister for Vocational Education and Skills	Hon. Luke Hartsuyker MP
(Deputy Leader of the House)	
Minister for Tourism and International Education	Senator Hon. Richard Colbeck

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 Human Services in the Social Services portfolio and 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. Assistant Ministers in italics are designated as Parliamentary Secretaries under the Ministers of State Act 1952.

SHADOW MINISTRY

Title	Shadow Minister
Leader of the Opposition	Hon. Bill Shorten MP
Shadow Minister Assisting the Leader for Science	Senator the Hon. Kim Carr
Shadow Minister Assisting the Leader on State and Territory Relations	Senator Katy Gallagher*
Shadow Minister for Women	Senator Claire Moore
Manager of Opposition Business (Senate)	
<i>Shadow Cabinet Secretary</i>	<i>Senator the Hon. Jacinta Collins</i>
<i>Shadow Parliamentary Secretary to the Leader of the Opposition</i>	
<i>Shadow Parliamentary Secretary to the Leader of the Opposition</i>	<i>Hon. Michael Danby MP</i>
<i>Shadow Parliamentary Secretary to the Leader of the Opposition</i>	<i>Hon. Ed Husic MP</i>
<i>Shadow Parliamentary Secretary Assisting with Digital Innovation and Startups</i>	
<i>Shadow Parliamentary Secretary to the Leader of the Opposition</i>	<i>Senator Sam Dastyari</i>
<i>Deputy Manager of Opposition Business (Senate)</i>	
<i>Shadow Parliamentary Secretary to the Leader of the Opposition</i>	<i>Terri Butler MP</i>
Deputy Leader of the Opposition	Hon. Tanya Plibersek MP
Shadow Minister for Foreign Affairs and International Development	
<i>Shadow Parliamentary Secretary for Foreign Affairs</i>	<i>Hon. Matt Thistlethwaite MP</i>
Leader of the Opposition in the Senate	Senator the Hon. Penny Wong
Shadow Minister for Trade and Investment	
Shadow Assistant Minister for Trade and Investment	Dr Jim Chalmers MP
Deputy Leader of the Opposition in the Senate	Senator the Hon. Stephen Conroy
Shadow Minister for Defence	
Shadow Assistant Minister for Defence	Hon. David Feeney MP
Shadow Minister for Veterans' Affairs	Hon. David Feeney MP
Shadow Minister for the Centenary of ANZAC	Hon. David Feeney MP
<i>Shadow Parliamentary Secretary for Defence</i>	<i>Gai Brodtmann MP</i>
Shadow Minister for Infrastructure and Transport	Hon. Anthony Albanese MP
Shadow Minister for Cities	
Shadow Minister for Tourism	
Shadow Minister for Northern Australia	Hon. Gary Gray AO MP
Shadow Minister for Regional Development and Local Government	Hon. Julie Collins MP
<i>Shadow Parliamentary Secretary for Regional Development and Infrastructure</i>	<i>Hon. Alannah MacTiernan MP</i>
<i>Shadow Parliamentary Secretary for Western Australia</i>	
<i>Shadow Parliamentary Secretary for Northern Australia</i>	<i>Hon. Warren Snowdon MP</i>
<i>Shadow Parliamentary Secretary for External Territories</i>	<i>Hon. Warren Snowdon MP</i>
Shadow Treasurer	Hon. Chris Bowen MP
Shadow Minister for Small Business	Michelle Rowland MP
Shadow Assistant Treasurer	Hon. Dr Andrew Leigh MP
Shadow Minister for Competition	
Shadow Minister for Financial Services and Superannuation	Dr Jim Chalmers MP
Shadow Assistant Minister for Productivity	
<i>Shadow Parliamentary Secretary to the Shadow Treasurer</i>	<i>Hon. Ed Husic MP</i>
<i>Shadow Parliamentary Secretary for Small Business</i>	<i>Julie Owens MP</i>

Title	Shadow Minister
Shadow Minister for Finance	Hon. Tony Burke MP
Manager of Opposition Business (House)	
Shadow Special Minister of State	Hon. Gary Gray MP
Shadow Minister for Environment, Climate Change and Water	Hon. Mark Butler MP
<i>Shadow Parliamentary Secretary for the Environment, Climate Change and Water</i>	<i>Senator the Hon. Lisa Singh</i>
Shadow Minister for Higher Education, Research, Innovation and Industry	Senator the Hon. Kim Carr
Shadow Minister for Vocational Education	Hon. Sharon Bird MP
Shadow Assistant Minister for Higher Education	Hon. Amanda Rishworth MP
<i>Shadow Parliamentary Secretary for Manufacturing</i>	<i>Nick Champion MP</i>
Shadow Minister for Communications	Hon. Jason Clare MP
Shadow Attorney-General	Hon. Mark Dreyfus QC MP
Shadow Minister for the Arts	
Deputy Manager of Opposition Business (House)	
Shadow Minister for Justice	Hon. David Feeney MP
<i>Shadow Parliamentary Secretary to the Shadow Attorney-General</i>	<i>Graham Perrett MP</i>
<i>Shadow Parliamentary Secretary for the Arts</i>	<i>Hon. Michael Danby MP</i>
Shadow Minister for Education	Hon. Kate Ellis MP
Shadow Minister for Early Childhood	
Shadow Assistant Minister for Education	Hon. Amanda Rishworth MP
<i>Shadow Parliamentary Secretary for Early Childhood Education</i>	<i>Julie Owens MP</i>
<i>Shadow Parliamentary Secretary for School Education and Youth</i>	<i>Senator Sam Dastyari</i>
Shadow Minister for Agriculture, Fisheries and Forestry	Hon. Joel Fitzgibbon MP
Shadow Minister for Rural Affairs	
Shadow Minister for Resources	Hon. Gary Gray AO MP
Shadow Minister for Health	Hon. Catherine King MP
Shadow Minister for Ageing	Hon. Shayne Neumann MP
Shadow Minister for Mental Health	Senator Katy Gallagher
Shadow Minister for Sport	Dr Jim Chalmers MP
Shadow Assistant Minister for Health	Stephen Jones MP
<i>Shadow Parliamentary Secretary for Health</i>	<i>Tony Zappia MP</i>
<i>Shadow Parliamentary Secretary for Aged Care</i>	<i>Senator Helen Polley</i>
Shadow Minister for Families and Payments	Hon. Jenny Macklin MP
Shadow Minister for Disability Reform	
Shadow Minister for Housing and Homelessness	Senator Katy Gallagher*
Shadow Minister for Human Services	Senator the Hon. Doug Cameron
Shadow Minister for Carers	Senator Claire Moore
Shadow Ministers	
<i>Shadow Parliamentary Secretary for Families and Payments</i>	<i>Senator Carol Brown</i>
<i>Shadow Parliamentary Secretary for Child Safety and Prevention of Family Violence</i>	<i>Terri Butler MP</i>
Shadow Minister for Immigration and Border Protection	Hon. Richard Marles MP
Shadow Minister for Citizenship and Multiculturalism	Michelle Rowland MP
<i>Shadow Parliamentary Secretary for Immigration</i>	<i>Hon. Matt Thistlethwaite MP</i>

Title	Shadow Minister
Shadow Minister for Indigenous Affairs	Hon. Shayne Neumann MP
<i>Shadow Parliamentary Secretary for Indigenous Affairs</i>	<i>Hon. Warren Snowdon MP</i>
Shadow Minister for Employment and Workplace Relations	Hon. Brendan O'Connor MP
Shadow Minister for Employment Services	Hon. Julie Collins MP

Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher's appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.

CONTENTS

WEDNESDAY, 10 FEBRUARY 2016

Chamber

MOTIONS—

Minister for Human Services	1
-----------------------------------	---

COMMITTEES—

Selection Committee—

Report	2
--------------	---

BILLS—

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016—

First Reading	6
---------------------	---

Second Reading	6
----------------------	---

Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016—

First Reading	9
---------------------	---

Second Reading	9
----------------------	---

Narcotic Drugs Amendment Bill 2016—

First Reading	10
---------------------	----

Second Reading	10
----------------------	----

Trade Legislation Amendment Bill (No. 1) 2016—

First Reading	13
---------------------	----

Second Reading	13
----------------------	----

Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016—

First Reading	14
---------------------	----

Second Reading	14
----------------------	----

MINISTERIAL STATEMENTS—

Closing the Gap—

Reference to Federation Chamber	20
---------------------------------------	----

COMMITTEES—

Public Works Committee—

Report	20
--------------	----

BILLS—

Insolvency Law Reform Bill 2015—

Second Reading	22
----------------------	----

Third Reading	26
---------------------	----

Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015—

Second Reading	27
----------------------	----

Third Reading	30
---------------------	----

Communications Legislation Amendment (Deregulation and Other Measures) Bill 2015—

Telecommunications (Numbering Charges) Amendment Bill 2015—

Second Reading	31
----------------------	----

Third Reading	32
---------------------	----

Telecommunications (Numbering Charges) Amendment Bill 2015—

Second Reading	32
----------------------	----

Third Reading	32
---------------------	----

Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015—

Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015—

Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015—

Income Tax (Attribution Managed Investment Trusts—Offsets) Bill 2015—

Second Reading	32
----------------------	----

Third Reading	38
---------------------	----

Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015—

Second Reading	39
----------------------	----

Third Reading	39
---------------------	----

Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015—

Second Reading	39
----------------------	----

Third Reading	39
---------------------	----

Income Tax (Attribution Managed Investment Trusts—Offsets) Bill 2015—

CONTENTS—*continued*

Second Reading.....	39
Third Reading.....	39
Corporations Amendment (Crowd-sourced Funding) Bill 2015—	
Second Reading.....	39
STATEMENTS BY MEMBERS—	
Commercial Fishing	47
Solomon Electorate: Anzac Centenary Local Grants Program.....	48
Ballarat Electorate: Sovereign Hill.....	48
Lyne Electorate: Summerfest Music Festival.....	48
HeartKids	48
Singapore Chamber of Commerce	49
CSIRO	49
Canning Electorate: Bushfires.....	49
Overseas Workers.....	50
Victoria: Public Transport	50
Higher Education.....	50
Page Electorate: Awards.....	51
Renewable Energy.....	51
Closing the Gap.....	51
Australian Indigenous Mentoring Experience Program	52
Qantas Australian Tourism Awards	52
Shipbuilding	52
Swan Electorate: Brooke, Ms Cecilia.....	52
Safe Schools Coalition Australia.....	53
Federal Grants Programs.....	53
Commonwealth Grants.....	53
MINISTERIAL ARRANGEMENTS	53
CONDOLENCES—	
Jones, Mr Andrew Thomas.....	53
QUESTIONS WITHOUT NOTICE—	
Medicare.....	54
Indigenous Employment.....	54
Taxation.....	55
Infrastructure	56
DISTINGUISHED VISITORS.....	56
QUESTIONS WITHOUT NOTICE—	
Taxation.....	56
Women in Parliament	57
Taxation.....	58
Minister for Human Services	59
Small Business	59
Minister for Human Services	60
Tourism.....	60
Minister for Human Services	60
Employment	61
Minister for Human Services	61
Private Health Insurance	62
Minister for Human Services	62
National Security.....	63
Minister for Human Services	64
MOTIONS—	
Prime Minister—	
Attempted Censure.....	64
AUDITOR-GENERAL'S REPORTS	70
DOCUMENTS—	
Presentation.....	70
STATEMENTS ON INDULGENCE—	
Coleman, Mr Adam.....	70

CONTENTS—continued

Lucas, Mr Dean	70
MATTERS OF PUBLIC IMPORTANCE—	
Broadband	71
STATEMENTS ON INDULGENCE—	
Member for Calare	81
BILLS—	
Corporations Amendment (Crowd-sourced Funding) Bill 2015—	
Second Reading	81
Third Reading	97
Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015—	
Second Reading	97
Third Reading	100
Criminal Code Amendment (Firearms Trafficking) Bill 2015—	
Second Reading	100
ADJOURNMENT—	
Goods and Services Tax	108
Deakin Electorate: Small Business	109
Nick Xenophon Team	110
Robertson Electorate: Peninsula Growth Statement	111
Holt Electorate: Australia Day Awards	112
Infrastructure	112
NOTICES	113
Federation Chamber	
CONSTITUENCY STATEMENTS—	
Lucas, Mr Dean	115
Hinkler Electorate: Bruce Highway	116
Fowler Electorate: Lunar New Year	116
Northern Territory: Infrastructure	117
Solomon Electorate: Capital Grants Program	117
Bombing of Darwin	117
Carr, Aunty Faye	117
Robinson, Mr John	117
BP Australia	118
Cambodia: Australian Aid	118
Page Electorate: Australia Day Awards	119
Melbourne Ports Electorate: Transport Infrastructure	119
South Australia: Recreational Fishing	120
Richmond Electorate: Australia Day	121
Durack Electorate: Geraldton City Speedway	121
Scullin Electorate: Volunteers	123
Forde Electorate: Logan City	123
Aged Care	124
Longman Electorate: Dale Street Flood Levee	124
Intelligence Committees	125
Northern Suburbs Railway	125
MINISTERIAL STATEMENTS—	
Trans-Pacific Partnership Agreement	126
Questions In Writing	
Department of Education and Training: Departmental Staff Redundancies—(Question No. 1125 - Amended)	134
Department of Defence: Departmental Staff Training—(Question No. 1285)	134
Department of Defence: Ministerial Staff Lost and Stolen Equipment—(Question No. 1620)	134
Department of Defence: Ministerial Staff Training—(Question No. 1632)	134
Department of Education and Training: Costs associated with change of scope—(Question No. 1680)	134
Department of Defence: Taxi Service Expenditure 2014-15—(Question No. 1789)	135
Department of Defence: Global Roaming Ministerial Staff Costs—(Question No. 1912 and 1914)	135
Adult Migrant English Program—(Question No. 2074)	137

Wednesday, 10 February 2016

The SPEAKER (Hon. Tony Smith) took the chair at 09:00, made an acknowledgement of country and read prayers.

MOTIONS

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (09:01): I seek leave to move:

That the House:

(1) notes that during a trip to China in August 2014 the Minister for Human Services provided assistance to Nimrod Resources by:

(a) participating in a signing ceremony which sealed a mining deal between Nimrod Resources and a Chinese state-owned company;

(b) presenting what have been described as a letter of appointment and a medal from the Prime Minister to an official of the Chinese state-owned company; and

(c) meeting with the Chinese Vice-Minister for Land and Resources, accompanied by executives of Nimrod Resources;

(2) notes that:

(a) the minister himself has stated in the House that his visit to China was in a personal capacity;

(b) except where the Prime Minister has given permission to continue an interest in a family business, the Prime Minister's own statement of ministerial standards puts a blanket ban on ministers providing assistance to companies in a personal capacity; and

(c) the minister repeatedly answers each question asked in the House by referring to his earlier statement, even where it bears no relevance to the question being asked; and

(3) calls on the Minister for Human Services to immediately attend the House to:

(a) give a full and comprehensive account of his activities during his trip to China, including a full account of his itinerary, program, meetings and speeches; and

(b) explain to the House and to the people of Australia why he has not yet resigned for breaching the Prime Minister's statement of ministerial standards.

Mr Ewen Jones interjecting—

The SPEAKER: The member for Herbert.

Mr Ewen Jones interjecting—

The SPEAKER: The member for Herbert is warned. Is leave granted to move the motion? Leave is not granted.

Mr DREYFUS: I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Isaacs from moving the following motion forthwith—

That the House:

(1) notes that during a trip to China in August 2014 the Minister for Human Services provided assistance to Nimrod Resources by:

(a) participating in a signing ceremony which sealed a mining deal between Nimrod Resources and a Chinese state-owned company;

(b) presenting what have been described as a letter of appointment and a medal from the Prime Minister to an official of the Chinese state-owned company; and

(c) meeting with the Chinese Vice-Minister for Land and Resources, accompanied by executives of Nimrod Resources;

(2) notes that:

(a) the minister himself has stated in the House that his visit to China was in a personal capacity;

(b) except where the Prime Minister has given permission to continue an interest in a family business, the Prime Minister's own statement of ministerial standards puts a blanket ban on ministers providing assistance to companies in a personal capacity; and

(c) the minister repeatedly answers each question asked in the House by referring to his earlier statement, even where it bears no relevance to the question being asked; and

(3) calls on the Minister for Human Services to immediately attend the House to:

(a) give a full and comprehensive account of his activities during his trip to China, including a full account of his itinerary, program, meetings and speeches; and

(b) explain to the House and to the people of Australia why he has not yet resigned for breaching the Prime Minister's statement of ministerial standards.

The Prime Minister should show some leadership and sack this minister right now—immediately.

Mr ROBB (Goldstein—Minister for Trade and Investment) (09:04): I move:

That the Member no longer be heard.

The SPEAKER: The question is that the member be no longer heard.

The House divided. [09:09]

(The Speaker—Hon. Tony Smith)

[Take in division at 09:09]

Question agreed to.

The SPEAKER: Is the motion seconded?

Mr BURKE (Watson—Manager of Opposition Business) (09:15): Seconded. The Prime Minister is incapable of making a decision. The minister has confessed here on the floor of the parliament to the breach of the code.

Mr ROBB (Goldstein—Minister for Trade and Investment) (09:15): I move:

That the Member be no longer heard.

The SPEAKER: The Minister for Trade and Investment has moved that the member be no longer heard.

The House divided. [09:16]

(The Speaker—Hon. Tony Smith)

[Take in division 375 at 09:16]

Question agreed to.

The SPEAKER: The question now is that the motion by the member for Isaacs be agreed to.

The House divided. [09:10]

(The Speaker—Hon. Tony Smith)

[Take in division 376 at 09:19]

Question negated.

COMMITTEES

Selection Committee

Report

The SPEAKER (09:21): I present report No. 39 of the Selection Committee relating to the consideration of committee and delegation business and private members' business on Monday, 22 February 2016. The report will be printed in the *Hansard* for today and the committee's deliberations 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, 9 February 2016.
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, 22 February 2016, as follows:

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

COMMITTEE AND DELEGATION BUSINESS

Presentation and Statements

1 Joint Selection Committee on Northern Australia:

Scaling Up: Inquiry into Opportunities for Expanding Aquaculture in Northern Australia.

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

Speech time limits—

Mr Entsch—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 *Public Governance, Performance and Accountability Act 2013*, and for related purposes. (*Public Governance, Performance and Accountability Amendment (Procuring Australian Goods and Services) Bill 2016*) (Notice given 9 February 2016.)

Time allotted—10 minutes.

Speech time limits—

Mr Katter—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

2 MR CHAMPION: To move:

That this House acknowledges that penalty rates are relied upon by Australian workers and their families to cover everyday costs of living, no matter if they are full time, part time or casual, including workers such as:

- (1) nurses;
- (2) police, firefighters and ambulance officers;
- (3) retail and hospitality workers;
- (4) manufacturing industry employees;
- (5) services sector employees; and
- (6) tourism and transport industry employees.

(Notice given 9 February 2016.)

Time allotted—30 minutes.

Speech time limits—

Mr Champion—5 minutes.

Other Members—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.

Orders of the day

1 NBN ROLLOUT: Resumption of debate (from 12 October 2015) on the motion of Mrs Wicks—That this House:

(1) places on the record that:

(a) under the previous Government, at the time of the last election just 2 per cent of premises across Australia could access the National Broadband Network (NBN); and

(b) since the election the NBN rollout has ramped up significantly and today around one in ten premises can access the NBN and under the NBN's new Corporate Plan, by June 2018, three in four premises will have access to the NBN;

(2) notes that:

(a) the NBN's 2016-2018 Corporate Plan reveals that a full fibre to the premises (FTTP) NBN could not be completed until 2026 at the earliest and could be as late as 2028—six to eight years later than the current Government's plan; and

(b) the NBN 2016-2018 Corporate Plan reveals that a full FTTP NBN would cost between \$20 and \$30 billion dollars more than the current Government's plan; and

(3) recognises that it is essential to deliver fast broadband to Australians sooner—not force Australians with no or poor broadband to wait more than a decade for the NBN.

Time allotted—30 minutes.

Speech time limits—

All Members—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.

Notices—continued

3 MR GILES: To move:

That this House:

(1) calls on the Government to apologise to Save the Children Australia and its staff, after the Review of recommendation nine from the Moss Review confirmed findings from the Review into recent allegations relating to conditions and circumstances at the Regional Processing Centre in Nauru, that the Government unfairly removed ten Save the Children Australia staff from Nauru;

- (2) acknowledges that there is no evidence to support the claims made against Save the Children Australia staff at Nauru; and
(3) notes the great work done by Save the Children Australia in aid, development and helping vulnerable children.

(Notice given 2 February 2016.)

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

Speech time limits—

Mr Giles—5 minutes.

Other Members—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 Federation Chamber (11 am to 1.30 pm)

PRIVATE MEMBERS' BUSINESS

Notices

1 MR VAN MANEN: To move:

That this House:

(1) notes that:

(a) football (soccer) is:

(i) played by more than 1.18 million people in Australia in some capacity; and

(ii) the most popular sport amongst children of both genders in Australia with more girls now playing soccer than netball;

(b) the Hyundai A-League now has 104,913 members, creating a tremendous community spirit amongst supporters and players;

(c) local football clubs are the backbone of the football community, with 2,155 clubs in Australia at the moment; and

(d) there are positive effects on mental health of adults who play sport, including football;

(2) congratulates the Football Federation Australia on its positive community programs, including Sporting Schools, Football Fever, the AIA Vitality Miniroos, Female Football Week, and Play Project, as well as the Asian Football Confederation Asian Cup multicultural programs which encourage participation, community spirit, integration, as well as healthy, active living.

(Notice given 4 February 2016.)

Time allotted—40 minutes.

Speech time limits—

Mr Van Manen—5 minutes.

Other Members—5 minutes each.

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

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

2 MS HALL: To move:

That this House:

(1) notes that:

(a) February is Ovarian Cancer Awareness Month, which aims to raise awareness about ovarian cancer and help women recognise the signs and symptoms of the disease;

(b) Thursday 24 February is Ovarian Cancer Awareness Day and encourages everyone to wear a teal ribbon to show their support for women living with ovarian cancer; and

(c) about 1,500 Australian women are diagnosed with ovarian cancer each year and only 43 per cent of these will survive;

(2) notes with concern that ovarian cancer is diagnosed late as the symptoms are often similar to other common health problems;

(3) acknowledges:

(a) that there is no early reliable detection test for ovarian cancer and that the Pap smear does not detect the disease;

(b) the good work being done by Ovarian Cancer Australia to raise awareness about the signs and symptoms of the disease;

(4) recognises that the four most common symptoms of ovarian cancer are:

(a) abdominal or pelvic pain;

(b) increased abdominal size or persistent abdominal bloating;

(c) needing to urinate often or urgently; and

(d) difficulty eating or feeling full quickly;

- (5) understands that every Australian woman needs to know the symptoms of ovarian cancer; and
- (6) notes the need for more research funding to help Australian scientists find early detection markers and more effective treatments for this disease.

(Notice given 2 February 2016.)

Time allotted—30 minutes.

Speech time limits—

Ms Hall—5 minutes.

Other Members—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 MS PRICE: To move:

That this House places on record that:

- (1) the Government is committed to improving education in regional, rural and remote Australia;
- (2) this commitment stretches across all levels of education—primary, secondary and tertiary; and
- (3) Members in regional electoral divisions have held higher education forums throughout regional Australia, to identify how to bridge the gap between metropolitan and regional higher education.

(Notice given 9 February 2016.)

Time allotted—40 minutes.

Speech time limits—

Ms Price—5 minutes.

Other Members—5 minutes each.

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

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

4 MS MACTIERNAN: To move:

That this House:

- (1) expresses deep condolences for the suffering and loss of life, homes and businesses in the recent Yarloop fires, and expresses our gratitude to career and volunteer firefighters who worked courageously to contain the fires;
- (2) notes the quality capabilities and assets of the Australian Defence Force (ADF) in Western Australia and the availability of those to provide Defence Aid to the Civilian Community (DACC) at the request of state and territory governments in the event of emergency situations;
- (3) acknowledges that the Australian Government and the ADF have established protocols under COMDISPLAN as to how DACC can be utilised in emergency situations;
- (4) calls on the Minister for Justice to engage the Western Australian Government to ensure it is aware of the capabilities and assets of the ADF in Western Australia to assist with serious bushfire events, as these were not utilised in either the recent Yarloop/Harvey fires, nor the Esperance fires in late 2015; and
- (5) notes that:
 - (a) climate change has resulted in an increased likelihood of catastrophic bushfires in Western Australia, as bushfires increase in number, burn for longer and affect larger areas of land;
 - (b) the Climate Council estimates that by 2030, the number of professional firefighters in Western Australia will need to more than double to meet the increasing risk of bushfires; and
 - (c) there will be a greater role for the Australian Government and the Department of Defence in dealing with these issues across Australia.

(Notice given 2 February 2016.)

Time allotted—30 minutes.

Speech time limits—

Ms MacTiernan—5 minutes.

Other Members—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.

Orders of the day

1 MARRIAGE LEGISLATION AMENDMENT BILL 2015 (Mr Entsch): Second reading—Resumption of debate (*from 8 February 2016*).

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

Speech time limits—

All Members—5 minutes each.

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

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

THE HON A. D. H. SMITH MP

Speaker of the House of Representatives

10 February 2016

BILLS

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016

First Reading

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

Bill read a first time.

Second Reading

Mr MORRISON (Cook—Treasurer) (09:22): I move:

That this bill be now read a second time.

This bill is an important part of the government's program to level the playing field for Australian businesses and restore integrity to Australia's tax system.

This government is absolutely committed to creating a better tax system, with taxes that are lower, simpler and fairer—a tax system that is growth friendly and ensures that businesses operating in this country and are delivering services and products in this country meet the expectations of the Australian public in terms of the taxes that should be paid on the delivery of those goods and services in this country. That is what we are committed to.

We are committed to a tax system that ensures everyone pays the right amount of tax and pays the appropriate amount of tax based on what they are earning in this country.

But we also want to make sure the tax system does not impose unnecessary red tape or inappropriately restrict taxpayers from conducting their affairs as they see fit.

This bill modifies the scope of Australia's tax laws to make sure they apply fairly and appropriately.

Schedule 1 of this bill applies the goods and services tax to digital products and services imported by Australian consumers.

It levels the playing field—it ensures Australian businesses selling digital products and services are not disadvantaged relative to overseas businesses that sell equivalent products in Australia.

With the introduction of this bill, the government will require overseas vendors, many of whom are multinationals, to collect and remit GST on the sale to Australian consumers of their digital products and services to consumers in this country.

Overseas vendors—often multinationals, typically multinationals in many cases—selling digital products or other services, such as 'apps' and downloads of digital content—movies, these types of things—will be required to register, collect and remit GST on their sales to Australian consumers. It will be one of the rules of doing business with Australians in this country if you are seeking to sell them services from overseas. You will not be able to avoid it.

As an example, a software subscription service provided by a resident supplier attracts the GST. However, currently a similar software subscription service provided by an offshore provider may not attract the GST. This creates an uneven playing field and may create distortions in consumer choices. It is also just not very fair to Australian businesses that are doing business with Australian consumers. It provides an unfair opportunity for overseas company to take advantage of. That is why the government is acting.

This legislation will apply the GST to that overseas company, that non-resident supplier, and thus level the playing field for Australian business.

This example highlights an anomaly that has existed in the GST system for some time. These sorts of things are not new. The internet has been around a while. This is not new, but it has taken this government to take action on these matters.

When we came to government, we inherited a tax system from Labor that had failed to keep pace with the changing times and with the growing importance of intellectual property, digital technology and integrated global supply chains.

This government, however, is determined to reform our tax system and ensure that it is fit for purpose, modern, fair and growth-friendly.

This measure is the product of this government's extensive work with international tax authorities. Australia has been working with the G20 and the OECD, alongside other stakeholders, to address weaknesses in the current rules that create opportunities for base erosion and profit shifting.

Action 1 of the OECD Base Erosion and Profit Shifting Action Plan deals with the tax challenges of the digital economy, including the difficulties of collecting value-added taxes such as the GST on cross-border sales in the digital economy.

This legislation applies the OECD destination principle, which recommends that consumption should be taxed in the destination country of the imported digital products or services.

The European Union has recently implemented this model, and several other countries, including Japan and New Zealand, are in the process of developing similar rules.

This measure will restore tax neutrality and level the playing field for domestic Australian businesses.

It is estimated to have a gain to GST revenue of \$350 million over the forward estimates, which will be allocated to the states and territories—which is what occurs, as we all know, with GST revenue. This is additional revenue—some \$350 million in additional revenue—that this government is making available to the states and territories as a result of taking this action to ensure the GST applies to these suppliers of services and products to Australians in this country,

This measure is a result of significant stakeholder engagement with both resident and non-resident businesses, as well as their advisers.

This is a bill that shows the substance of this government's commitment to ensuring that, in particular, multinationals pay the right tax on what they are doing in this country. I sincerely hope that those opposite will support this measure. They did not support a measure we brought into this place last year that introduced far-reaching changes to ensure that multinationals would have to pay their fair share of tax in this country and that gave the Australian Taxation Office the power they needed, and that they had asked for, to ensure that multinationals could be made to pay the appropriate amount of tax on their earnings in Australia.

Those opposite opposed that measure. They voted against it in this place and the other place. The government, undeterred, went forward and came to an arrangement with the Australian Greens to ensure that multinationals are now more likely to pay—and will be paying—their fair share of tax under the laws we have introduced. This is another demonstration of our commitment to leave no stone unturned when it comes to doing the practical things that are necessary to take action on what are the quite rightful concerns of the Australian people about the level of taxes remitted by multinational companies operating in this country.

We as a government have taken action on it in this parliament. Those opposite had six years to introduce this bill. They had six years to introduce multinational anti-avoidance laws—that were passed by this parliament with no support from those opposite—and they did nothing. But they do a lot of talking. This is not talk; this is a bill which once again takes action. I commend that schedule of the bill to the House.

Schedule 2 of this bill implements an announced but unenacted measure from the 2010-11 budget which seeks to avoid non-resident businesses from being drawn into the Australian GST system unnecessarily.

This measure is about reducing red tape and inefficiencies in our tax system so that businesses can just get on with the task of creating jobs and growth, which is what we want them to do.

It achieves this intent by limiting when GST will apply to supplies involving non-resident businesses.

The measure came from the Board of Taxation's review of the application of GST to cross-border transactions.

The Board of Taxation identified that too many non-resident businesses were being drawn into the GST system on business-to-business transactions where it would make no difference, where it was inappropriate—just creating more paperwork, more compliance and more cost.

The measure ensures that fewer non-residents are unnecessarily drawn into Australia's GST system, reducing the costs of compliance for business and simplifying administration for the Australian Taxation Office so that they can focus on their core job, which is ensuring compliance from those who should be remitting revenue to the Commonwealth to enable the Commonwealth to provide and support the services that are necessary and to ensure a less heavy burden on earners in this country.

Together these two measures ensure that only those overseas businesses that should be in our GST system are in the system—as we have just demonstrated in bringing others into the system via the measures in schedule 1—and collecting GST on their sales to Australian consumers.

At the same time, businesses that should not be caught in the system are removed, reducing red tape and simplifying administration and compliance.

These two GST measures demonstrate the government's commitment when it comes to improving our tax system and making it more growth-friendly.

Schedule 3 of this bill, while unrelated to those two other matters, is incredibly important. As a member representing a rural area, Deputy Speaker Broadbent, you would be very familiar with this. Schedule 3 of this bill takes important steps to improve Australia's taxation laws for primary producers.

The changes contained within this schedule increase the flexibility of farm management deposits, a vital risk management tool for primary producers, to assist primary producers to become more self-reliant.

These changes were announced in the *Agricultural competitiveness white paper* on 4 July 2015, and are the product of extensive stakeholder feedback and consultation.

Farm management deposits help primary producers deal with uneven income between years, which frequently occurs as a result of weather variations, natural disasters and changing market conditions. These events are impossible for primary producers to predict or plan for, making it difficult for them to prepare financially.

The farm management deposit scheme is an example of how the tax system can be designed to be fit for purpose and address the needs of the taxpayers whom it ultimately should serve.

Farm management deposits help primary producers manage their financial risk by allowing them to set aside pretax income from primary production in a special account which can be drawn from in later years. Income deposited is tax deductible in the year the deposit is made and included in assessable income in the year it is withdrawn.

However, there are a number of restrictions currently placed on farm management deposits that impair their effectiveness.

This government is committed to continuously seeking to improve our tax system.

These amendments, which are part of this goal, double the amount a primary producer may hold in their farm management deposits from \$400,000 to \$800,000. This will provide primary producers with the flexibility to manage even greater income volatility and better manage with the funds they have set aside when a downturn occurs.

These amendments also allow a primary producer affected by drought to access their funds held in a farm management deposit earlier if they need them. Farm management deposits usually need to be held for at least 12 months before they can be withdrawn. Currently, a primary producer that withdraws their funds held in a farm management deposit within 12 months as a result of drought will lose access to the tax advantages of that farm management deposit.

This schedule removes this tax impediment and allows a primary producer subject to drought to receive the tax benefits from a farm management deposit even though they have withdrawn some of their funds within the 12 months.

In previous years, a declaration of exceptional circumstances would also allow for early access. However, provision for an exceptional circumstances declaration was removed with the introduction of the farm household allowance, which replaced a number of ad hoc forms of income support for primary producers.

Primary producers will now be able to determine their eligibility by referring to rainfall data on the Australian Bureau of Agricultural and Resource Economics website at the time of withdrawal, rather than waiting on a ministerial decision.

These amendments also provide primary producers with the flexibility to use farm management deposits as offset accounts for other business loans they hold. Currently, farm management deposits may not be used as a mortgage or other interest loan offset. The government is removing these restrictions to allow farm management deposits to be used as an interest loan offset.

Financial institutions and primary producers may now determine what arrangements work best for them in relation to farm management deposits.

This measure will allow financial institutions and primary producers to use farm management deposits to reduce the interest a primary producer pays on a business loan.

In summary, both the GST amendments and the farm management deposit amendments respond to our changing economy and contemporary business needs.

The coalition government recognises that Australia's GST law needs to adapt to the increasing role the international digital economy is having on Australia and the emerging role that multinationals have had for many, many years in how they conduct their business around the world. Where they are earning income that we need to tax to ensure they pay their fair share on what they earn in this country, where they are engaging commerce at point of sale, we need to ensure the tax law falls on those transactions, as it certainly does for Australians, and does not provide that advantage. We recognise that, and that is what these measures are designed to do.

Likewise, our domestic law and concessions need to adapt to the difficult conditions primary producers encounter. I think these measures, particularly through the minister for agriculture, demonstrate that this government does listen. The Turnbull government is a government that does listen.

The first of the GST measures ensures that overseas businesses pay GST on sales to Australian consumers.

The second GST measure reduces red tape by removing non-resident businesses from the GST system which should not be brought in and simply just clog up the system.

Likewise, the changes to farm management deposits reduce red tape for primary producers, and provide primary producers with greater flexibility that they need, particularly in these times, in dealing with farm management deposits.

These measures ensure Australia's taxes are further brought up to date and are supporting a fairer, simpler system that is fit for purpose and that is growth friendly.

Debate adjourned.

Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016

First Reading

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

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (09:38): I move:

That this bill be now read a second time.

The Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016 makes a number of amendments to give full effect to the substantive amendments made by the Migration Amendment (Character and General Visa Cancellation) Act 2014.

The character and general visa cancellation act significantly strengthened the character and general visa cancellation provisions in the Migration Act to ensure that noncitizens who commit crimes in Australia, pose a risk to the Australian community or represent an integrity concern are appropriately considered for visa refusal or cancellation.

The character and general visa cancellation act also introduced:

- mandatory cancellation of visas held by noncitizens in prison who do not pass certain limbs of the character test,
- a revocation power specifically for mandatory cancellation decisions, and
- a new power for the minister to personally set aside, in the national interest, a decision made by his or her delegate or the AAT to revoke a mandatory visa cancellation decision.

The consequential amendments set out in this bill will ensure that the mandatory cancellation related powers are reflected consistently and comprehensively throughout the Migration Act, according to the original intent of the changes made in late 2014. This will ensure that the government has the capability to proactively and robustly address character and integrity concerns.

In particular, the bill will ensure that confidential information that is critical to decision making under the new character cancellation provisions is given the same level of protection that is currently afforded to confidential information relating to other character provisions in the Migration Act.

This bill will also give full effect to the policy of mandatory cancellation, by putting beyond doubt that a noncitizen who is the subject of a mandatory character cancellation decision is available for removal from Australia if they do not seek revocation within the relevant time period, or are unsuccessful in having their visa reinstated.

Further, the bill seeks to strengthen our ability to identify noncitizens suspected of being of character concern by aligning the definition of 'character concern' in the act with the strengthened 'character test' in section 501.

Consistent with the original intent of the character and cancellation act, this will facilitate the lawful disclosure of noncitizens' identifying information where a noncitizen is suspected of being of character concern.

Finally, this bill demonstrates this government's clear and continuing commitment to ensuring that noncitizens who pose a risk to the Australian community are dealt with effectively, efficiently and comprehensively.

I commend the bill to the House.

Debate adjourned.

Ordered that the second reading be made an order of the day for the next sitting.

Narcotic Drugs Amendment Bill 2016

First Reading

Bill and explanatory memorandum presented by Ms Ley.

Bill read a first time.

Second Reading

Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (09:42): I move:

That this bill be now read a second time.

Introduction

The Narcotic Drugs Amendment Bill 2016 provides a clear national licensing scheme allowing the controlled cultivation locally of cannabis for medicinal and scientific purposes.

Importantly this bill provides the critical 'missing piece' for the Commonwealth to enable a sustainable supply of safe medicinal cannabis products to Australian patients in the future.

This government understand that there are some Australians suffering from severe medical conditions for which cannabis may have some application, and we want to enable access to the most effective medical treatments available. At the same time, it is important we maintain the same high safety standards for products derived from cannabis that we apply to any other medicine.

There is also significant support for the use of medicinal cannabis in the broader community. From the 2013 National Drug Strategy Household Survey, 75 per cent of people would support a clinical trial of cannabis to treat medical conditions; and 69 per cent would also support a change to the legislation permitting the use of cannabis for medicinal purposes.

At the state and territory level, the New South Wales government is investing in clinical trials that will explore the use of cannabis and cannabis products in providing relief from a range of debilitating or terminal illnesses; and the Victorian government is taking steps to make medicinal cannabis products available to help Victorians in exceptional circumstances.

Currently in Australia, there are systems in place to license the manufacture and supply of cannabis based products in Australia; however, there is no mechanism to allow the cultivation of a safe, legal and sustainable local supply of cannabis raw material.

This has meant Australian patients, researchers and manufacturers have had to try to access international supplies of legal medicinal cannabis crops and products—limited supplies and export barriers in other countries have made this difficult.

The government is concerned that some of these patients, or their parents, are seeking products from the black market, without appropriate medical supervision. This comes with risk of criminal prosecution, and also health risks because the safety of the supply cannot be guaranteed.

Under the United Nations Single Convention on Narcotic Drugs, 1961 (the Single Convention), Australia, through the Commonwealth government, has an obligation to carefully control, supervise and report on various stages of cannabis cultivation, production and manufacture.

The purpose of the Single Convention is to establish a framework to both prevent abuse and diversion of controlled narcotics and to ensure the availability of such drugs for medical purposes. Within Australia, the enabling legislation for these obligations is the Narcotic Drugs Act 1967. This act also regulates the manufacture of licit narcotics such as morphine, of which Australia is the world's leading supplier. This is based on nearly 50 years of operating a strong and secure regulatory system that has the confidence of the international community.

The requirements for cannabis cultivation under the Single Convention are quite different to those for poppies grown for non-opium (alkaloids derived from concentrated poppy straw) producing purposes because of the significantly different risks to public health from the diversion of the crop.

Unlike poppies, cannabis can be used as soon as the plant reaches maturity. Because of this cannabis is treated differently under the convention, and the Commonwealth must take sole responsibility for regulating cannabis cultivation rather than leave it to the states and territories.

Presently, the Narcotic Drugs Act 1967 does not allow for the granting of licences for the production of locally cultivated cannabis for medical use.

Cultivation in Australia without these proposed amendments to the Narcotic Drugs Act could put Australia in breach of its convention obligations, which could have consequences for our established multi-million dollar opioid narcotic industry.

National Approach

It is imperative we have a clear national licensing system to ensure we maintain the integrity of crops for medicinal or scientific purposes. This national approach will allow the Commonwealth, acting with the states and territories, to closely manage the supply of cannabis products from 'farm to pharmacy'.

Cultivation

The bill provides two types of cultivation licences:

- one that allows for the cultivation of cannabis plants for the production of cannabis for medicinal purposes; and
- the other to authorise cultivation for research purposes related to medicinal cannabis such as strain selection and assay identification.

For both forms of cultivation activity, an applicant for a license to cultivate would have to be found to be a 'fit and proper person' (according to criteria set out in the bill) and demonstrate that they can adequately manage the physical security of the crop.

Cultivation of cannabis carries a particularly high risk of diversion because the product can be readily used in its 'raw' state and is likely to be attractive to organised crime seeking to hide illegal activities under cover of a Commonwealth licence. The provisions in the bill are designed to manage these risks.

It does this by ensuring that the applicant or licence holder (and any relevant business associates) do not have ties to criminal activity; has the financial resources to participate in the industry; as well as satisfy security and other requirements of the conditions of the licence.

The quantities and strains of cannabis that can be cultivated will be controlled through the combination of a licence and permit system. Where the cultivation is for production into medicinal cannabis products for supply to patients, these permits will be managed to ensure that the amounts of product manufactured are planned in advance, relative to proposed usage and do not exceed permitted limits.

The government also wants to make sure that this approval and monitoring process for cultivation isn't fragmented across different jurisdictions and provides regulatory consistency.

Under the bill, the supply of unregistered medicinal cannabis products for clinical trials and specific patients would continue to be managed in accordance with current provisions under the Therapeutic Goods Act 1989 and the registration of new medicinal cannabis products would also continue to be regulated by the Therapeutic Goods Administration.

Additional amendments to the existing manufacturing provisions contained within the Narcotic Drugs Act, which has not been substantively updated since introduced in 1967, are also necessary to ensure consistency across manufacturing for all narcotic drugs and to reflect regulatory best practice.

Penalty Provisions

Other changes introduced include updated criminal and civil penalty provisions to create consistency with other Commonwealth legislation while continuing to reflect the serious nature of any breaches of licence conditions and regulatory requirements.

Management of the Scheme

Article 23 of the Single Convention requires a single agency to manage the cultivation of cannabis. This responsibility will sit within my department.

Creating one single, nationally-consistent cultivation scheme will ensure Australia could be confident of its compliance with international obligations under the Single Convention.

This bill is not intended to override state and territory legislation dealing with criminal activities associated with the cultivation and trafficking of cannabis that occurs outside the regulatory scheme established by this bill.

Reporting

As with licit opiates, Australia must also report regularly to the International Narcotics Control Board, which oversees the implementation of the Single Convention, on quantities of narcotics produced, manufactured and used, with a view to preventing stock-piling of raw material beyond national and global needs. The legislation is designed to ensure the Commonwealth is able to fulfil this obligation.

Export/Imports

At this stage, the implementation of the new medicinal cannabis scheme will be domestically focussed with a provision for exports to be addressed at a later date when the scheme has demonstrated that it is sufficiently secure and robust to meet international and domestic expectations surrounding security and safety.

Cultivators will be authorised to import cannabis plants, including seed, and will access these through existing mechanisms to import seed stock and other relevant materials through existing provisions of the Customs (Prohibited Imports) Regulations 1956. Imports will also have to comply with relevant biosecurity requirements, which are in place.

Concluding remarks

In summary this bill, in conjunction with established mechanisms, provides a secure supply chain from 'farm to pharmacy', that will give patients access to medicinal cannabis products. The bill is not about the legalisation or decriminalisation of cannabis for recreational use. Nor is this a discussion about making cannabis products available 'over the counter' or outside of a discussion with a qualified doctor or through an approved clinical trial.

It is important we maintain the same high safety standards for cannabis derived products that we apply to any other medicine. I know many Australians would be concerned if medicinal cannabis products were to be subject to lower safety standards than common prescription painkillers or cholesterol medications. It is important to note that the manufacture of medicinal cannabis products will be also subject to quality manufacturing requirements under the Therapeutic Goods Act.

This bill, to allow the cultivation of legal medicinal cannabis crops in Australia under strict controls strikes the right balance between patient access, community protection and our international obligations.

Many people have worked incredibly hard for this day—for the day that the national parliament would provide the missing piece in the patient's journey when it comes to accessing safe, reliable, legal medicinal cannabis. It is a very proud day for many members and senators, as I have said, who have worked hard. For those in the community who have advocated strongly, who have pushed, who have prodded, who have expressed their passion loudly and determinedly, such as Lucy Haslam, and others who treat patients who are convinced of the efficacy and the relief that is provided by these products. They should be recognised here today. For my colleagues—and I will mention a few of them: the member for Leichardt, the member for Murray—who have worked long and hard. The member for Bass just came up to me outside the chamber and said how much this would be appreciated in Tasmania. For members of all parties who have believed strongly that this is a process and a product that we needed to bring to the Australian people.

Unless the Commonwealth provided, as I said, this missing piece, this actually could not happen. States and territories are waiting and ready, and in some cases underway with clinical trials. Universities, research bodies and those who are interested in the manufacture and supply are all working hard as we speak. We can lead the world in this important area of health science. Of course first and foremost it is about the patient. The relief that can be provided from these products for certain types of pediatric epilepsy and end-stage chemotherapy associated with cancer is quite well known. But when I speak to the researchers they also talk about relief from pain—the sorts of drugs that other drugs just cannot help or provide too many unpleasant side effects.

This is not a homogenous product that exists that will be processed through the processes that I have just described. This is an exciting area of research. Australia can lead the world—because we have the best scientists, because we have high-class clinical trials and because the regime that we are setting up today puts our TGA, our Therapeutic Goods Administrator, our drug regulator, at the centre. That is why it is so different from so many other jurisdictions around the world—because by putting this through that system we know that we have the integrity and the architecture of the scheme that we are setting up that will do the job, that will last for the long term and that will look after Australian patients now and into the future. I commend the bill to the House.

Ms KING (Ballarat) (09:55): First, on indulgence, whilst there is much on which the Labor Party disagrees with the government on health, I commend the minister for bringing forward this bill. Many people across the parliament and political parties have been working on this, and I recognise on our side the member for Throsby

and also, on the government benches, the member for Murray and the member for Leichhardt. I know the Australian Greens have also been working on this. This is something that has, I hope, the parliament's support as we go through the processes. I commend the minister.

Debate adjourned.

Trade Legislation Amendment Bill (No. 1) 2016

First Reading

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

Bill read a first time.

Second Reading

Mr ROBB (Goldstein—Minister for Trade and Investment) (09:56): I move:

That this bill be now read a second time.

The changes proposed in this bill, the Trade Legislation Amendment Bill (No. 1) 2016, give effect to several key recommendations resulting from the 2015 Review of the Export Market Development Grants (EMDG) scheme conducted by Mr Michael Lee in the second half of last year, as well as making several minor policy and technical amendments designed to improve the operation of the Export Market Development Grants Act, and to make changes designed to deliver savings to align the scheme closer to its budget.

The changes proposed in this bill also change the name of the Australian Trade Commission to the Australian Trade and Investment Commission.

EMDG celebrated its 40th anniversary last year, and since 1974, has been reviewed fifteen times, with ongoing bipartisan support for the scheme. In fact, I think it must be one of the most successful schemes under operation within the public arena. As I have said, it has had bipartisan support since 1974 and it has had very strong support within the small business sector. The reviews of the scheme have consistently found the scheme to be an effective and efficient means of promoting the development of Australian exports under successive governments. The most recent review concluded that EMDG is effective in conferring a net benefit to the Australian economy and community, with increased economic activity across the economy and enhanced community welfare attributable to the scheme.

Given this background, and the many amendments that have been made over the years to reflect changing economic circumstances and budget decisions, major changes to the scheme are not warranted at this time. Indeed, in his 2015 review report to me in June last year, Mr Michael Lee stated, 'My recommended changes to the scheme will add certainty and confidence to long-term planning for exporting businesses, governments and Austrade. I am recommending few significant changes to the scheme.' The changes proposed in the bill are designed to update and/or rationalise some of the provisions of the scheme, including some of the changes recommended in the 2015 review.

Specifically, the purpose of this bill is to amend the Export Market Development Grants Act 1997 (the Act):

- to amend the definition of a grant year, which is currently up to 30 June 2016. In effect, this will make the scheme evergreen, so that the scheme can continue beyond that date and will remove the need for periodic re-authorisation which creates significant uncertainty with SME claimants, and undermines the purpose of the scheme. Given it has enjoyed over 40 years of bipartisan support, it is of little benefit to subject the scheme to 4-yearly sunset provisions. Of course, the review process that has been a major contributor to the continuing success of the scheme will continue on a regular basis. to remove the requirements that the independent review of the scheme be conducted for the specific purpose of making recommendations about the continuity of the scheme—not necessary given we are removing the sunset provisions—however we do see benefit in continuing to review the operation of the scheme, as I mentioned, so the bill sets a date for the next review, and determines a process for later reviews.
- the third element is to remove communications as an eligible expenditure category to reflect the reduced cost of communications as a result of advances in technology
- fourthly, to place a limit of \$15,000 on the free sample expenditure category. This cap will not be applied retrospectively to first-year claimants with a combined year 1 and 2 claim, who were not aware of this cap at the time they incurred their expenditure
- fifthly, to describe the promotional literature or other advertising expenditure category as including literature or material in electronic or any other form
- next, to repeal the provision for in-country travel expenses to be reimbursed, (other than air fares) and to change the amount of the daily allowance for overseas visits from \$300 to \$350

- next, to add to the list of excluded expenses those relating to eligible promotional activities, things or eligible products that, in the opinion of the CEO of Austrade, may have had a detrimental impact on Australia's trade reputation
- and, finally, to permit Austrade to direct funds from other sources towards EMDG administration costs if required.

I am introducing this bill at this time to enable it to come into effect on 1 July 2016, in order to provide exporters with certainty of the EMDG provisions applicable to their export promotions activities for the 2016-17 financial year and beyond.

At the same time I am also introducing an amendment to the Australian Trade Commission Act 1985 that will change the commission's name to the Australian Trade and Investment Commission.

This name change will better reflect both Austrade's significant role in promoting and attracting foreign investment and the priority the government places on attracting foreign investment to secure Australia's future prosperity. Since becoming Australia's first trade and investment minister, I have seen there is significant value in regular dialogue with major investors in Australia, both foreign direct investors and portfolio investors. Australia has relied on foreign capital to grow since the days of the first fleet, and this continues to be the case. We are the world's 12th largest economy, with the sixth largest landmass, but with the 51st largest population. So we consistently generate more attractive investment opportunities than we can fund from our own pool of domestic savings, and the country is the wealthier for it, with higher paying jobs, by harnessing foreign investment to capitalise on and develop such opportunities. Note that I do not propose to change the corporate moniker 'Austrade' as this name and brand carries significant goodwill with business in Australia.

I commend the bill to the House.

Debate adjourned.

Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016

First Reading

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

Bill read a first time.

Second Reading

Mr HAWKE (Mitchell—Assistant Minister to the Treasurer) (10:03): I move:

That this bill be now read a second time.

In the 2015-16 budget, the government announced it would address the lack of coverage by establishing an injury compensation scheme for parliamentarians. The Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016 implements this announcement.

The bill establishes the parliamentary compensation scheme by inserting provisions into the Parliamentary Entitlements Act 1990. The bill provides authority to the minister to determine the scheme's benefits in a legislative instrument, which as much as possible will match the compensation entitlements of Commonwealth employees by incorporating the provisions of the Safety, Rehabilitation and Compensation Act 1988. The scheme will provide coverage for injuries or illnesses which occur on or after 1 January 2016.

The bill and subordinate legislative instrument will also provide compensation coverage for the spouse of the Prime Minister for injuries or illnesses arising out of the official activities.

Determining the scheme's benefits in an instrument such as this, which either house of the parliament may disallow, will allow the parliamentary compensation scheme to keep pace with any changes to Commonwealth employees' compensation. At the same time, it will ensure there is appropriate oversight of the scheme's benefits.

Functions and powers to administer the scheme are conferred on Comcare under the bill and the necessary changes are made to the Safety, Rehabilitation and Compensation Act 1988 to enable Comcare to undertake this administration.

In addition to this compensation, the scheme will provide parliamentarians and the spouse of the Prime Minister with work health and safety services, facilities and equipment intended to eliminate or minimise health and safety risks that arise in the workplace. This element of the scheme will be administered by the Department of Finance.

This is a necessary measure, and I commend the bill to the House.

Debate adjourned.

MINISTERIAL STATEMENTS

Closing the Gap

Mr TURNBULL (Wentworth—Prime Minister) (10:07): Yanggu gulanyin ngalawiri, dhunayi, Ngunawal dhawra. Wanggarra lijinyin mariny bulan bugarabang. Today we are meeting together on Ngunawal country and we acknowledge and pay our respects to the elders.

I rise today to deliver the 2016 Closing the Gap statement. I pay my deep respects to the Aboriginal and Torres Strait Islander custodians who have cared for this country, and to the elders who continue to hold the knowledge of their rich and diverse cultures.

For more than 40,000 years Aboriginal and Torres Strait Islander people have cared for this country. Theirs are the oldest continuing cultures on earth. Our nation is as old as humanity itself. The stories of the Dreamtime, the rock carvings on the Burrup Peninsula—these speak to us from thousands of years; so far away; time out of mind; linked by the imagination; the humanity of our First Australians. Yet we have not always shown you, our First Australians, the respect you deserve. Despite the injustices and the trauma, you and your families have shown the greatest tenacity and resilience.

Recently I visited the Aboriginal community at La Perouse in Sydney. Their ancestors have watched over Botany Bay for time out of mind, their families saw Cook and Philip and today they watch A380s land at Mascot and container ships dock at Port Botany. They live on their land, as their ancestors have done, in the heart of our largest city, and I heard of the hardship and injustice of policies past, but I was inspired by their optimism, their resilience and their determination to succeed. That determination is reflected in the report tabled here today, although we too often talk about percentages and not enough about people.

The closing the gap challenge is often described as a problem to be solved, but more than anything it is an opportunity. If our greatest assets are our people, if our richest capital is our human capital, then the opportunity to empower the imagination, the enterprise, the wisdom and the full potential of our First Australians is surely an exciting one. And, when we focus on the gap to be closed and ending the disadvantage that entails, we should not overlook or fail to celebrate the many successes of Aboriginal and Torres Strait Islander people.

Aboriginal and Torres Strait Islander Australians are studying at universities at home and abroad, at Oxford and Harvard, are completing medicine degrees and apprenticeships, are sending their children to school, buying homes, starting and running businesses, and have dreams for the future that are as optimistic and as different as the rest of us. You are our neighbours; our peers; our colleagues; our fellow teammates on the sporting field; parliamentarians, like the member for Hasluck, Ken Wyatt, and senators Joanna Lindgren, Nova Peris and Jacquie Lambie, whom I acknowledge in the chamber today. The headline statistics in today's report do not recognise the diversity that exists in your culture, language and experiences which differ across the nation, from the cities to remote Australia, in every states and territory.

When the first Aboriginal member of parliament, Senator Neville Bonner, gave his first speech in 1971, he said this:

... all persons who desire to be so classified, regardless of hue of skin, and who have flowing in their veins any portion, however small, of Aboriginal or Torres Strait Island blood, are Indigenous people.

A person's right to shape their own identity, and for that identity to be respected, is central to the wellbeing of all people. Yet for decades, Aboriginality and skin colour had been used to control the lives of Indigenous people and diminish their value in society. This must be no longer.

In 2008, the national apology to the stolen generations was a great milestone in the healing of the nation. It was a long-overdue acknowledgement of the grief, suffering and loss inflicted on generations of Aboriginal and Torres Strait Islander people. We all recognise that healing takes time. And our generation seeks to make a further amends, a further setting right, through formal recognition of Aboriginal and Torres Strait Islander people in our Constitution. Our nation's founding document should reflect Australia as it is, not how it was perceived 120 years ago.

We recognise and value Aboriginal and Torres Strait Islander culture and peoples, and we are proud that their history is our history. Their culture is our culture. Their values are our values. We recognise that, prior to the arrival of European settlers, Aboriginal and Torres Strait Islander Australians spoke hundreds of languages and over 600 dialects. These words carried knowledge. Tragically, many of these languages have been lost and many are critically endangered. That is why today we are announcing \$20 million in additional funding over two years for the Australian Institute of Aboriginal and Torres Strait Islander Studies. This will enable the collection of critical cultural knowledge and promote an understanding of Aboriginal and Torres Strait Islander cultures,

traditions, languages and stories, past and present. It will keep safe this knowledge for all Australians by digitising and protecting it from being lost.

A few weeks after I became the Prime Minister, I crossed paths with Dr Chris Sarra and I asked him what three things we could do in Indigenous policy that would truly make a difference. He said to me it was too complex a question to answer straight away, but later, at his Senate Occasional Lecture, he answered my question. This is what he said: 'Firstly, acknowledge, embrace and celebrate the humanity of Indigenous Australians. Secondly, bring us policy approaches that nurture hope and optimism rather than entrench despair. And, lastly, do things with us, not to us.'

When the first Closing the Gap report was tabled in 2009, as the Leader of the Opposition I delivered a statement to the parliament. I affirmed the coalition's commitment to deliver a new future, with hope and opportunity for all, to Indigenous Australians. Today, as Prime Minister I stand by the intent of that commitment. However, I will honour that commitment not by delivering to Indigenous Australians but by working with a diversity of Aboriginal and Torres Strait Islander leaders and their communities across Australia. There is great wisdom in what Chris Sarra said—'Do things with us, not to us.' That is why this government committed late last year, as a first step, to implementing a regional empowerment model to eight communities and other communities who are seeking a place based approach. To build autonomy and independence, our task must be to engage with Aboriginal and Torres Strait Islander Australians in a partnership based on mutual respect.

Constitutional recognition of our First Australians provides us with an opportunity to implement those three strategies. Were Australians to vote to amend our Constitution to acknowledge the humanity and the history of our continent's first inhabitants and do so in language that is meaningful to Aboriginal and Torres Strait Islander people and to all Australians then it would be an important step towards true reconciliation—one that nurtures hope and optimism. And it would be done together, not done to or done for. The terms of any amendment will need the endorsement of a majority of all Australians and a majority of states to successfully amend the Constitution, but they will need the support of our First Australians to be proposed at all.

In the eight years since the Closing the Gap targets were set, there has been mixed progress towards meeting them, and today again we are seeing mixed results. The target to halve the gap in child mortality by 2018 is on track. Between 1998 and 2014 Indigenous child death rates declined by 33 per cent and the gap narrowed by 34 per cent. While Indigenous mortality rates have declined since 1998, the life expectancy gap is still around 10 years—an unacceptably wide gap—and this target is not on track to be met by 2031.

The original early childhood education target expired in December 2013 and was unmet. As such, the renewed target aims to achieve 95 per cent preschool enrolment for all Indigenous four-year-olds by 2025. The reading and numeracy target has had mixed results, with four of the eight measurement points for students achieving national minimum reading and numeracy standards being on track. Closing the gap in education is achievable. For example, for the year 3 reading target to be met we need 640 additional Indigenous students to be reading at the national minimum standard. Surely we can achieve that.

A new target to close the gap in school attendance by the end of 2018 has seen little change in the attendance rates for Indigenous students in 2015, and the gap remains sizeable. However, data tells us on a given school day the vast majority of Aboriginal and Torres Strait Islander students are attending school. We are seeing more young people staying at school, placing the target to halve the gap in year 12 attainment by 2020 on track. More Indigenous young people are finishing high school, and more and more of those young people are enrolling in tertiary education. The past decade has seen a 70 per cent increase in the number of Indigenous students in higher education. Those young people of today will grow up to be our future Indigenous leaders.

As in previous years, the target to halve the gap in employment by 2018 is not on track. However, I am optimistic that factors such as gains in Indigenous education, economic growth and strong Indigenous businesses will have a positive impact on these results in coming years.

The Prime Minister of the day tables the Closing the Gap report as a report card of our nation on our combined efforts. This shared responsibility falls to each and every single Australian, Indigenous and non-Indigenous, every level of government and every business and organisation. With each report we have an opportunity to assess where we must redouble our efforts and derive better value from the admittedly finite resources of government. State and territory governments are necessary partners. Between this year's report and the next one, I will work to ensure we are better tracking progress across the jurisdictions so we can target our efforts and accelerate outcomes. A key driver of progress has to be economic empowerment through employment, through entrepreneurship and through the use of our human capital.

Forty years after Gough Whitlam poured dirt into the hands of Vincent Lingiari, we continue to ensure hard-fought Indigenous land rights are protected, while enabling those rights to be converted into economic

opportunities. Last year we saw Indigenous leaders come together at the Growing with Governance Forum to develop the Indigenous Investment Principles. In the year ahead, working closely with Indigenous Australians and state and territory governments, we will implement the recommendations from COAG's investigation into land use to better enable Indigenous landowners and native title holders to use their land for economic development.

We are starting to see some returns on reform we have undertaken in employment policy. Our employment programs under the Indigenous Advancement Strategy are assisting around 50 Indigenous Australians into a job every day. But, beyond direct employment, it will not come as a surprise that I am committing to create more opportunities for Indigenous businesses and to encourage Indigenous innovation, which we know in turn creates a pipeline of opportunity. We know Indigenous businesses are 100 times more likely to hire Indigenous people, so supporting Indigenous enterprise is also a way to boost employment. I encourage honourable members, wherever they can, to celebrate and promote Indigenous businesses in their own electorates.

Last night I hosted a function here in Parliament House for young Indigenous entrepreneurs. I wanted to celebrate the incredible talent among Indigenous Australians who every day are making a contribution to their families, to the economy, to society and to our nation. I want us, as a nation, to tell the rich story of Indigenous creativity; of innovation and entrepreneurship.

While we should celebrate those successes, we cannot sugar-coat the enormity of the job that remains. We do face very real and difficult challenges, particularly in isolated communities. We must be honest about the catastrophe and violence created by drug and alcohol misuse, and confront, and respond to, the cries of help, particularly from women and children.

Indigenous Australians represent three per cent of the Australian population, yet they represent a staggering 27 per cent of the prison population. The Indigenous adult imprisonment rate is increasing. When young Aboriginal and Torres Strait Islander men see jail as a rite of passage, we have failed to give them a place in our society, in our community, and an alternative pathway where they can thrive. There is a vicious cycle of young Indigenous people being placed into prison, reoffending, and then returning to prison. We know the power of employment—the power of a job—as a circuit breaker in that dreadful cycle. Senator Scullion, the Minister for Indigenous Affairs, and Senator Cash, the Minister for Employment, are working across jurisdictions and portfolios, working with Aboriginal and Torres Strait Islander communities to develop a blueprint for supporting, and then transitioning, people from prison to work, to security and to prosperity.

We have to stay the course on the key policy priorities: the transformative power of education, the fulfilment that comes from employment, and the right of all people to be safe and free from family and domestic violence, especially women and children. While delivering on these priorities, we must be innovative in creating effective solutions, in partnership with the community, to address those challenges. We have to be agile, and we have to allow for new approaches. This will enable us to continue to build the evidence base where it does not yet exist.

It is equally important that we listen to Aboriginal and Torres Strait Islander people when they tell us what is working and what needs to change. It is our role as government to provide an environment that enables Indigenous leaders to develop local solutions. Again, it is time for governments to 'do things with Aboriginal people, not do things to them'.

We are the most successful multicultural society in the world. The glue that holds us together is mutual respect—a deep recognition that each of us is entitled to the same respect, the same dignity, the same opportunities. Closing the Gap is more than another government Indigenous policy. It speaks to all of us and it speaks about all of us. It is our best selves—our deep, just, fair values given practical form. When we close the gap, we make ourselves more whole, more complete—more Australian.

I present a copy of *Closing the Gap: Prime Minister's report 2016*.

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (10:25): I acknowledge the traditional owners of the land on which we meet and the continent which we share. I pay my respects to elders past and present. This was and always will be Aboriginal land. Many of us in this place use these or similar words of respect. Words that acknowledge the custodians of our national estate for over 40,000 years—the keepers of the world's oldest cultures and traditions. Our words acknowledge the resilience Aboriginal and Torres Strait Islander peoples have shown in the face of more than two centuries of indignities and injustice great and small, and this acknowledgement, this respect, this recognition belongs in our Constitution.

Including the first members of our Australian family on our national birth certificate should be the shared goal of all Australians. It is well past the hour for our Constitution to speak the truth about our past and to point the way forward to a more equal future. The Referendum Council, led by the collective wisdom of Pat Dodson and Mark Leibler, have begun crafting a question to be shaped by community conventions. We hear a lot about the risks of rushing this process, but, when justice has been denied and delayed for so long, inaction is far more

dangerous than urgency. Whilst he has left the chamber, I wish to say that, on the question of timing, we agree with the former Prime Minister, Tony Abbott, that May 2017, the 50th anniversary of the 1967 referendum, would be an auspicious time for a national vote on recognition. If elected, a Labor government will deliver the referendum then.

Recognition cannot be a mere poetic sentence or two stapled to the front of our Constitution. Platitudes just don't cut it, do they? There must be real and there must be substantive change. It must eliminate racism and signal a declaration of national intent. Equality in our Constitution must be twinned with a real world of equal opportunity in housing, health, employment, education, justice and, perhaps the most basic right of all, empowering our First Australians with the right to grow old.

Today, eight years after Prime Minister Rudd extended a hand of healing, grasped in friendship, supported by the then Leader of the Opposition, Mr Brendan Nelson, we need to examine our progress in closing the gap—not in the spirit of self-congratulation nor trenchant self-criticism, but just with clarity and honesty, with a determination to speak the truth about what is working and what is not, to recognise that the progress we have made is uneven and too slow, to redouble our efforts in an equal, engaged and empowered partnership with the First Australians.

Closing the gap must in part involve closing the political gap. Senator Peris and the member for Hasluck are great servants of this parliament, along, indeed, with senators Lambie and Lindgren. But we must strive to attract more Aboriginal and Torres Strait Islander peoples into politics and into this place—not lobbying from outside but making change inside, with the ability not to seek to plead with the people who sit in this chamber and the other but to walk the carpet of this chamber and the other place in order to have a voice in their own future. My party has not done enough to encourage this in the past. At our national conference last year we vowed to do better—and we will.

Nowhere in our country, though, is the picture of diminished opportunity more stark or vivid than in our justice system. At the first COAG, Council of Australian Governments, meeting under a Labor government, the first item on the agenda will be setting new targets to close the justice gap: tackling the appalling incarceration rate amongst Aboriginal Torres Strait Islander peoples and focusing on preventing crime, reducing violence and victimisation, and boosting community safety not just in remote communities but in our cities, suburbs and regional towns. It is unAustralian that if you are an Aboriginal man you are 15 times more likely to be imprisoned than a non-Aboriginal man. Half of all Aboriginal prisoners in custody are under the age of 30. The re-imprisonment rate for Aboriginal young people is higher than the school retention rate. In the last decade, imprisonment rates have more than doubled—growing faster than the crime rate. For Aboriginal women there has been a 74 per cent increase in the past 15 years; they make up one-third of our female prison population. Far too many prisoners have poorly understood disability, particularly cognitive and mental impairment. Far too many young people see jail time as a preordained destination—part of the natural order of things. It is not natural. These facts are more than uncomfortable. They are not the nation that we wish to see in the mirror. It cannot be correct that the colour of your skin is a greater predictor of going to prison. Until we address this problem, we will never close the gap. We cannot tolerate a criminal justice system built on processing people rather than administering justice. The odds are stacked against people who go to jail young. The risks of mental health issues or substance addiction go up. Their chances of finishing school, learning a trade or finding a good job decline. So many children growing up with a parent in jail live with the pain of poverty and neglect. So many end up in out-of-home care, where the Aboriginal population has grown by 440 per cent in the last 19 years. So many of these children lead such different lives—lives of trauma, coming to school with mental health issues and other learning difficulties.

But it is not just these people and these families who pay the price. Every Australian pays the price for the failure of our justice system: higher crime rates, increased rates of family violence, reduced safety. It is a national disgrace. It is not one which I believe anyone consciously signs up to in this parliament; but, when we know the problem exists, to walk past the problem makes us part of the problem. This why Labor's new community safety policies will be shaped by the voices of people who truly know the justice gap: law enforcement, legal services, community sector experts and, above all, Aboriginal and Torres Strait Islander peoples and their representative organisations—not the least of which is the National Congress led by Jackie Huggins and Rod Little. I look at places like Burke, Cowra and Katherine: they are not waiting for parliament; they are already engaged in justice reinvestment to reduce crime and reoffending. As part of empowering communities to prevent crime, a Labor government will support three new launch sites for this justice reinvestment model in a major city, a regional town and remote Australia. This is not a question of being soft on crime—far from it. This is a plan to reduce crime, to reduce the cost to the taxpayer and, most importantly, to stop the waste of so many Australians from a better society.

Four of the seven current seven Closing the Gap targets are focused on education. Education, as we know, is essential to extending and improving the lives of Aboriginal and Torres Strait Islander peoples from properly funded child care right through to university and TAFE. I record the welcome of the Labor opposition to the government's announcement on supporting the retention and learning of Aboriginal languages. But, above all, the future opportunity for Indigenous Australians will be defined in large part by their school experience. It is why Labor is committed to making extra investments for Aboriginal and Torres Strait Islander students. Already around Australia there are tens of thousands of Aboriginal students benefiting from the additional classroom attention funded by Labor's commitment to fund education based on need. Last week, I met with students from Le Fevre High School in the western suburbs of Adelaide, where extra resources mean a stronger focus on literacy, mentoring programs and classes taught in the Garna language. I met students from Vincentia Public School in New South Wales, where attendance at their expanded homework centre has increased from 15 students a week to over 50. This is what extra needs based funding delivers—real outcomes for every child in every school. Labor's 'Your Child. Our Future' policy will allow the continuation and expansion of the success stories that I have just outlined. Labor's policy will guarantee the individual attention and the targeted programs that Aboriginal and Torres Strait Islander children deserve to be their best. 'Your child. Our future' will do more than close the gap in education than any policy decision in the last two generations—not just in some schools, not just for some students, but every child in every school getting every opportunity.

This opportunity must be extended equally to Aboriginal and Torres Strait Islander women. The next generation of young mothers—the generation that will close the gap—must be given the chance to make informed choices about their future. This is why Labor is supporting the national rollout of the Stars program for Aboriginal and Torres Strait Islander girls. Stars is already operating successfully in seven schools in the Northern Territory, using a similar model to the widely respected Clontarf program for young men. As a matter of gender equality, I invite the government to join us in funding Stars on the same basis as Clontarf.

In health we are making progress, albeit uneven, towards meeting the close the gap targets in health. Maintaining bipartisan support for the national Aboriginal and Torres Strait Islander health plan and the resources to support its implementation strategy will deliver more gains. Managing chronic disease is imperative; rolling out the NDIS program is equally important. Tackling the social determinants of health, from income to housing, is vital, but prevention in health care must be our priority to ensure a healthier next generation. That means working for better maternal and child health care, better food security, promoting healthy lifestyles and nutrition, targeting smoking, alcohol and substance abuse, a more concentrated effort as preventing suicide and improving mental health more broadly. All of this depends on constructive equal opportunity and partnerships, particularly with Aboriginal controlled health organisations.

Australia, through the work of leaders such as Fred Hollows and organisations like Vision 2020, has led the world in improving eye health, yet shockingly Aboriginal and Torres Strait Islander adults are six times more likely to suffer from blindness. Ninety-four per cent of this vision loss is either preventable or treatable, with diabetic eye health, cataracts and untreated poor vision among the main causes. We are the last developed nation in the world where the infectious and wholly preventable eye disease of trachoma exists. It exists only amongst Aboriginal and Torres Strait Islander peoples, where it is endemic in two out of three remote communities. With increased eye health services at the community level, many cases can be corrected overnight, and yet 35 per cent of Aboriginal and Torres Strait Islander adults have never had an eye exam. Addressing this vision loss alone will close 11 per cent of the gap in health, and every dollar spent in the area would return \$2.50 in economic benefit.

This country is rich enough and generous enough to deal with this issue right now. So today I am pleased to announce that a Labor government will commit \$9 million to close the gap in Aboriginal and Torres Strait Islander vision loss. We will deliver increased visiting optometry and ophthalmology services to address the gap in specialist eye healthcare service delivery and trachoma prevention strategies, based on World Health Organisation recommendations. With this additional funding we can, and we will, eliminate trachoma from Australia by 2020. We can begin to turn the tide on this endemic health problem, and we do not mind if the government takes this policy this afternoon and implements it tomorrow. It is as simple as making the decision.

It is easy in the current political discourse to say that throwing money at the problem will not solve it and that, if it was going to solve it, we would have solved it in the past. This is an alibi to justify cutting funding. Pretending that money does not matter or pretending that empowerment through greater resources does not make a difference is an arrogant falsehood. It is generally used by people for whom lack of money and lack of power have never been a problem. When an Aboriginal woman is 34 times more likely to be hospitalised as a result of family violence and 11 times more likely to die; when family violence is the No. 1 cause of Aboriginal children being removed from their family and their community; when too many women seeking help from family violence faced significant legal, psychological and cultural barriers—how can repeatedly cutting millions of dollars from

Aboriginal legal and specialist support services possibly be part of the solution? There is no excuse for these cuts. You cannot cut your way to Closing the Gap.

In September 1842, as part of five night public debate on the rights of Aborigines, Richard Windeyer—a Sydney barrister, wealthy landowner and aspiring politician—concluded his speech on the glories of colonial settlement with the haunting questions:

How is it that our minds are not satisfied? ... What means this whispering at the bottom of our hearts?

There is 174 years between then and now, and that whispering has grown to a full-throated roar: the cry for justice heard 50 years ago, when 200 Aboriginal stockmen, house servants and their families walked off Wave Hill Station not to return until they received a fair day's pay; or 41 years ago when a tall stranger poured a handful of sand through Vincent Lingiari's fingers; or 31 years ago when Uluru was formerly returned to the people from whom we could never take it away; or 28 years ago when the High Court of Australia first learnt the name of Mabo; or 22 years ago on a sunny December day in a park in Redfern or 19 years ago when Kim Beazley fought tears at this dispatch box or eight years ago when elders embraced in the galleries above us and on the lawns outside. For all of this, our mind and our nation cannot be satisfied. The gap is still not closed.

The gap stands as an affront to our national sense of fairness. Closing the gap demands the best of us, the best of our collective energies and intellect, but that is what we should aim for—the best. We cannot just be the best multicultural nation in the world, but we should also be the nation best at empowering and respecting its first peoples. One day we will be able to talk of one country and mean it. One day we will be able to say that racism is a relic of the past and that the fair go is truly colourblind. One day the Australian people will be able to tell their children and new arrivals and visitors to this land that opportunity in Australia truly belongs to all. One day the Australian people will be able to sing with confidence the unofficial Australian anthem, 'We are one,' and it will be true. This is not too much to hope for; it is not too high to aim; it is the very least we must do.

Mr TUDGE (Aston—Assistant Minister to the Prime Minister) (10:44): I move:

That the House take note of the document.

Debate adjourned.

Reference to Federation Chamber

Mr TUDGE (Aston—Assistant Minister to the Prime Minister) (10:45): I move:

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

Question agreed to.

COMMITTEES

Public Works Committee

Report

Mr PERRETT (Moreton) (10:46): As Deputy Chair of the committee I present the following report:

Public Works—Parliamentary Standing Committee—Referrals made September, October and November 2015 (1st report of 2016)—Report, February 2016.

Report made a parliamentary paper in accordance with standing order 39(e).

Mr PERRETT: by leave—This report addresses three projects referred to the committee in September, October and November 2015.

The first project, LAND 121 Unit Sustainment Facilities, concerns infrastructure works at a number of Australian Defence Force units around Australia. The works are to provide new and upgraded facilities to support the introduction, operation and deployment of the ADF's new vehicle fleet.

LAND 121 is a multi-phased project providing the ADF with approximately 7,500 high-capability field vehicles. Defence advised these vehicles represent a significant increase in capability. They replace multiple vehicle fleets that have been in service since the early 1980s. The functionality and level of protection against current threat offered by the existing fleet is well past its useful life. The current ageing fleet also incurs a maintenance liability with the continued decrease in spare parts availability.

The primary objective of this project is to provide the infrastructure necessary to maintain the new fleet of vehicles. The estimated cost of the project is \$276.5 million.

The committee received a briefing from Defence and conducted public and in camera hearings on 27 November 2015.

At the public hearing the committee spoke with representatives from the Gallipoli Precinct Action Group, or GPAG, a local action group of residents living in the vicinity of Gallipoli Barracks at Enoggera. Concerns were

raised regarding traffic management, Defence's community consultation and security of Defence personnel and others.

Following the public hearing Defence advised that as part of the process to finalise the traffic management plan for Gallipoli Barracks, meetings with local action groups will be arranged. Defence will consider any feedback. Wherever possible Defence will implement appropriate measures to minimise the impact of construction traffic on the local community. Further, Defence stated that a quarterly meeting with community groups will be established for the duration of the proposed works at Gallipoli Barracks, which is already a very busy base. The project will maintain an 'email inbox' for community members to make contact at any time with the project team.

The committee considers that known community groups such as GPAG should be involved more in consultation during the planning and development phases of all Defence projects. This consultation should continue throughout the delivery of the project and beyond.

The committee requires that the Department of Defence report back in six months time on the effectiveness of its consultation strategies with community groups around Gallipoli Barracks, including:

- the type of consultations undertaken;
- lessons in, and improvements to, engagement with community groups;
- issues raised during consultation and Defence's response;
- and the efficacy of quarterly consultative meetings and the project team's email inbox.

At the hearing Defence advised that contamination investigations had been conducted at all proposed sites for the project. Defence was confident that the environmental risks identified were minor and could be managed through site-specific construction environmental management plans.

The committee requires that the Department of Defence keep the committee advised on the development of the site-specific construction environment management plans for the project, including any increase in environmental risks found during the initial environmental review.

The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

The next project concerns the fit-out of office accommodation at the Australian Taxation Office in Northbridge, Western Australia. The primary objective of the project is to refurbish a reduced leased area and to meet current legislative and efficiency standards. The estimated cost of the project is \$27.5 million.

The committee received a briefing from the ATO and conducted public and in camera hearings in Canberra on 4 December 2015.

At the public hearing, representatives of the ATO discussed procurement methodology, construction costs and leasing arrangements to demonstrate that the proposed project represents the best value for money for the Commonwealth.

The building, at Francis Street, Northbridge, was purpose-built for the ATO in 1992. The ATO has a long-term operational requirement in Perth.

However, through the continual evolution of work practices, a significant area of the accommodation was being underutilised.

The ATO has negotiated a new lease contract with the current landlord until 2024. The renewed lease area is reduced by approximately one-third relative to the previous lease.

The revised tenancy area requires a refurbishment as the current fit-out is 13 years old and has reached end of life. At a private briefing the ATO showed the committee video of the existing fit-out. The video demonstrated the aged and poor condition of the existing fit-out.

The fit-out works are to be undertaken in a staged approach commencing in March 2016, with an anticipated completion date of April 2017.

The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

The final referral is from the Department of Foreign Affairs and Trade for the base building refurbishment and integrated fit-out of the area to be leased by the International Energy Agency within the Australian Chancery in Paris. The estimated project cost is \$27.5 million.

At the request of DFAT the committee's hearings for this project, which were scheduled for February, have been postponed. The committee has suspended consideration of this project, pending further information from DFAT.

I commend this report to the House.

BILLS

Insolvency Law Reform Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mrs PRENTICE (Ryan) (10:52): The government is acting to restore confidence in the insolvency profession, which remains low following an adverse 2010 Senate Economics References Committee report into corporate insolvency. There have been numerous inquiries in which weaknesses in the existing laws and practices surrounding insolvency were comprehensively discussed. Members would also be aware that the coalition commissioned the Productivity Commission to examine the impact of the personal and corporate insolvency regimes on business exits. While we will not put the cart before the horse, the Insolvency Law Reform Bill 2015 certainly moves the cart back to the horse. It is the first real move in the right direction since 2007.

As a responsible government we will carefully consider the Productivity Commission inquiry and recommendations before deciding on the most appropriate balance of further action. I congratulate the minister for progressing this bill today because it will assist in building confidence in the insolvency sector. The level of confidence in the insolvency industry needs to be improved, despite increased activity by the Australian Securities and Investments Commission in relation to oversight for the corporate insolvency industry. Insolvency practitioners received the lowest rating for perceived integrity in the last survey of ASIC stakeholders.

While the government is considering the Productivity Commission's report and recommendations to ensure that financially distressed businesses are given the best opportunity to restructure—or be wound up efficiently where the business cannot be saved—there are things we can do now. This bill implements the first phase of the coalition's reforms aimed at strengthening and streamlining Australia's bankruptcy and corporate insolvency regimes. A key purpose of this bill is to restore confidence in the insolvency profession by raising the standards of professionalism and competence of practitioners while also identifying and then quickly removing the bad apples. This is done by aligning and strengthening the registration, disciplining and having regulator oversight of corporate insolvency practitioners.

It is worth noting that this bill is the first tranche of reforms to modernise Australia's insolvency framework in a very long time. The bill expands on efforts in the Howard government's Corporations Amendment (Insolvency) Act 2007 to streamline external administrations while better informing creditor decisions. Unlike Labor, the coalition recognises that government needs to do more than simply talk about problems as they grow into bigger, more complex and more expensive problems. We recognise there is a need to constantly review the status quo and take action to reduce risk and loss wherever possible while increasing productivity, efficiency and opportunity. We understand businesses and the problems they sometimes face because most of us know and understand the challenges and rewards in creating and managing a business. Indeed, there are still issues that need to be addressed.

As part of our regular and ongoing discussions with small business owners, Senator John Williams and I met with the owner of a machinery equipment hire company who was worried about how insolvency laws and practices intersect with the Personal Property Securities Act 2009 to unfairly load financial risk, by default, onto an otherwise unsuspecting business operator. One of the perverse outcomes associated with the PPSA is that a receiver can take possession and sell property on a site or business that is in receivership regardless of whether it is owned by another business or individual. That is right; someone else can have the title deed and the receipt for that piece of equipment—they own it under every other aspect of the law—but the receiver can move in and sell it as part of that arrangement.

In *Maiden Civil v Queensland Excavation Services*, for example, the New South Wales Supreme Court found a receiver's perfected security interest took priority over the unperfected security interest of another small business. In effect, if you own a business and lease two trucks valued at, say, \$100,000 and the lessor goes broke and the receivers are then called onsite, ownership of those trucks and other property transfers to the receiver, so the person who actually owns those trucks and leases them loses them and the money he invested in them. Assuming you were the owner of the small business who leases these trucks to another business that fails and is in receivership, you are already out of pocket—usually you have mortgaged something or are paying leases off the equipment you have leased out—before you then lose income-generating assets. If the assets are carrying debt, you lose that asset and you lose the income but you still keep the debt. If it was a struggling business in a competitive market, it would sink and, indeed, many have. Many are small businesses started by mums and dads

trying to save and investing their hard-earned savings to improve their lives and set their children up for a better future. This is neither fair nor reasonable for small businesses whose commercial operations include leasing property and equipment.

I trust that as part of the preparation for further reforms the minister will look into these issues and concerns raised by a small business operator who leases machinery and equipment. While the government will continue to consult with the community on further possible amendments to the external administration regime to provide additional flexibility for businesses in financial difficulty, any future reforms will require an insolvency profession in which stakeholders can have confidence. The government believes progressing this package of reforms will provide benefits to creditors, businesses and insolvency practitioners because it will increase the efficiency of the insolvency administrations and cut unnecessary costs and red tape. This bill will remove unnecessary regulatory burdens while improving creditors' ability to get the information they really need when they need it. Over the first four years, these reforms are estimated to reduce compliance costs by about \$50 million a year, with those savings flowing through to creditors as better returns.

Because ASIC and the Australian Financial Security Authority play an important role in promoting an efficient and equitable market for insolvency services, this bill strengthens the powers of the regulators to monitor insolvency practitioners, provide information to stakeholders and intervene in individual corporate and personal insolvencies where appropriate. ASIC will be given further powers to seek information or records from corporate insolvency practitioners—similar to the existing powers in relation to auditors. These new powers will help ASIC in its efforts to undertake proactive surveillance of corporate insolvency practitioners.

The government recognises that confidence in how practitioners handle the funds of external administrations—as well as the protection from potentially negligent behaviour—is crucial to the overall confidence in Australia's insolvency laws. Reforms to the registration framework for practitioners will improve the balance between the need to protect consumers of insolvency services and the need for a competitive market that provides the best opportunity for maximising returns to creditors.

In line with the current arrangements for personal insolvency practitioners, a practitioner will need to renew their registration every three years and, at that time, they must show evidence of compliance with any new requirements for continuing professional education set by the regulator as well as demonstrate that they have maintained their insurance coverage. Any rules made, following the passage of this bill, will require new entrants to have completed formal insolvency-specific tertiary studies as well as accounting and legal studies. Importantly, corporate insolvency practitioner registration will no longer be indefinite.

Responses from insolvency and legal firms, and representative bodies, indicate there is a broad acceptance of the policies underpinning this bill. Minor and technical amendments were made in response to some concerns that the bill may have an unintended consequence for the efficient management of insolvencies. This bill is another very good example of how the coalition is using consumer and industry experience, committee research, academic studies and economic modelling to inform the legislative approach and administrative action we are now taking.

While I recognise there is more detailed reform to come, following detailed consideration of the Productivity Commission report and recommendations, I am pleased we are now taking the first big step in the right direction since the Howard government. Shame on those opposite for doing nothing for so long. I commend this bill to the House.

Mr CRAIG KELLY (Hughes) (11:02): It gives me great pleasure to speak this morning on the Insolvency Law Reform Bill 2015. Contrary to some of the contributions from the other side of the chamber, the insolvency industry is a most important industry to our economy. In the time available I would like to go through why this bill is needed, the changes we are making and the potential for further changes to our insolvency industry.

Firstly, the simple reason we enjoy such prosperity, today, compared with times past is we have entrepreneurship. Entrepreneurs have been prepared to go out and take risks with new ideas or products. It is about the way they do things and innovate to improve products and services we enjoy so much today. The difficulty is, there is always risk with that, because uncertainty runs through the process of innovation.

You can have the best experience, the best judgement, the best planning to reduce that uncertainty and risk, but it can never be eliminated. No-one has a crystal ball to know what the future will hold and what ideas and experimentations in business, products and services will be suitable for the future. We know that most experiments, in any field, fail. To quote economist John Kay:

Most decisions are wrong. Most experiments fail. It is tempting to believe that if we entrusted the future of our companies, our industries, our countries, to the right people, they would lead us unerringly to the promised land. Such hopes are always disappointed. Most of Thomas Edison's inventions did not work, Ford, Morris and Mao ended their careers as sad, even

risible figures. Bill Gates missed the significance of the Internet, Mrs Thatcher introduced the poll tax, and Napoleon died in exile on St Helena. Even extraordinarily talented people make big mistakes.

But because most decisions are wrong and most experiments fail, it is also tempting to believe that we could manage businesses and states much better if only we assembled sufficient information and cleverer people, and debated the issues in length.

We know from experience that is not how our economy works. That is not how innovation occurs. That is not how entrepreneurship works either.

We have seen the recent example, here in Australia, of the Masters hardware group—established by, perhaps, Australia's strongest retailer, Woolworths, and the Lowe's hardware group of the USA. They have billions of dollars worth of capital at their disposal and the best minds in the retail sector; yet they appear to have burnt through \$3 billion worth of capital in a failed experiment. You would think that if you put all that business experience together you would come up with a successful business model.

The problems were that for all the experience of Lowe's in the USA they did not fully appreciate the different consumer trends in the USA and Australia. Although there are some similarities, there are big differences between consumer preferences in those markets. To try to transplant what works in the USA into the Australian hardware market was always bound to fail.

The other issue that the executives from Lowe's probably did not understand enough of was the difference between our competition laws in Australia and those of the USA. In the USA, suppliers to Lowe's hardware stores would all be dealing under that country's Robinson–Patman Act, an anti-price discrimination act that requires them not to put any one company at a competitive disadvantage against another in the price that they sell products for. No such laws apply in Australia. Therefore, the incumbent player, which was Bunnings, was able to put pressure on suppliers in Australia to prevent them giving similar deals to the Masters group. These are exactly provisions that, if they did that in the USA under the Robinson–Patman Act, would be in breach of US antitrust laws. But, in Australia, they could get away with it. I doubt very much whether those executives of Lowe's in the USA understood that significance when they came to Australia.

With the failure of the Masters group we saw that the difficulty with our competition is about what happens when you have overly concentrated markets. New ideas and new business experiments need to be trialled in small gaps. Lowe's rolled out 63 stores until they worked out that they were unviable and decided to close them down. Business experiments are far better when they are done in small steps. If they work, they are repeated and repeated and rolled out. If they do not work, they are closed down efficiently and quickly.

Masters is an example of the companies that close down. But if you look at the statistics from our ABS that record business entries and exits, it gives us some idea about the churn, or the creative destruction, that occurs in our economy. Each year we lose between about 12 and 14 per cent of the existing businesses in the economy. They close down and go out of business. We can go back to 2010 to the latest figures from the ABS and look at the more than two million businesses that were operating in Australia in 2010. If we start off with 100 per cent, by 2011 we were down to 86½ per cent. In one year we lost 13½ per cent of businesses that were operating in 2010. The businesses surviving by 2012 was down to 76 per cent. After three years, in 2013, the survival rate was down to 68 per cent, and by June 2014 the survival rate was 61.7 per cent. Close to 40 per cent of businesses that had been operating in the economy back in June 2010 had closed their doors by June 2014.

The figures are even more significant for the 294,210 businesses that started in 2010. I think anyone who started up a business in 2010, when the Labor government was in control, deserves a medal on their chest. If we look at their survival rate, by 2012—one year later—we were down to 79 per cent. We were down to 59 per cent by 2013, and by June 2014 we were at 50 per cent. So half of the businesses that started in 2010 had gone out of business by 2014.

That is something we should not say is a bad thing. We need businesses out there experimenting and trying new ideas. As long as there are replacement businesses coming in, the rate of business exits—if we could call them that, rather than failures—is something we should not worry about, because we need to get that continuing cycle of fresh experimentation where there is failure and trying again to get that business model that will actually work. We need those added incentives in the economy because experimentation is always risky.

But in our insolvency industry we also need a system where we can have quick and efficient closure of business experiments that do not work. That way, we can regenerate those assets back into the economy to continually feed that cycle of fresh experimentation and fresh innovation. It is openly admitted that the current insolvency laws in this country need some change. Just as we ask businesses to innovate, change and adapt in the community, we need to do the same thing in our insolvency industry.

I now have a few comments. Matthew Woods, head of KPMG, has said about the current law:

The current law significantly discourages risk taking ...

If it discourages risk taking, we need to have a good look at it. He went on:

Many commentators have compared Australia with the US in terms not only of insolvency laws but culture. I would agree we need to start celebrating our entrepreneurs and innovators as they do State-side ...

That is what we need to do. We need to have a cultural change in this country. We need to have a change where we celebrate our entrepreneurs and our innovators. We need to celebrate and understand that business exits do occur. In Silicon Valley, the home of innovation in the world, it is often said that unless you have been involved in several business exits, several businesses that have not worked or, if you want to use the word, failure you are actually inexperienced, because they understand that you learn more from your failures than you do from your successes.

This is the culture that we need to embed in our country if we are to continue the prosperity of our nation. That is why we need to address our insolvency laws. The 2010 Senate Economics References Committee was highly critical of the current regime. They also indicated that confidence in the regulation of the corporate insolvency profession remains low. We need to see our insolvency professionals as heroes of the free market, people that can help engage companies in a quick turnaround or quickly turn around assets and get them productively back in the economy. That is what we need and that is what this bill starts to address.

The bill contains five measures. Firstly, the bill will empower creditors to better protection of their own interest by giving them the ability to determine what information they provide to an insolvency practitioner and when. Secondly, it will reduce the regulatory cost of insolvency administration in order to improve returns to creditors through better facilitating the electronic provision of documents, streamlining remuneration approvals and processes, and aligning administrative rules across personal and corporate insolvency. Thirdly, and most importantly, it will increase competition in the market for insolvency services by empowering creditors to remove a poorly-performing insolvency practitioner without going to court and enabling the appointment of an independent specialist to review the performance of an insolvency practitioner. Fourthly, it will increase the powers available to the Australian Securities and Investments Commission in order to improve the regulator's ability to proactively identify and investigate allegations of misconduct. Fifthly, and finally, it will strengthen the disciplinary mechanisms for liquidators.

This bill is a small but important step on the way to improving our insolvency laws. We need to look at some of the provisions in chapter 11 in the USA. I do not say that we should bring all those provisions in, but there are many chapter 11 provisions of the US insolvency law that I believe would strengthen our insolvency laws and help get a more accurate balance between the debtors and the creditors.

In my remaining time, I want to mention the recent demise of the Dick Smith stores, which were recently placed into administration and, as I understand it, liquidation, and the status of gift cards. This is something we need to look at. As things stand at the moment, if you had bought a gift card from a Dick Smith store, you are basically placed as an unsecured creditor and you will go to the very back of the queue—unless you purchased it with a credit card, in which case you can get a refund because you were not provided the service under the credit card. So a tip for consumers: use your credit card if you are buying a gift card. But for those who paid cash for a gift card instead of buying stock—as opposed to obtaining a service—we need to look at whether these people should be unsecured creditors. One of the first questions for an liquidator to ask when he comes in is: who owns the stock? Firstly, is it the business or is it some of the creditors? Where the stock has been supplied on consignment or under retention of title, first dibs on that stock should go to the supplier. But, if someone has walked into a shop, seen all the stock and said, 'Rather than taking some of the stock today, I will give you a cash payment, you give me credit and someone will come in and pick from that stock,' I believe they should be on a higher rung on the ladder when it comes to the provisions of the liquidators and have greater preference than they currently do. That is something we should look at as we continue our improvement of the insolvency law in this country.

I commend this bill to the House.

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (11:18): Firstly, I would like to thank those members who have contributed to this very important debate, including, in the chamber today, the member for Ryan, the member for Hughes and also the member for Griffith. The Insolvency Law Reform Bill 2015 implements a package of reforms that will strengthen and streamline Australia's personal bankruptcy and corporate insolvency regimes. A strong and efficient insolvency regime is fundamental to a responsive and productive economy. The reforms in this bill will contribute to increased confidence in the professionalism and competence of Australia's insolvency practitioners, promote competition in the market for insolvency services and remove unnecessary costs from insolvency proceedings. This bill addresses concerns about the regulation of

insolvency practitioners that have been raised in a number of parliamentary inquiries, including, most notably, the 2010 Senate Economics References Committee inquiry into the regulation of insolvency practitioners.

The changes will also reduce legal complexity, risk and duplication by bringing the corporate and personal insolvency regimes more in line with each other. By aligning, simplifying and removing unnecessary regulatory obligations on both insolvency practitioners and creditors, this reform package is expected to have a net deregulatory saving of around \$50 million per year.

To boost confidence in the professionalism, competence and regulation of insolvency practitioners, amendments in this bill will raise the standards for registration as an insolvency practitioner. Following commencement, practitioners will be required to be interviewed and assessed by a three-person expert committee prior to registration to demonstrate their competence. Practitioner registrations will be required to be renewed every three years rather than continuing indefinitely. There will also be new requirements to undertake insolvency-specific education and to obtain and maintain appropriate professional indemnity and fidelity insurance. These changes will bring the registration process for corporate insolvency more in line with that of personal insolvency. In addition, decisions on registration as a corporate insolvency practitioner will now be able to take into account the applicant's conduct in their personal insolvency practice.

Amendments in this bill will also strengthen mechanisms to monitor practitioners and discipline them where there has been misconduct or wrongdoing. The Australian Securities and Investments Commission, referred to as ASIC, will now have the power to give a 'show cause' notice to a corporate insolvency practitioner in particular situations—for example, where it believes the practitioner has breached a condition of his or her registration. If ASIC is not satisfied with the response, it may refer the matter to a disciplinary committee, which will have a range of options available to discipline the practitioner, including stripping the practitioner of his or her registration.

The reforms in this bill aim to promote market competition on price and quality by making practitioners more accountable to creditors and empowering creditors to protect their own interests. The amendments will give creditors the ability to determine when and what information they are provided by an insolvency practitioner, and ASIC will be able to direct a practitioner to comply with a creditor's request for information. Under changes in this bill, it will also be easier for creditors to remove poorly-performing practitioners. The amendments provide for creditors to remove practitioners through a resolution of creditors rather than having to go through the lengthier and more burdensome process of seeking court orders. These changes will give creditors more power to monitor and take positive steps where they believe that the actions of the liquidator do not represent good value for money.

Many of the changes in this bill are aimed at removing unnecessary obligations on practitioners and streamlining current processes. These changes will reduce costs and increase efficiency in insolvency administration, helping to improve the return to creditors. For example, the existing obligations on external administrators to hold initial, annual and final meetings will be removed, with creditors having expanded rights to obtain reports or require meetings when desired.

The amendments will also facilitate more efficient communication by allowing, for example, the use of electronic means to provide documents rather than requiring hard copies to be provided. To streamline the remuneration approval process, the bill introduces a new statutory default remuneration amount for each insolvency. This amount will be \$5,000 indexed annually and recognises key tasks which every practitioner must perform at the beginning of the administration. Remuneration determinations will continue to be subject to review by the court, for corporate insolvency administration, and by the Inspector-General in Bankruptcy, for personal insolvency. The government will soon release and consult on the updated insolvency practice rules that accompany this bill.

The changes in this bill represent significant reform of Australia's insolvency regime. However, this is only the first phase of the government's plans to strengthen and streamline the system. The government will continue to engage with the business community on additional reforms to improve the insolvency regime and remove unnecessary costs in insolvency administrations—with the second phase focussing on business rescue and small business insolvencies. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (11:24): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr PORTER (Pearce—Minister for Social Services) (11:25): Before the House is the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015. I thank members on this side of the House and members opposite for their contributions to the second reading debate. In summing up the terms of that second reading debate it is appropriate to note first of all that this bill operates in conjunction with the original Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015 and, in combination, introduces a package of new reforms which the government believes are designed to support families whilst also finding the appropriate balance between the outcome of supporting families and the outcome of encouraging parents' maximum participation in the workforce.

The two bills anticipate the withdrawal of the measures relating to family tax benefits from the 2014-15 budget and, in their place, propose changes which focus squarely on principles of structural reform of the social welfare system by simplifying the payment structure of family tax benefits. At the same time the bills focus additional assistance to families at the points in time in the arc of a child ageing when they need it the most. In that sense they are reforms we consider are fiscally responsible.

Critical to the contextual consideration of the present measures is to note that the new package has been introduced squarely in order to pay for the Jobs for Families package. That is to say that these reforms, which involve savings inside the family tax benefit system, are designed to garner enough savings to both pay for sweeping reforms to the childcare system and also make a modest contribution to budget repair. So the package contains the required savings from family payments to offset the additional investment in the childcare package, and it is that investment in the childcare package which will help families and encourage workforce participation.

The government believes that workforce participation is fundamental for creating prosperity, which in turn allows families to create a better life for themselves and for their children. That is why this government places an emphasis on the importance of child care—which, has been noted, 165,000 Australians say is of critical importance in order for them to return to work or indeed to increase their work hours and thereby grow their household wealth. While the family payments structural reform set out in this bill will pay for the Jobs for Families package and those reforms to child care, it will also have the effect of simplifying the family tax benefit system and provide more money on a fortnightly basis to those families who need it most as well as ending payments which in all rational assessment are no longer fit for purpose. So the government is increasing the fortnightly payment rates of family tax benefit part A by \$10.08 for each FTB child aged up to 19 years in a family. That measure is worth an extra \$6,000 over the lifetime of the child and it means that around 1.2 million lower income families, including income support families who receive family tax benefit part A for around 2.2 million children, would receive higher fortnightly payments commencing 1 July 2018. The increase in that fortnightly payment component FTB would help families better manage their day-to-day budgets by providing them with timely, regularised assistance when they need it the most.

The government would also provide an additional \$10.44 per fortnight for under-18-year-old youth allowance recipients who are living at home, bringing the payments to the same standard rate as a family tax benefit part A child aged between 13 and 19. It must be noted that aligning those two rates of payment is in itself part of needed reform to the system and particularly it is reform to processes which are required to simplify payments where possible. These reforms will, amongst other things, avoid confusion for families and make sure there are no perverse incentives for any family to change payment structures.

Just as workforce participation is a key to growing wealth, obviously educational attainment is very important to attaining employment, and the government understands this and is increasing the fortnightly rates of these payments to encourage children to stay in school. This is fundamental to giving children the best possible start in life so that they are assisted to become productive, contributing members of our society.

Importantly, this alignment reform will also flow on to people who are on the disability support pension under the age of 18, special benefit and ABSTUDY, so that these changes will, cumulatively, cost around \$584.2 million over the forward estimates. So these are increased payments, in excess of half a billion dollars over the forward estimates.

The changes, it must also be noted, are based squarely on the very reasonable and fair recommendations that were contained in the McClure reform report. They simplify the social security system by making it easier for parents and their older children to navigate the system in order to get the assistance appropriate to their circumstances.

Having noted what part of this bill occasions extra spending on the part of the government, it is of course appropriate to acknowledge, as we do openly, that the bill is also designed to engender savings over the out years, which savings will pay for reforms in child care and also make a modest contribution to budget repair. So the bill will also provide for the phase-out of both the family tax benefit part A supplement and the family tax benefit part B supplement. The part A supplement will reduce from \$602.25 a year from 1 July 2016 to \$302.95 a year from 1 July 2017. The part B supplement will reduce to \$302.95 a year from 1 July 2016, then to \$153.30 a year from 1 July 2017, and then both supplements would, under the terms of this legislation, be withdrawn from 1 July 2018. That measure will save \$4.1 billion over the forward estimates.

There is obviously disagreement as to whether or not that is a fair and reasonable measure. The government certainly considers that it is—and, indeed, it is a sensible reform which not only saves the government money inside the family tax benefit system, in order to allow for reasonable expenditure on the jobs for families package, but also has the effect, in combination with the changes to child care, of encouraging workforce participation. And of course it contributes to budget repair. It certainly allows for the better targeting of spending and indeed it allows for expenditure to be reconfigured and applied through the childcare system, so that we can measure the positive outcomes of that expenditure in terms of increased workforce participation as well as it contributing to budget repair.

Those supplements were introduced to be used and for the specific purpose of being used as an offset for potential family tax benefit overpayments that would arise because someone had falsely—though more generally incorrectly or by way of underestimation—put their family tax benefit annual income at a rate which was incorrect. The Australian tax office is introducing a single-touch payroll system—a system which will allow for very accurate reporting of income by 2018-19, and the changes will significantly reduce the problems of debts arising in the family tax benefit system. It should be also noted that those payments were designed at the time in response to the fact that the amount and number of debts that were occasioned in this area were larger, and that they have indeed decreased over time. But we note that, with single-touch payroll, that is a problem which will largely be solved. So crucially, again, these changes are consistent with the critical recommendations of the McClure review to reduce the number of ill-targeted and convoluted supplements that are layered into the system. McClure emphasised that there are far too many payments and supplements. The measure will further reduce the number of supplements in the system. The question clearly arises as to whether or not supplements designed to pay debts—a problem which we think can, in large part, be solved by technology in the near future—remain fit for purpose.

The third measure in this bill will introduce a new rate structure for family tax benefit part B and make other amendments to the rules for part B from 1 July 2016. Firstly, the maximum standard rate will increase by \$1,000.10 per year for families with a youngest child under 12 months of age. That measure provides a greater degree of choice and support for families when their children are very young, and it recognises the importance of families having choice in how they wish to spend time, and the extra costs occasioned when a child is very young—under the age of one year. The new family tax benefit part B rate of \$1,000.10 per year would be made available for single parents under the age of 60 with a youngest child aged 13 to 16. Eligibility for single parent families under the age of 60 would cease at the end of the calendar year of the youngest child turning 16. That measure would save \$781 million over the forward estimates.

What I should note here is that—and we thank the opposition for it; the Labor opposition supported the cessation of family tax benefit part B for two-parent families when the child turns that trigger age—in this bill we would also be seeking for that payment to end for single-parent families. That is of course all families across the income spectrums that are contained in the family tax benefit system.

It does raise, with respect to the salient point of fairness, the question of why it would be the case that the opposition would agree that it is fair for a two-parent family to have FTB B cease at the youngest child turning 16 but that it is somehow unfair for a single-parent family to have the same rule applied even though that single-parent family may be in precisely the same financial circumstances. We understand that these are not the simplest of measures and they are challenging, but to argue that two cases should be treated very differently simply because of the number of parents in the family does not seem to meet with best conditions of fairness or equity.

The combined effect of this bill and bills that would relate to child care is to encourage greater workforce participation as children enter secondary schooling. At the same time, the government of course recognises that it is sometimes challenging for parents and single parents to transition to work when their youngest child turns the

secondary schooling age. But it is also the case that such families are provided with additional appropriate assistance to aid in their preparation to re-enter the workforce.

The government has of course listened and it understands and recognises that grandparent carers and single parents who are 60 and over take on a different type of responsibility for caring for children when they are required to do so. They are also less likely to be working, or are, indeed, more likely to be retired—though sometimes the figures show that there is still a very high degree of effort and ability to work at those relevant ages. Nevertheless, that is why we are exempting those two categories from these reforms.

So the reforms, we think, are measured and fair. They represent a modification, albeit a slight modification, from the reforms brought in after the 2014-15 budget but a very substantial change to the 2014-15 budget itself. The reforms are a critical part of efforts to enhance the long-term sustainability of the social security system. The government is taking difficult but proactive steps to ensure that the system is affordable, not merely now but for future generations.

So, in summary, the package of family tax benefits and dependent youth measures enhance the support for families with their day-to-day living expenses. It helps them support children from birth through to education and then transition to independence. The increase in the day-to-day support has been achieved through reforming the supplements and increasing fortnightly payments, including aligning the rates of youth payments. The cessation of the end-of-year supplements over time is also allowing for the payment of and funding for sweeping reforms in child care. Together, the revised package demonstrates the government's commitment to assisting families in a balanced, fair and appropriate way which is sustainable. The reforms provide additional assistance to families when they need it most, they support family choice to spend more time with their children when they are very young, if they wish to do so, and they recognise that grandparents, grandparent carers and single parents aged 60 and over with children in secondary schooling have a somewhat more limited capacity to increase workforce participation.

At the same time, the reforms improve the sustainability of the family payment system such that they ensure that we can achieve three very important goals: first, continue to assist families in raising their children over the long term and to do so in the long term without the necessity to borrow funds to do that; second, fund the childcare reforms designed to enable and encourage greater workforce participation; third, continue the deservedly needed process of simplifying both the family tax benefit system and the overarching social security system, consistent with the recommendations of the McClure review, which highlighted the unworkability of the system that maintains 20 main payment types with in excess of 50 supplement categories—indeed, 55 when we came to office. These measures are sensible and practical. They are aimed at ensuring the sustainability of the social security system, but particularly the family tax benefit system, the guarantee that payments are targeted to those most in need, and they offer sustainability and fairness in terms of the way in which they provide support but also allow for the full funding of very needed reforms to the childcare system in Australia. On that basis, I commend the bill to the House.

The DEPUTY SPEAKER (Mr Vasta): The question is that this bill be now read a second time.

The House divided. [11:43]

(The Deputy Speaker—Mr Vasta)

Ayes82

Noes50

Majority.....32

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Hawke, AG
Hendy, PW

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hastie, AW
Henderson, SM
Hogan, KJ

AYES

Howarth, LR
 Irons, SJ
 Jones, ET
 Keenan, M
 Laming, A
 Laundry, C
 Macfarlane, IE
 Markus, LE
 McCormack, MF
 Morrison, SJ
 O'Dowd, KD
 Pasin, A
 Porter, CC
 Price, ML
 Robert, SR
 Ruddock, PM
 Scott, FM
 Southcott, AJ
 Sudmalis, AE
 Taylor, AJ
 Truss, WE
 Van Manen, AJ
 Whiteley, BD (teller)
 Williams, MP
 Wood, JP

Hutchinson, ER
 Jensen, DG
 Joyce, BT
 Kelly, C
 Landry, ML
 Ley, SP
 Marino, NB
 Matheson, RG
 McNamara, KJ
 Nikolic, AA
 O'Dwyer, KM
 Pitt, KJ
 Prentice, J
 Ramsey, RE
 Roy, WB
 Scott, BC
 Simpkins, LXL
 Stone, SN
 Sukkar, MS
 Tehan, DT
 Tudge, AE
 Varvaris, N
 Wicks, LE
 Wilson, RJ
 Zimmerman, T

NOES

Albanese, AN
 Bird, SL
 Burke, AE
 Butler, MC
 Byrne, AM
 Champion, ND
 Clare, JD
 Collins, JM
 Danby, M
 Elliot, MJ
 Feeney, D
 Fitzgibbon, JA
 Gray, G
 Hall, JG (teller)
 Husic, EN
 Leigh, AK
 MacTiernan, AJGC
 McGowan, C
 O'Connor, BPJ
 Parke, M
 Ripoll, BF
 Ryan, JC (teller)
 Thistlethwaite, MJ
 Vamvakinou, M
 Wilkie, AD

Bandt, AP
 Bowen, CE
 Burke, AS
 Butler, TM
 Chalmers, JE
 Chesters, LM
 Claydon, SC
 Conroy, PM
 Dreyfus, MA
 Ellis, KM
 Ferguson, LDT
 Giles, AJ
 Griffin, AP
 Hayes, CP
 King, CF
 Macklin, JL
 Marles, RD
 Mitchell, RG
 Owens, J
 Perrett, GD
 Rowland, MA
 Swan, WM
 Thomson, KJ
 Watts, TG
 Zappia, A

Question agreed to.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr PORTER (Pearce—Minister for Social Services) (11:50): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Communications Legislation Amendment (Deregulation and Other Measures) Bill 2015**Telecommunications (Numbering Charges) Amendment Bill 2015****Second Reading**

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr CLARE (Blaxland) (11:51): I rise to speak on the Communications Legislation Amendment (Deregulation and Other Measures) Bill 2015 and the Telecommunications (Numbering Charges) Amendment Bill 2015. The value of these bills, although useful, should not be overstated. As I have said before in relation to these deregulation bills, you do not put out a press release when you vacuum the lounge room or mop the bathroom. But here we go again—that is effectively what the government is doing. It is making a considerably big deal about something which is straightforward—a rudimentary cleaning-up exercise.

To make that clear, I will point out that the first deregulation bill for the telecommunications industry saved the industry something like \$35 million. The second one saved the industry around \$350,000. Now, according to the explanatory memorandum for this bill, this one will save the industry absolutely nothing at all. Having said that, the bills are straightforward and we will not oppose them in this place.

The Communications Legislation Amendment (Deregulation and Other Measures) Bill makes a number of amendments to the Broadcasting Services Act. It modifies audit requirements; extends the classes of people able to make statutory declarations about gross earnings; provides the Australian Communications and Media Authority with discretion to waive small unpaid licence fees and any additional penalties; removes duplicated requirements to notify ACMA about certain changes in the control of media assets; amends auditing requirements for balance sheets and profit-and-loss accounts; repeals provisions to allow for a single classification scheme for all television programs, including films; and removes duplication in ACMA's complaint-handling and investigation processes and refines ACMA's powers of investigation with regard to complaints made about commercial and national broadcasters and datacasting services. This bill also removes tariff filing requirements for certain carriers and carriage service providers. It amends the role of the ACMA with regard to monitoring and reporting of information, and it repeals outdated legislation. Ironically, according to the explanatory memorandum, it also restores a provision that was repealed in the previous deregulation bill.

This latest deregulation legislation also provides a framework for the telecommunications industry to develop an industry scheme to manage telephone numbering. The purpose of the Telecommunications (Numbering Charges) Amendment Bill is to make consequential amendments to the Telecommunications (Numbering Charges) Act 1997 to reflect changes made by the deregulation bill. It inserts new definitions that are compatible with the establishment of an allocation system which is managed by an industry-based scheme manager.

The opposition have consulted with the telecommunications industry, including the Communications Alliance. We have also consulted with the Australian Communications Consumer Action Network and Free TV Australia, and they have indicated to us that they support the amendments in this bill. I thank the government for providing the opposition with a briefing on these bills earlier this week, and, as I said, we will not oppose them in this place.

Mr FLETCHER (Bradfield—Minister for Territories, Local Government and Major Projects) (11:54): It falls to me to sum up debate on the Communications Legislation Amendment (Deregulation and Other Measures) Bill 2015. The debate has been, I think, concise and effective. The shadow minister described the bills before the House this morning—I felt, uncharitably—as a rudimentary cleaning up exercise. I do not think that is any way an accurate characterisation of the measures in the bills before the House this morning. There are a range of measures which will reduce the regulatory burden on participants in the communications sector—for example, the bill will remove duplicative requirements for licensees, publishers and controllers to notify the Australian Communications and Media Authority of certain changes in control.

I want to particularly highlight the measures in the bill which will amend the Telecommunications Act and the Telecommunications (Consumer Protection and Service Standards) Act, to enable the telecommunications industry to develop an industry-based scheme for the management of telephone numbering resources, potentially enabling greater efficiencies if industry develops a suitable scheme. Far from the dismissive characterisation given by the shadow minister that this bill comprises a series of rudimentary cleaning up exercises, this provision is, in fact, one potentially which could lead to a very significant change in the way the telecommunications industry deals with numbering. Presently, numbering is substantively handled by the regulator—the Australian Communications and Media Authority. In other countries, including the US and New Zealand, to a greater or lesser extent there are arrangements for the industry itself to manage the allocation of telephone numbers. It goes

without saying that telephone numbers are an essential part of the operation of telecommunications networks, both fixed and mobile. Therefore, the means by which numbers are allocated to carriers and, in turn, their customers is an important part of the system working overall for the benefit of users.

The structure of the measures in the bill essentially establishes a framework under which the minister can—if he decided that he is satisfied—accept a proposal or a plan put forward by industry to assume control of numbering on a self-regulatory basis. There is plenty of work that needs to be done, but that framework allows a pathway, should the industry do that work. If that is done, then, in my view, it is going to be of significant importance and it will be an important deregulatory measure.

The bills are a further step in the Turnbull government's ongoing commitment to boost productivity by reducing onerous regulation while maintaining consumer safeguards. I commend the bills to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr FLETCHER (Bradfield—Minister for Territories, Local Government and Major Projects) (11:58): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Telecommunications (Numbering Charges) Amendment Bill 2015

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 FLETCHER (Bradfield—Minister for Territories, Local Government and Major Projects) (11:59): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015

Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015

Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015

Income Tax (Attribution Managed Investment Trusts—Offsets) Bill 2015

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Dr LEIGH (Fraser) (12:00): Labor announced its intention for a new tax regime for managed investment trusts in 2010, and with the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015 the Abbott-Turnbull government is proceeding with work started under Labor. Because this bill advances work that was commenced under the Labor government, we support its intent and many aspects of it. However, we are concerned about a number of specific provisions following our consultations with stakeholders since the tabling of the bill. We therefore refer the bill to the Senate Economics Legislation Committee for further scrutiny. Labor reserves our final position on this package until the Senate Economics Legislation Committee reports. We leave open the possibility of moving amendments in the Senate.

Labor welcomes the potential for changes in the tax treatment of managed investment trusts that can help grow the managed funds sector. Appropriate changes could make Australian trusts more attractive for both local investors and foreign investors. As a capital importing nation, that is absolutely critical for Australia. The

Australian finance and insurance sector employs in excess of 400,000 people. To put it in perspective: that is around twice as many people as the mining industry employs. The value of funds managed in Australia is about \$2.6 trillion. Within that pool, approximately \$92 billion is managed by Australian fund managers on behalf of overseas investors. The proportion of foreign funds being managed may appear small, given the sheer scale of funds managed under our compulsory superannuation scheme; but, nonetheless, it is an area that has significant room for growth.

Managed investment trusts pool funds to generate financial returns for investors who do not have day-to-day control over the trust—that means typical investors are superannuation funds, life insurance companies and sovereign wealth funds. In 2010, when former Assistant Treasurer Nick Sherry was originally proposing the changes that we are considering in this bill, he said:

Many millions of Australians are investors in MITs, either directly or indirectly through their retirement savings.

In 2010 the Labor government introduced an amendment to expand the definition of a 'managed investment trust' in relation to withholding tax rules. In the subsequent three years, the funds flowing into the managed investment trust sector increased by 78 per cent—demonstrating that clear and well-developed policy can have excellent results. Two-thirds of the funds flowing in came from the Asia-Pacific region—yet another reminder of the role that the region plays in Australia's success, as epitomized in the former government's 'Australia in the Asian Century' white paper.

Former Assistant Treasurer Sherry knew from extensive discussions that Australia's tax rules around managed investment trusts were 'complex, uncertain and unsustainable in the modern economy'. Currently, managed investment trust income is allocated and taxed in aggregate. At the end of the financial year, members of a trust receive an allocation of the net income a trust earns relative to their stake in the trust. This amount is then added to their individual taxable income. The trustee of a trust is then taxed on any remaining net income that has not been distributed to members.

In essence, the package we are considering provides flow-through tax treatment for different types of income in a way that means investors in a trust receive broadly the same benefits they would have if they held the trust assets directly. It is a good example of an area in which government can simplify rules in a way that benefits industry, investors and the economy. That is certainly the intention of the bill, but we have to get the detail right to make sure that intent becomes a reality and does not create unintended consequences.

We are disappointed on this side of the House that the submissions made to Treasury's consultations and the exposure draft to the bill have not been released. We know that, while some stakeholders broadly support the intent of the bill, concerns remain about several provisions that could undermine the intent of the tax regime. Without public access to these submissions, those sitting on this side of the House cannot clearly gauge how widely held concerns with this bill are. This goes to the heart of a cause that Labor has been fighting hard for: making sure everyone pays their fair share of tax. Thanks to Labor's tax transparency laws, we now know that one in four big public companies are not paying any tax. There is serious concern about the tax practices of high net worth individuals. Labor is therefore keen to ensure that this new tax system does not open up another loophole for revenue to drain away through.

According to some stakeholders consulted by Labor, there is a risk that the current drafting of provisions relating to the treatment of trusts with different classes of membership interests creates scope for abuse of the managed investment trust withholding tax regime by large foreign investors. The explanatory memorandum for the bill acknowledges that this is a possibility, stating:

An attribution MIT may have more than one class of membership interests if, for example, different members have exposure to different groups of assets of the attribution MIT. As a result, the tax attributes of a particular class of assets can effectively be ring-fenced to a particular class of membership interests. In this regard, it is possible for a class to have just one member.

When it comes to tax, Labor has a strong record of closing loopholes. We introduced measures to plug loopholes in Australia's transfer pricing rules and anti-avoidance provisions. The Liberals by contrast voted against the countering tax avoidance and multinational profit shifting bill 2013. When the current Leader of the Opposition, Bill Shorten, was Minister for Financial Services and Superannuation, he championed the cross-border transfer pricing bill 2012

The Liberals by contrast tried to block that measure, which was designed to crack down on companies that overvalued assets in international transactions. One of the Abbott-Turnbull government's first actions upon returning to office was to set about dismantling the good work that Labor had done to improve the offshore banking unit regime and tackle excessive debt loading. By ditching Labor's proposals, in effect one of the first acts in government of the Abbott-Turnbull government was to hand \$1.1 billion back to giant multinational firms.

On this side of the House, we are determined to make sure that we reduce the number of loopholes and that we do not create new ones. Stakeholders have also raised concerns about the obligations this package places on custodians to pay withholding tax liabilities when no actual cash distributions have taken place. It is another issue that deserves a second look. There is no requirement in the draft bill for AMIT trustees to distribute enough cash to cover tax liabilities arising from attributed income. Stakeholders have asserted that this can create unacceptable risk for custodians, as they may be faced with tax liabilities, which they cannot later recover from their clients and which may inadvertently lead to fewer custodians engaging with the AMIT regime. As we started the process to create attributed managed investment trusts, we are all too aware of how keen the financial services sector is to have this new regime running. On this side of the House, Labor also understands that it would be hasty and irresponsible to proceed without ensuring that this new regime has the necessary integrity and functions that are intended. That is what good tax reform requires.

Australia has come to a time when we need good economic leadership. One of the promises of Prime Minister Turnbull when he deposed Prime Minister Abbott was that he would put in place economic leadership. If you look at the economic challenges that Australia faces, you can see the need for that. Consumer sentiment has fallen; we have seen downgrades on growth since the last election; unemployment is up; and public sector construction has fallen every quarter since the election and is now near an all-time low. We have per capita Australian incomes down two per cent since 2013. This is not a widely recognised fact because we tend to use GDP to measure living standards. But GDP does not divide by population and, as the country in the advanced world with the most rapid population growth, that means that GDP can be a misleading measure of living standards. Simply look at disposable per capita income: it is lower now than when the Abbott-Turnbull government won office. We look across the ASX and we see dividend payout ratios in excess of 60 per cent—well above the ratios that you see in similar advanced countries. Only six per cent of ASX 300 firms believe Australia is a highly innovative nation.

Looking globally, we face challenges such as the one of what happens when interest rates begin to rise from their 5,000-year lows. We have unprecedented levels of instability in certain parts of the world. Geopolitical instability and economic fragility demand a government with a long-term vision for tax reform, but instead we have seen the junking of the tax reform process from this government. The *Re:think* discussion paper, brought down last year, called on community groups, regular Australians and business groups to put in their submissions. More than 800 did so, costing thousands of hours of time and millions of dollars—the secretariat alone cost over \$600,000—and yet the Prime Minister has now junked all of that process. The promised tax white paper, which was supposed to be delivered within the first two years of the Abbott-Turnbull government, now looks as though it will not be delivered at all. We do not even know when the green paper—which is supposed to precede a white paper—is coming.

In place of careful and consistent tax reform we are instead getting ad hoc thought bubbles. The latest one today comes from the Assistant Treasurer—the third Assistant Treasurer in just two years. Instead of cracking down on multinational tax, the Assistant Treasurer has suggested that perhaps employees should snitch on their bosses in return for a cut of the tax take. A government which has cut 4,700 jobs out of the tax office, which rejects Labor's multinational tax plan and which does not believe in tax transparency instead suggests that we are going to garner more tax by encouraging employees to snitch on their bosses. It is indeed bizarre that a government which voted for less tax transparency last year now has plans for employees to spill tax secrets in exchange for cash.

Getting tough on multinational taxation requires robust tax laws—tax laws such as the proposal produced by Labor, informed by work from the OECD, costed by the Parliamentary Budget Office, adding \$7.2 billion to the budget bottom line over the course of the decade and grounded in good economic intuition. If you are deducting debt, you should do it based on sound economics, rather than ad hoc thresholds. That is what good multinational tax reform requires, rather than a dibber-dobber plan.

We also have the GST debate rolling on. On Sunday we had the Prime Minister say 'maybe not' and the cabinet secretary say 'maybe'. We know there are plenty of those in the coalition party room who would like to see the GST basal rate increased. In 2005 the member for Wentworth, then a backbencher, proposed 281 tax ideas. We are still having that same philosophy today from the member for Wentworth. The 281 ideas from 2005 have translated a decade later into a 'let every flower bloom' approach to tax reform. The philosophy of tax reform requires careful and coherent engagement with business and community groups—the sort of process that Labor engaged in through the Henry tax review. The stock market may be back to where it was a decade ago, but surely the member for Wentworth's thoughts on tax reform might have moved on since then.

On this side of the House we are deeply committed to tax reform. We support the intent of this legislation but we have concerns about the design. By airing our concern that stakeholder submissions have not been made public

we are demonstrating our willingness to have a constructive and credible conversation about tax reform. It is absolutely incumbent on the government to be transparent with this parliament about the ramifications these changes to the managed investment trust regime will have. The last thing Labor wants is another tax loophole that can be exploited to deny the Australian community a fair share of tax. In keeping with our longstanding campaign for more integrity in the tax system, we will refer this bill to the Senate Economics Legislation Committee and we reserve the right to seek appropriate amendments in the Senate after the committee reports.

Mr VAN MANEN (Forde) (12:16): It is always a pleasure to follow the member for Fraser in this House. It is interesting to listen to his contribution and reflect on the record of those opposite on tax reform in their time in government. What the member for Fraser neglected to tell the Australian people is that their record of tax reform involved increasing all sorts of taxes, fees and charges. It did not involve reducing them, it involved increasing them. And from what we have seen in the last little while with Labor's various policies going forward to try and fund some of their unfunded promises, again we are not going to see any reduction in taxes, we are going to see increases to fund more and more spending. What this country needs is a debate about reducing the level of government spending and reducing the level of tax that we collect as a result so we can free up our economy to be productive and grow and be competitive on the world stage.

I rise today to speak in support of the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015, and related bills, which seeks to introduce a new tax system for taxing managed investment trusts. This bill plays an important role in providing the right domestic platform to enable the financial services sector to expand and grow. We all recognise that in this country we have a history of being able to develop and grow our economy based on the investment of foreign capital. According to the Financial Services Council this new regime will provide certainty and clarity for eligible managed investment trusts and their investors in relation to many longstanding technical taxation issues.

The implementation of a new tax system follows recommendations made by the Board of Taxation in its report on the review of tax arrangements applying to MITs. In November 2013 the coalition government announced it would progress the new tax system for MITs, which was actually one of Labor's 92 announced but unlegislated taxation measures. A managed investment trust is a collective investment vehicle. It allows investors to pool their funds and have that pool of funds invested by a professional fund manager. To be a managed investment trust the trust must meet certain criteria. It must be widely held and it must be a managed investment scheme under the Corporations Act 2001 and invest in assets that earn mainly passive income—for example, rent, dividends and interest.

The coalition government is introducing these bills to modernise the tax rules for managed investment trusts. The new tax system will address longstanding uncertainty and complexity in the rules applying to managed investment trusts and, by extension, investors in those trusts. It will significantly reduce compliance costs for managed investment trusts by \$30 million per year and also make compliance for investors more streamlined and straightforward.

In developing the new tax system, extensive consultation was undertaken with representatives from the funds management industry, the property sector, the custodian service industry, the legal profession and the taxation advisory firms on the draft legislation and guidance material from the Australian Taxation Office. In this instance, it has demonstrated again that, through a consultative process, you can come up with good policy. Maybe those opposite could learn from that and their time in government. The ATO will issue finalised guidance material when the new rules commence to provide industry with greater level of certainty on the practical tax implications arising from the new tax system.

The Tax Law Amendment (New Tax System for Managed Investment Trusts) Bill 2015 and related bills will make it easier for managed investment trusts to offer different investment products through a single trust and give trustees practical options for reporting income to members.

Introducing this new tax system will not only enhance the competitiveness of Australia's funds management industry but will also help attract more investment in Australia, including in the area of infrastructure. So why is this important? It is important because will help make Australian fund managers more internationally competitive and promote the greater export of their funds management expertise. And we would note in this House that one of the key outcomes of the free trade agreements with Japan, Korea and China is the access that our services sector has got to those economies. We lead the world in some of these areas—funds management, aged care and professional advice. This whole new area of business has been opened up by this government through its ability to negotiate these free trade agreements.

And this piece of legislation helps to provide even greater access and opportunities for foreign investors to invest in this country and also for us to export our expertise in this sector. The managed investment trust system

will encourage Australia's managed investment funds industry to grow not only by developing it locally but by exporting more of its expertise and attracting additional inflows of investment. This in turn creates the opportunity for greater economic growth here in Australia and that greater economic growth creates the opportunity for jobs for Australians.

These new rules recognise the commercial needs of the industry by more closely aligning the commercial and tax consequences of the activity of the managed investment trust. This allows managed funds to operate more flexibly through these trust structures. The new rules will apply from 1 July 2016; however, trusts can choose to opt in early and apply the rules for the income years starting on or after 1 July 2015. The new tax system will apply where the members of the trust have clearly defined interests in relation to income and capital of the trust and the trustee of the managed investment trust makes a choice to apply the new rules. This requirement ensures that the new rules can operate transparently and with integrity.

It is expected that some MITs will choose to apply the new rules from 1 July 2015. A number of stakeholders have indicated that they typically will need between 12 and 18 months from the time the bills are passed through the parliament to update their systems and trust deeds. The elective nature of this regime provides MITs with the flexibility to manage their transition in a sensible way. Trusts that are not eligible or choose not to apply the new tax system will continue to have the general trust tax rules applied.

The reforms in these bills have been carefully designed to ensure an appropriate balance between simplifying the tax arrangements applying to trusts and the continuing need to maintain the integrity of our taxation system. This new taxation system is estimated to have a cost to revenue of about \$125 million over the forward estimates but stakeholder comments have been very positive. This series of bills is just another example of this government having listened to stakeholder feedback and taken the time to get the new bills right. These new rules and the increased incentive for our managed investment trusts and our professional financial services industry to expand their opportunities give great opportunities for our economy to grow and prosper for the future. I commend these bills to the House.

Mr TAYLOR (Hume) (12:25): I rise to speak in support of the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015 and associated bills. As we have heard, these bills introduce a new tax system for managed investment trusts following the important recommendations that were made by the Board of Taxation in its report on the review of the tax arrangements applying to MITs, as they are known. The important point here is that the new rules will modernise the tax rules applying to eligible managed investment trusts, increasing certainty for those trusts and investors, and reducing complexity.

There are many things government can do from time to time that encourage more activity, more investment and more job creation, and that is good for everybody. The reality of tax is that tax inherently discourages activity. If you tax income, it discourages people from generating income. If you tax savings, it discourages people from saving. If you tax payroll, it discourages people from employing. So whatever you tax you discourage. That is the reality of taxation. We know that a certain amount of taxation is a necessary evil. It is a necessary evil because it will always be bad to discourage activity and it is necessary because we have to fund our schools, hospitals, roads, national security and so on. But we should do everything we can with our tax system to discourage activity as little as possible.

The tax debate that has been ensuing in recent weeks and months has been all about how we formulate a tax system that discourages activity as little as possible and gets the right activity happening. Where we do have a tax we need to discourage activity as little as we possibly can. Of course, the debate has largely been about what the Prime Minister calls the tax-mix switch. He says, 'It might be better to discourage consumption than to discourage income or company activity.' Another way of thinking about that in taxation terms is that it might be better to have a slightly higher GST and a lower company tax rate and lower income tax rates. That is a very important debate and it has been going on now for some time, and I am sure we have not seen the end of the tax-mix debate because there are a whole series of tax-mix switches we can make to encourage activity as much as we possibly can in this country.

In any tax system there are some things you can do that do not involve a trade-off. There are some things you can do that just make the tax system work better without any real cost at all. As a government we should be constantly looking for those opportunities. The good news is that, if you do get your tax system working well and you take out the inhibitors, the red tape and the unnecessary taxation, you can encourage people to participate more in the workforce and businesses can make investment and grow their businesses more than they otherwise might have.

So this legislation is one very important way in which government can reduce complexity, reduce red tape, increase efficiency, make us more internationally competitive and, most importantly, make our financial services

sector more internationally competitive and better positioned to take on the extraordinary opportunities that we are seeing in Asia. The ANZ Bank has told us on a number of occasions that the opportunities for Australian financial services providers in Asia are unprecedented. We are going to see a switch in capital from the Chinese and other Asian countries circulating their money through the United States, through bonds, back into other opportunities. We are going to see that change where they will create their own capital markets, their own managed funds industry, their own bond markets and their own equity markets. And we are perfectly positioned to chase those.

To do that, we must have the most competitive financial services sector possible. That is exactly what we are trying to achieve with this legislation. As of 30 June we had \$2.6 trillion in funds under management in Australia, which is almost double Australia's GDP and the capitalisation of the Australian stock exchange. Even with all the gyrations we have had, it is significantly larger. That is a huge industry. It not only does us a great service as investors—all of us—in that industry but also provides a great entree into rapidly growing opportunities to our north.

Indeed, it is one of the largest pools of managed funds in the world and contributes jobs to the broader financial and insurance services industry, employing over 400,000 people in Australia, many of whom are in my electorate. Increasingly, we are seeing people involved in trading and financial services living in regional centres and in the bush, trading online. This is a sector that permeates every part of Australia, including regional and rural Australia. And they all use managed investment trusts. This is a ubiquitous vehicle for investment because it is a convenient vehicle. But what we are here, today, to debate how we can make it even more efficient and more convenient.

The real problem we are trying to solve, here, is: the current taxation arrangements applying to trusts are extremely complex and extremely uncertain. That is unacceptable, for all the reasons I have laid out. Back in November 2013, soon after we came to government we announced that we would progress a new tax system for managed investment trusts, MITs—being one of the former government's 92 announced but unlegislated taxation measures. That government was clogged up. Its arteries were clogged—I suppose, when you had a Prime Minister like Kevin Rudd, you announced a hell of a lot and did not deliver much of it. This is a perfect example of that.

Since December 2013 we have undertaken extensive consultation to ensure that the new rules will operate as we intend and make sure that our funds managers are more internationally competitive than they would have been. We listened to a great deal of feedback and took the view that it was better to take that time and ensure that we get the rules right rather than rush implementation. We have done that. As we will hear in a moment, it is very clear from those stakeholders that they agree this is a package that will have a very positive impact on their competitiveness.

The bills modernise the tax rules for MITs and will undress that longstanding uncertainty and complexity in the tax rules. We expect the compliance costs for MITs will fall by \$30 million a year. That compliance will also be simpler. Anyone who has been in business knows that when you make things simpler you make fewer errors, and that takes up less of your time. Your biggest asset in any business is the time of your senior people. If you are wasting it on errors, bureaucracy and red tape every business is distracted and loses the sharp focus on the strategy they, ultimately, need to succeed.

The new rules recognise the commercial needs of the industry by closely aligning the commercial and tax consequences of the activities of an MIT. All of us in business know that there is nothing worse than having to have management accounts and taxation accounts that are separate and different and trying to serve different masters. There is a whole lot of complexity that we prefer not to have. What we are proposing, here, will allow managed funds to work more flexibly through their tax structures. As we heard from the previous speaker, they will prior apply from 1 July 2016, although there is an opt-in for applying the rules 12 months earlier. That is a voluntary component of the legislation.

The new tax system will apply where the members of the trust have clearly defined interests, in relation to income and capital of the trust, and the trustee of the MIT makes the choice to apply the new rules. This requirement ensures that the new rules can operate transparently and with integrity. It is expected that some MITs will opt in for the earlier option. Many will need to update their systems, though, before they are ready to make an election. That is an investment they need to make. They have said it is an investment worthwhile for what they are getting in return from this legislation. The trusts that are not eligible or choose not to apply the new tax system will continue to apply the general trust tax rules. As I said, there is a voluntary component to this. The new tax system is estimated to have a cost to revenue of \$125 million over the forward estimates.

From my experience, anything that reduces bureaucracy, anything that makes the tax system simpler and easier to use, is a very big bonus to businesses. Typically, we underestimate how valuable it is for senior people in any business to be able to spend more of their time on their business and less of their time on red tape and bureaucracy. That is something that cannot usually be quantified but, in 25 years of advising businesses and

working in businesses myself, I think that is the great intangible that every government should be focusing on helping with. There is so much we can do. If government is difficult to work with, we waste business people's time. That is why I think this is so valuable.

We have heard some comments on this legislation from a number of stakeholders. The AFR, based on interviews with stakeholders, has said that the government's proposed changes have met with cheers from the investment community as they welcome the boost in certainty and tax treatment. I really think a set of bills that gets cheers from stakeholders has something going for it.

Andrew Clements, a partner at legal firm King & Wood Malletsons, said of the new treatments:

It may be one of the single greatest tax reforms in the industry since the introduction of capital gains tax.

That is pretty substantial praise. He goes on to say:

It will provide much greater flexibility in terms of the distribution of income and the allocation of tax liabilities to unit holders.

... ..

It will allow much more flexibility to create new product opportunities.

So, not only are we getting more efficiency, simplicity and streamlining, we are actually getting a platform here for more innovation, and in financial services we know innovation is the lifeblood of a successful industry. The Financial Services Council on 3 December said:

The new regime will provide certainty and clarity for eligible Managed Investment Trusts and their investors in relation to many longstanding technical taxation issues.

That is high praise as well. The Property Council of Australia said late last year:

These reforms meet all the objectives industry put forward by increasing certainty and flexibility while also streamlining compliance to reduce unnecessary costs.

This is a resounding endorsement from the business community. I thoroughly commend these bills to the House.

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (12:38): First, I would like to thank those members who have contributed so eloquently to this debate on the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015, the Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015, the Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015 and the Income Tax (Attribution Managed Investment Trusts—Offsets) Bill 2015. This package of bills creates a dedicated new tax system for eligible managed investment trusts that will remove longstanding uncertainty in the interaction between Australian tax and trust law. This amending legislation will improve the competitiveness of the managed funds industry by reducing complexity, increasing certainty and minimising compliance costs.

Australia's funds management industry is one of the largest and most sophisticated in the world and as at 30 June 2015 had \$2.6 trillion in funds under management. Importantly, this package of bills modernises the tax law applying to eligible MITs. It replaces the general trust tax rules, which were not designed for the use of trusts as collective investment vehicles. The new tax system will apply tax at the investor level rather than the entity level. Members will be taxed as if they had derived that income directly.

Additional new rules contained in these bills will reduce compliance costs by \$30 million per year for trustees and investors by better aligning the commercial and tax consequences of MIT activities. Trustees will be permitted to account for variances in income attributed to members in the income year in which it is discovered or reissue statements to its members for the income year to which the variance relates. Trustees can now also treat classes within multiclass MITs as separate trusts, expanding their capacity to offer additional investment options without having to incur the cost of establishing separate trusts to achieve the same outcome. The bills also contain measures to strengthen the integrity of the MIT regime.

This package of bills has been long awaited and is widely supported by the industry. This package of bills will benefit the millions of Australians who invest in MITs, either directly or indirectly, through their superannuation. It will also ensure that Australia's MIT industry remains efficient and competitive and is better placed to export its expertise and attract funds from overseas. I commend this package of bills to the House.

The DEPUTY SPEAKER (Mr Goodenough): The question is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (12:41): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015

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

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (12:42): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015

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

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (12:44): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Income Tax (Attribution Managed Investment Trusts—Offsets) Bill 2015

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

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (12:45): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Corporations Amendment (Crowd-sourced Funding) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HUSIC (Chifley) (12:45): I rise to outline federal Labor's position on the government's Corporations Amendment (Crowd-sourced Funding) Bill 2015. Labor has long recognised the importance of early-stage innovation to drive economic growth in Australia and Australia's start-ups have already proven their potential here and abroad. From small beginnings, they have evolved into widely celebrated names from seek.com.au to carsales.com.au to freelancer and even the recent listing of software company Atlassian on the NASDAQ. We need to encourage the growth of successful start-ups, especially considering the majority of jobs to be created in the next decade and beyond will be with companies that do not exist today and that is why it is important to have

policies in place to help grow as many more of these companies as possible, policies that help remove some of the barriers to growth, particularly a lack of capital. The challenge is to channel investor dollars into early-stage innovation and that challenge is real.

I note for instance that some have observed that of the eight million investors in the US, only an estimated three per cent have ever invested in a private start-up. Clearly more investors prefer to back established companies. So while traditional sources of funding for early-stage innovation and start-ups have come from venture capital and angel investors, equity crowdfunding has emerged as an alternative way of raising capital.

Crowdfunding is not new. It has been used as a way of raising funds for projects gained by securing small amounts of money from the public via the internet. In the case of equity crowdfunding, the internet forms a platform for start-ups and other small businesses to raise funds in return for an equity stake in those businesses. This bill amends the Corporations Act 2001 and the Australian Securities Investment Commission Act 2001 to facilitate equity crowdfunding and a series of proposed regulations to help enact the bill were also released on 22 December 2015.

The origins of this bill sit within a decision taken in 2013 by the former Labor government, where the Corporations and Markets Advisory Committee—otherwise known as CAMAC—was tasked to advise on the appropriate framework to allow equity crowdfunding to operate in Australia. In May 2014, CAMAC completed this review and found that this form of fundraising is costly and impractical for businesses largely due to regulatory impediments in the Corporations Act that impose an excessive compliance cost for start-ups and other small businesses. Since then, Labor has consulted with the start-up community and heard their views on what they believe will make for a productive regulatory framework. These consultations, along with the tremendous work of CAMAC, have shaped Labor's overall philosophy to equity crowdfunding—namely, we think that it is important that governments recognise and demonstrate support for equity crowdfunding, sending the signal that it is one of the legitimate and valuable ways to raise much needed capital. We also believe investing in start-ups is an important way to drive early-stage innovation but there is also a greater risk degree of risk and failure. That is why it is important to have investor safeguards in place. While having these measures in place, we should ensure that the legal framework introduced is not heavy-handed and costly. We believe a lighter touch regulatory framework should deliver vital capital for start-ups. Since we are competing in a global market for funds, we should be mindful of the level of limits on access to capital.

Finally, once a reliable framework is in place, it should not be subject to constant change. Investors and companies should be confident that they can invest without concern the laws will change with the wind. Having said that, Labor will be setting down legislative tests for this new framework and will announce future changes were required. We know that within the start-up community equity crowdfunding is not everyone's cup of tea but the reality is it is going to be someone's cup of tea. Considering this, we need a robust secure legal framework in place to ensure that those who use this mechanism to seek investment or those who seek to invest have every confidence in the surety of the crowdfunding system.

For some time, we as an opposition have stated our preparedness to work constructively with the Abbott and then Turnbull government to advance the development of a viable equity crowdfunding framework, even if they have not demonstrated a similar desire of late to work cooperatively on this legislation. In stark contrast to current circumstances, I want to publicly acknowledge that we had solid and open discussions about reform pathways with the former small business minister, that irrepressible member for Dunkley, Bruce Billson. We recognise and pay tribute to his efforts. He invested much into this legislation previously and demonstrated a preparedness to be consultative and considered with the federal opposition on this reform. In the discussions we had with him, I would like to think we gave him every confidence that we never broke a confidence. From our point of view, it was important the opposition, in signalling its preparedness to work with the government, was giving the government room to move to explore a new approach to equity raising that is providing a direct challenge to longstanding, deeply held views about how this should work as evidenced in the Corporations Act. That is the dividend that is generated through genuine bipartisanship and collaboration.

I never thought I would say this but there were ministers in the Abbott government that were better at consultation than ministers in the Turnbull government. Although it is early days and while they took up their commitment to bipartisanship, it appears the Turnbull government's approach to bipartisanship in this space reflected its broader mindset—say one thing, do another. Worse still, it appears this mindset is underpinned by a view that the opposition is merely here to rubber-stamp government proposals. I would like to respectfully inform the Assistant Treasurer that that is not how bipartisanship in the innovation space is going to work. We certainly will not be rubber-stamping a bill that has attracted the level of industry and legal concern this bill has, especially when we see that literally none of the recommendations we made in discussions with the Abbott government have survived the transition to the new regime. Not surprisingly, that has been the experience industry stakeholders

have complained about—that there has been a complete and utter failure to address serious concerns and grievances that have been raised with the government about this bill.

I suspect what has happened is that we have a new minister and he has had little time to get across a complex policy area, combined with public pressure to release the draft bill by the end of last year, and they simply bow to the kind of internal resistance that has seen Treasury delay the speedy formation of an equity crowdfunding framework. It is important to remember this: it has taken over 18 months to get to the point of debating the legislation here, it has been 18 months since an independent CAMAC report on equity crowdfunding was released in May 2014 and it will be nearly two years from that point before this bill even becomes law. So much talk about being agile and nimble, yet so little evidence of this happening in real life. I will outline federal Labor's position and intent with this bill later in my contribution, but for now let me outline key elements of the bill.

Start-ups and small businesses will be required to convert themselves into unlisted public companies if they seek to access equity crowdfunding. Eligible companies will be able to fundraise up to \$5 million a year from retail investors, an amount higher than allowed under both the New Zealand framework and the model recommended by CAMAC. Retail investors can invest up to \$10,000 per issuer per 12-month period, allowing investors the opportunity to make substantial investments in a product while also seeking to mitigate the size of their exposure. Retail investors will not be limited in the total amount of investment they can undertake, allowing them to diversify. Investors will have cooling-off rights for a period of five days. Equity crowdfunding will not be limited to start-ups; small businesses will also be able to access this funding regime. Companies will be required to meet turnover and assets tests before they are eligible to fundraise, with a threshold of \$5 million.

Provided a company undertakes crowdsourced equity fundraising within 12 months of registering as a public company, they will be eligible for exemptions of up to five years from requirements to hold AGMs, have annual reports audited if they have raised less than \$1 million from equity crowdfunding and provide annual reports to investors other than by publishing them on the website. Companies fundraising under this framework will be able to offer equity securities to retail investors with lower disclosure than currently required. However, the government proposes to set out disclosure requirements in the regulations, which it has, that will ensure investors have access to the key facts about the company, its structure and fundraising.

Investors will also be able to interact directly with the company to ask questions relating to an offer and the company will be able to respond to those information requests. Intermediaries who maintain an internet based platform to bring start-ups and investors together will be required to be licensed, and they will have to meet certain obligations, including the conduct of checks on issuers.

It is worth noting at this point that the government's proposals have drawn a mixed reaction. While industry stakeholders have most definitely welcomed progress in bringing equity crowdfunding laws to reality, many have expressed disappointment publicly and to the opposition that the government has completely ignored concerns about aspects of the framework that will potentially add regulatory and financial imposts on start-ups and crowdfunding platforms. Taking this into account, Labor moved to have the bill examined by the Senate Economics Legislation Committee, which I understand is set to report later in February.

It is safe to say the response from the sector to this inquiry has been frank and fearless. They certainly have not held back their views on what needs to be reformed. Overall, while Labor agrees with the need to introduce equity crowdfunding legislation, there are some key areas of the bill that may require amendment, pending the outcome of the Senate inquiry into the legislation, and we reserve our right to put forward any amendments to this bill after the Senate brings down its report. But let us detail some of those concerns, and they are pretty significant.

For example, the Australian Private Equity & Venture Capital Association Limited states that, in their view:

... the rules should be simple and cost-efficient, and principally targeted at successfully aligning the interests of startups and CSF investors.

They have outlined a number of concerns about the restrictions that exist within the bill. The Faculty of Law at the University of New South Wales has argued:

Currently the Bill **excludes over 99.7% of companies** from accessing CSF.

They are even more blunt in saying, for instance:

... the current proposed model in front of the parliament is too restrictive and excludes the majority of Australian companies from relying on CSF.

They are backed up by the Law Council, which states:

The Committee is concerned that the CSEF Bill is too complicated to be easily understood by start-ups and early stage companies seeking to take advantage of CSEF and may give rise to too high a regulatory burden for intermediaries to readily embrace the establishment of CSEF platforms.

BDO say:

The requirement to become a public company—
as embedded in this bill—

is likely to be daunting and costly to start-ups and small businesses.

Again, they have provided some very detailed concerns about what is being proposed. They say, for example:

It is not clear from the draft legislation, or the explanatory memorandum, what the Government perceives to be the risks to investors in CSF Companies compared with public companies and proprietary companies, and therefore it cannot be logically followed how the draft legislation is seeking to address these risks.

... ..

The focus of the draft legislation appears to be on trying to amend the current legislation to allow a limited level of CSF, but the law as it stands is too restrictive for this to be effective.

BDO would prefer to see a focus on identifying the risks to investors ...

Employee Ownership Australia & New Zealand, in reflecting on this requirement to become a public company, state that there can be:

... significant costs for a smaller organisation, from \$15,000 per annum. The financial statement and content requirements also may cause some concerns for entities that do not wish to give full disclosure for competitive advantage.

That is a serious concern. Pitcher Partners state:

The significant restrictions proposed for eligible participants (customers) and eligible securities (products) under the regime will ultimately result in very limited demand for the regime.

Accordingly, we believe that it will be difficult for CSF platform operators to create platforms that will (from a business perspective) be economically viable.

This is from the sector itself, questioning whether or not this will be a viable platform. Further, they state:

... we believe that the number of companies that seek finance from a CSF platform is likely to be less than expected unless compliance costs associated with becoming a public company can be reduced.

These are fairly damning comments. The Business Council of Co-operatives and Mutuals say that they do not support the current draft amendments because they:

A. do not serve the capital needs of small or start up enterprises, particularly co-operative or social enterprise models and

B. impose unwarranted regulatory imposts on the disclosure regime for the offer of securities by co-operatives governed by state and territory laws.

They go on to say:

As drafted, the proposed CSF amendments establish a regime

- With potentially high costs for raising small amounts of capital
- that is aimed at capital raising amounts in excess of the needs of small businesses and social enterprises
- that does not recognise retail investor motivations or intelligence and
- that excludes common entity types established for small business or social enterprise purposes.

VentureCrowd, one of the few that has been maintaining a regime in this country providing equity crowdfunding, believe that the reforms are made to allow equity where crowdfunding must reduce the friction currently associated with start-ups raising capital while ensuring that investors are both educated in the risks and protected. They say:

The Bill's requirement that an ECF start-up first becomes a public company imposes a significant (and unnecessary) regulatory, administrative and compliance burden on those start-ups.

That is, they have to spend thousands of dollars on lawyers and accountants to convert to being a public company. Although the bill provides relief from some of the burdensome consequences of being a public company, they claim this is token at best and the damage will have already been done, as outlined. This is a fairly damning quote, and it has been repeated by a number of companies to the opposition:

If there had been proper consultation with the Australian start-up community before the Bill was drafted, it would have been apparent that these fledgling businesses are unlikely to be able to adequately deal with 20 new shareholders, let alone more.

There is also within this bill a threat to their own business model. They rely on unit trusts as a way to crowdfund and they put forward the reasonable recommendation that under what they would prefer to see in this bill there would be no obligation to aggregate the investment but, they say, it at least would not be permitted. They want to see an ability for their business model to continue, and that has been repeated by others. These are all criticisms that have been levelled at this bill. CrowdfundUP say:

In its present form, the ... Bill would not be attractive to start up companies due to the onerous requirement for a company to become a public company. Additionally, CrowdfundUP strongly suggest that after 12-24 months of the legislation being enacted, that it is revisited and revised.

They are clearly concerned about some of the things that are being put forward in this bill—in particular the abandonment of unit trusts being able to provide a mechanism for crowdfunding. CrowdReady says:

Our view is that the current Bill and Regulations are more facilitating in nature rather than encouraging crowd sourced equity funding in Australia.

Chartered Accountants say:

We are concerned that the CSF framework concessions for public companies may have a negative impact on investor rights and may also not achieve the desired aim of reducing regulatory burden.

They also say:

It is important that such reforms are implemented quickly—

good luck!—

as Australia is already significantly behind other similar nations, including New Zealand.

We consider alignment of the Australian and New Zealand CSF models is important as part of the single economic market and to ensure issuers do not see one country as preferential over the other.

They are valid concerns. The Australian Small Scale Offerings Board says:

The issues that are raised in this submission will make it very hard if not impossible for intermediaries to develop a business model that is sustainable and so this legislation will not have the effect that is desired.

Again, more criticism. The Solutions4Strategy group say:

A fear based approach that over focuses on possible risks for investors has created a bloated structure that is inflexible, too costly for the businesses it was designed for and at the end of the day does not reduce the risk to investors.

In discussion with Treasury, forefront in their thinking is how to avoid future newspaper headlines ... The risk averse culture in Government is hijacking economic outcomes.

So why is there a fixation on the Public company structure as being an ideal model and why is CSEF restricted to this model? CSEF is a disruptor that is breaking the mould of how capital raising is being done. We need to stop applying what may have worked for other forms of capital raising in the past and rethink what will work for this new structure.

Finally, King&Wood Mallesons, a large legal entity in this nation, say:

The greatest risk of the CSS Bill is that few startups or platforms will use it, and it will not support the development of Australian start-up businesses.

In their submission, and it is there publicly, they say:

Send the legislation for further consultation to see if it can be simplified. It is surprisingly complex and there are some difficulties ascertaining how it connects with other parts of the Corporations Act, and the Criminal Code .

This is a range of fairly solid criticisms that have been levelled at the way in which this bill has been framed and concerns about what it would do if it were brought to life—or, I think it is safe to say, what it would not do for advancing equity crowdfunding in this country. I will spell out some areas that will form markers for possible future reform, but I stress this: it will not be our intent to block this bill but we do reserve our right to amend it. Again, we intend to await the outcome of the Senate inquiry and to determine what amendments might be required but in the interests of legitimate bipartisanship we also extend this genuine offer to the government: even though there is a pressing need to get this legislation through, I take on board and the opposition takes on board the comments of the sector that they would rather get the legislation right than rush it, and if the government decides to park this bill and engage in genuine consultation to address widespread concerns about these proposed laws then we as the opposition would not criticise the government for that. I repeat: we would not criticise the government if it suspends passage of the bill to help make sure it gets the bill in better shape. We would rather get this right than rush things.

If the government is determined to press ahead with the bill, we will not invest time in blocking it but we will hold them most definitely to account for the lived experience of the bill. Our genuine desire is for the bill to support the emergence of a strong equity crowdfunding community in Australia, but we have serious doubts about this happening under what is being proposed. There are some areas that we will closely monitor, and for the public record we state to the start-up and small business community that we will maintain a watching brief and will potentially mark these out as areas of reform in the future.

One area, for example, is the demand for conversion into an unlisted public company. As indicated earlier and as you have heard, there is a widespread view that this is onerous and heavy handed. We believe that there are

alternative approaches that could have been employed to manage some of the limitations presented in the Corporations Act and we state for the record that we will continue to keep a watch on this into the future.

We will also maintain a watch on the overall fundraising amount and individual caps. You heard some from the sector express that, on the one hand, there is no clear identification of what risks this bill is trying to tackle and yet, on the other hand, the government has brought in an increased fundraising cap and increased individual caps of up to \$5 million, well above what is happening in New Zealand and well above what was recommended in the CAMAC report. So we will watch that. I should state that there are diverging views about this in the sector. Some question why it is so high; others say that the individual cap should be lifted to \$20,000. Either way, it is clear that there is not consensus on this, and we have to keep a watch on it.

There is a serious concern that the prevention of access by unit trusts to the regime will kill off certain businesses that currently operate in this space. We want to know from the Assistant Treasurer what the motivation for this is, because some of the companies have said to the opposition that it has never been clearly explained to them why this is the case: why are they singled out in this way? We will also be keeping tabs on that.

Another area—something that intermediaries actually support, if I can put that on the public record, but that we have some reservations about and will watch very closely—is the ability of intermediaries to choose, before the close of a fundraising campaign, which start-ups on their platform they will invest in and which ones they will not invest in. Now, I can understand that for intermediaries that do not make a lot of money—and it should be added that not a lot of money has been made out of this process so far; it is something that in due course will evolve and we will see how profitable intermediaries will become. It is understandable, and I can certainly appreciate why the government has allowed this. But CAMAC was concerned about this and rightly so. The government will need to explain how it will manage a situation where the crowd is influenced by intermediaries choosing to invest in one company over another, because this is a platform that will attract both sophisticated and unsophisticated investors, and there will need to be an assurance that the choices of intermediaries, the actual crowdfunders themselves selecting which companies they invest in, do not influence the crowd.

In December 2014, Labor put forward principles to address this point and advanced the notion of last-mile investment—that, at the close of a campaign, if a campaign did not reach its target but a crowdfunder saw that there was promise in one of the start-ups or small businesses that put forward a proposition on their platform, an intermediary be given the ability to invest in that individual proposition. We argued that that might be a way to sidestep some of the concerns. Certainly, that has not been taken up in this bill, and we are disappointed that that has not been advanced further. But again, in the interests of getting the laws in place as quickly as possible, and to not be obstinate and block the bill's passage through the parliament, we will maintain a watching brief on it and see how it goes.

The other area is investor interaction. The bill allows for a multitude of investors to make contact with a start-up or small business to ask questions about the investment proposition being put forward. You can see why that might make sense. But just bear in mind that a lot of these start-ups, a lot of these early-stage businesses, do not have sophisticated investor relations platforms, mechanisms, policies or approaches. The preferable way to do this would be to go through the intermediaries and let them manage the bulk of the requests for information, channel through the start-up and provide the flow of information to investors so they can make informed decisions. I would be interested in finding out more about why this bill allows for the crowd to converge on an individual start-up with a plethora of questions. Again, Labor's view is that we will maintain a watching brief and we will see where we go from there.

We also want to get an explanation from the government about the \$7.7 million that has been allocated to ASIC for overall oversight of the bill. There is \$7.8 million over the forward estimates, which was spelled out in last year's budget, which is roughly \$1.7 million a year beyond the current fiscal year, for supervision of the bill. We would be interested in knowing how many people have been assigned to maintain a watch on this emerging system and if that is the limit of the amount that has been assigned for supervision. The last thing you want in this area is lax supervision. We do not necessarily want ASIC to be looking over the shoulders of all the crowdfunders and all the issuers, and we would hope that there would be a productive relationship that builds up the knowledge base in the sector and ensures that there is a smooth pathway to the emergence of a crowdfunding community in this country.

Having said that, it does seem a lot, \$1 million a year for the number of companies that may access it. But then again it may not necessarily reach that because, if you believe the predictions of the sector, hardly anyone is going to use this platform within the framework that has been advanced by this bill. It may be a moot point. I think the bottom line is that it would be beneficial if the Assistant Treasurer outlined to the parliament how the allocation of that money will be used for supervisory activities.

Again, I extend to the government this commitment: if they take on board—and they have seen already—the large number of reactions to what is proposed and they say, for instance, that they want to park the bill and consult further, we extend to them our continued desire to work with them on this bill in a collaborative way. If they park it, we will not criticise them for it. It is better to get this right. But, if they go ahead and decide to ram this through, we will see what the Senate says and we will see what amendments are put forward. If it does get through the parliament, we maintain the position that this bill will be the subject of future reform and we will follow that up.

Having said that, I hope that this outlines in detail Labor's position on this bill. We welcome the fact that we are debating these laws and we look forward to the prospect of this bill allowing for a positive and vibrant sector to emerge. We hope that the government will accept our offer of bipartisanship to work with them on this and ensure that a strong framework is put in place.

Mr WHITELEY (Braddon—Government Whip) (13:14): I rise this afternoon to speak on the Corporations Amendment (Crowd-Sourced Funding) Bill 2015. In doing so I am supporting the commitment of this government to put jobs growth and small business at the centre of our economic agenda. This bill is a key component of the Turnbull government's Growing Jobs and Small Business package and the government's response to the Financial System Inquiry, but it is only the start of what will be an exciting and economically enhancing journey. This package is targeted toward the innovators, small-business people and entrepreneurs in the economy, the people who create jobs and increase growth in the local community. They have been waiting for this government and past governments to support them in their endeavours.

Under the arrangements this bill puts in place, a regulatory framework to facilitate crowd sourced equity funding will be established. The aim of this framework is to mitigate regulatory impediments in the Corporations Act that make it impractical and costly for businesses to fundraise through crowd sourced equity channels.

Crowd sourced equity funding is an exciting new concept in financial markets, particularly for small and start-up businesses. There are businesses and innovators out there who have fantastic ideas that have the potential to grow jobs and the economy but who struggle to attract finance through traditional avenues. Crowd sourced equity funding has the potential to fill this gap in the financial market and give innovators a leg-up to contribute to our ideas boom. Crowd sourced equity funding is a funding arrangement that allows a large number of individuals to make small financial contributions towards a company or invention in exchange for an equity stake in the company. The funding is typically managed through an online platform and so reaches many potential investors who may not otherwise have invested through conventional methods.

Crowdfunding has been behind some simple yet effective designs from entrepreneurs who have the ideas but not the capital behind them. A lot of the time, crowd source campaigns come from people who notice a problem or scope for improvement in everyday life and decide to do something about it themselves. Examples of these kinds of projects include the Glif, a tripod for smartphone cameras, and Sole-Socks, socks that are invisible yet have the functionality of a conventional sock. An Australian invention, the beehive tap, raised \$15 million from crowdfunding in two months. This new beehive design allows beekeepers to harvest honey without disturbing the hive. A father and son duo from Byron Bay spent a decade coming up with the idea and have made it a reality using crowdfunding. These products are conceptually, incredibly simple, yet they are the first of their kind on the market, solving simple everyday problems.

Crowdfunding is not limited to individual inventions and quirky creations. The multimillion dollar box office hit *Veronica Mars* was a crowdfunded project. Kristen Bell put the *Veronica Mars* movie project on Kickstarter, one of the platforms that I spoke about, and broke the website's fundraising record. She raised \$2 million in 10 hours and had the most backers of any project with over 90,000 supporters.

Part of the way crowdfunding works is through online platforms such as Kickstarter, VentureCrowd, Fundable and Indiegogo, where innovators post a pitch of their idea. Investors can contribute if they want to see the idea come to fruition. I have a few ideas of my own that may be open to crowd sourced equity funding. I would like to see a company come up with a brussels sprout that tastes like a Cherry Ripe or a money tree that would be capable of paying off Labor's past debt, but I suggest there are plenty of other ideas that people would like to contribute to.

In some cases the ideas have been so popular that funds have been raised in under 24 hours or the funding levels have far surpassed the initial target. Crowd sourced funding allows mum and dad investors the chance to invest in what is important to them and the business ventures they want to see succeed, in a way that previously has not been available to them. It is an amazing new part of the economic horizon that we are talking about today.

The crowdfunding success stories I have just mentioned clearly demonstrate how simple and easy crowdfunding is. More importantly, they demonstrate how effective it is. Quite simply, if the market supports a project, then the finances will allow it to come to fruition. That is the way of the modern economy. Some of the traditional barriers to economic growth, such as geographic isolation or limited market access, are diminishing

day by day through crowdfunding. This kind of funding model allows for a new economy built on innovation and ideas and a have-a-go attitude. That is the attitude that this government is absolutely committed to not only supporting but enhancing and creating the environment for it to take place. This is a have-a-go country. We have built our reputation, our economic platform, on the back of a have-a-go attitude. We are people of innovation. We are people of ideas.

As with any kind of financial investment structure, the government has also committed to protecting investors through various regulatory measures, including those in this legislation. Retail investors, who will share in the successes but also the risks of these businesses, will have adequate protection under the new crowd sourced equity funding regulations. ASIC will have ongoing responsibility for issuing licences to intermediaries and monitoring the crowd sourced equity-funding network. The intermediaries in the network will play an integral part in the integrity of the funding system, with the role of conducting checks on companies prior to their listing. We cannot have the law of the jungle with this. We need a regulatory framework that will ensure issuers and investors have confidence and trust in the intermediary, which will need to hold an Australian financial services licence, which can be issued only by ASIC.

Whilst these requirements are designed to protect the investors, some regulatory requirements of public companies have been removed to make it easier for small business and start-ups in the early stages of operation. The public disclosure requirement has been reduced, with companies required to offer generic information relating to investor rights and risk warnings, rather than full product disclosure statements.

The requirement to have an annual general meeting of shareholders has also been removed as well as reduced annual reporting obligations. These measures do not diminish the rights of the investor. They just peel away some of the paperwork, red tape and time-consuming obligations that are incredibly costly to business in their infancy.

These exemptions cease to apply after five years or if the business exceeds the assets and turnover tests of \$5 million. This ensures the measures are there just for start-ups and are not exploited by big business aiming to take advantage of their investors. Most importantly it has the dual purpose of protecting the mum-and-dad investors in the economy whilst making it easier to start a business.

In my electorate of Braddon there is a strong small-business sector, with over 6,000 small businesses across the electorate. I have always said that if we can encourage just one in every three or four of all the small businesses in my electorate to hire just one extra person we would go a long way to solving unemployment in the north-west of Tasmania.

Improvements in technology and the ability for businesses to reach out to customers not in their immediate area has dramatically opened up the possibilities for businesses in my electorate. Businesses in towns like Smithton, Wynyard, Penguin and Latrobe—and smaller towns on the West Coast that are more remote and isolated—typically had a relatively small catchment area and customer base. Now, through technology, they can reach out to people wishing to access their goods and services who previously had no access to these businesses.

With this legislation people out there in my electorate have a fantastic new opportunity. If they have an idea but cannot get conventional finance for it, they can use technology to appeal to the rest of the world and crowdfund their project. It is exciting that all of these opportunities are opening up all around Australia. Crowdfunding allows anyone who believes in their idea to make a small financial contribution in exchange for an equity share in the company. Instead of relying on investors in the community or a bank loan, people can put their idea out there and seek funding from people anywhere in the world that share their dream and their passion.

To the innovators, entrepreneurs and creators in my electorate of Braddon, this is an opportunity to use technology to connect with people in the world who support your ideas. There has never been a better time to have a go. A brilliant idea does not have to be constrained by lack of finance in regional Australia, where it has been so hard to find investment. Banks have moved away from supporting those in regional Australia. Instead, with this legislation, someone who has an idea in Strahan, Devonport, Somerset, Ulverstone or King Island does not need to appeal to the finances in their local area only. They can go online with their idea and be funded by investors all over the world.

Anyone in my electorate willing to invest in a crowdsourced funding campaign will now, as a result of this legislation, be protected by regulations. Financial intermediaries involved in the crowdsourced funding network will need to hold a licence issued by ASIC, and the network will be monitored by ASIC to ensure confidence in the financial system is maintained.

This legislation has the potential to dramatically alter business in my electorate, boost the economy and grow jobs through new ideas reaching out around the world. If one person in each community is successful in using crowdfunding to start a business, that business becomes another potential employer in the community. Funding for one person becomes growth in the local economy, with benefits for everyone in that community.

This bill is a part of the package of legislation that forms the Turnbull government's national innovation and science agenda. Our economy is in a stage of transition. This is a transition into an economy driven by ideas, innovation and small business—the backbone and heart of this nation—while not abandoning traditional sectors like forestry and mining. Jobs and prosperity will come from our local communities supported by these reforms to our financial markets. It is fantastic to have bipartisan support for these measures to drive our economy in the 21st century.

I commend the bill to the House.

Ms BUTLER (Griffith) (13:27): What this country needs is a thriving start-up ecosystem, and of course an important part of that ecosystem is funding. An ecosystem is exactly how it sounds; every component of that ecosystem must work together well. One important component of that funding ecosystem is crowdsourced equity funding, which is why it is such a pleasure to support a bill that will allow for crowdsourced equity funding to have a framework in this country but it is also why it is such a shame that the bill has been produced in a way that has attracted such strong and significant criticism from some very highly regarded stakeholders in this space.

So it was with great pleasure that I heard the relevant shadow parliamentary secretary, Ed Husic, earlier today extend an olive branch to the coalition; he said that, if the coalition would go out and engage with stakeholders and improve the many flaws in this bill, then Labor would not criticise the coalition for further delay in passing this bill. We believe not only is crowdsourced equity funding important; it is important to get it right.

There is a Senate inquiry into the bill on foot at the moment, and you would be aware that some very significant and well regarded stakeholders have made submissions to that inquiry. A couple of them are stakeholders whom I have spent a fair bit of time with in my role as one of the co-chairs of the bipartisan parliamentary friendship group on innovation and enterprise. We are very fortunate, for example, to have the benefit of the expertise of a leading voice in the space of funding for start-ups, Angela Perry, who heads up Employee Ownership Australia and New Zealand. Ms Perry has written to the Senate Standing Committee on Economics to raise a number of concerns about the bill and particularly about what it is going to mean for the firms that want to use crowdsourced equity funding.

One of those significant concerns that needs serious and considered reflection is the issue that has been raised by several stakeholders and responders to the inquiry: the public company requirement. The issue that has arisen is that the bill will require a firm to become an unlisted public company in order to have the benefit of the crowdsourced equity funding framework.

The submission that Employee Ownership Australia have made explains why they are so concerned about this requirement. It says:

Most companies only move themselves into the public company domain as a precursor to listing or when they reach a size that they are equivalent to a listed company. The key reason for this is the increased requirements on the company around reporting, disclosure, financials etc and the costs associated with this.

The DEPUTY SPEAKER (Hon. BC Scott): Order. The debate is interrupted in accordance with standing order 43. The member will have leave to continue her remarks when the debate is continued.

STATEMENTS BY MEMBERS

Commercial Fishing

Ms PARKE (Fremantle) (13:30): In the final days of January, the industrial fishing factory ship *Geelong Star* added seven protected albatrosses to the list of marine animals—seals, dolphins and sharks—that have now been killed by the activities of this trawling behemoth. After another very brief prohibition and yet another update to its unsatisfactory bycatch mitigation equipment, the Australian Maritime Fishing Authority allowed the ship back to sea. AFMA is even considering increasing the bag limit from 42,000 to 49,000 tonnes. The obvious question, put by Australian Marine Conservation Society campaigner Josh Coates, is:

Just how many protected species is the *Geelong Star* going to be allowed to catch before it's stopped from fishing?

The *Geelong Star* has quickly developed a shocking reputation for killing protected marine life. Rather than trawling the breadth of the southern coast, as AFMA indicated it would, this ocean vacuum cleaner is remaining in one area between the New South Wales South Coast and Tasmania's north-east. Commenting after the albatross deaths, John Edwards, President of the Tasmanian Game Fishing Association, said:

AFMA have now disclosed that the zones within which the *Geelong Star* can actually fish is in fact probably 80% smaller than they had us believing, and that iconic recreational fishing areas will be the super trawlers focus. This has already been demonstrated by the super trawler fishing off Bermagui during the peak game fishing season.

AFMA is responsible for ensuring the 'sustainable use of Commonwealth fish resources on behalf of the Australian community'. The Australian community knows that allowing a factory super-trawler to deplete our oceans while committing repeated infractions of its permit does not match the definition of sustainable use.

Solomon Electorate: Anzac Centenary Local Grants Program

Mrs GRIGGS (Solomon) (13:31): I rise today to mention a project that was funded under the Solomon Anzac Centenary Local Grants Program. The Darwin Military Museum, in conjunction with Norm Cramp, received funding to publish a book, and a few weeks ago I was able to help Norm launch his book, *From Frontier to Frontline*. This incredible book, which is not your usual history book, chronicles the history of the Northern Territory, our proud military tradition and the lives of those who defended our nation during the Great War. Norm has gone to great lengths in his book not only to document the service of these brave men; in a number of cases, he documented their lives after enlistment, with tales of the good and, indeed, the bad elements of their lives when they returned home.

I am absolutely delighted that this grant program was able to help facilitate such an amazing piece of work that not only Territorians but also our fellow Australians will be able to use as a very important resource. It is a great piece of history and I encourage everybody to get a copy of it, which they can do from the Darwin Military Museum. The book, again, is called *From Frontier to Frontline*.

Ballarat Electorate: Sovereign Hill

Ms KING (Ballarat) (13:33): I rise to congratulate Sovereign Hill, a fantastic tourism facility in my electorate, which was the national gold winner of the Qantas Australian Tourism Awards on Friday night.

Mr Chester interjecting—

Ms KING: It is a terrific accolade—and it is quite fitting, as the member across the table says, to have a gold award for such a fantastic museum. I commend all of the staff there. I do have to declare a slight conflict of interest as my husband is the HR manager there! Sovereign Hill has managed to pick up this award on three occasions now: in 1993, in 2005 and now for the 2015 year. I really want to encourage people. I come across people from all walks of life who tell me, 'I've been to Sovereign Hill. I was there as a kid as part of the school program.' Come back. The great thing about Sovereign Hill is that it is constantly innovating. With its Christmas in July, the light show, the snow—I take my little boy each year—and the little stalls that are there, it is a fantastic innovation in tourism. They are really doing great things in China and have expanded the Chinese market.

I say to the staff: you are doing a terrific job. It shows what can happen from a very small idea. A small group of people in the 1970s got together and said, 'Let's build a gold museum. Let's build a recreation museum here in Sovereign Hill.' You would think that, at the time, people probably looked at them and thought they were a bit crazy, but what an amazing thing. It employs hundreds of people. Congratulations, Sovereign Hill. Well deserved. *(Time expired)*

Lyne Electorate: Summerfest Music Festival

Dr GILLESPIE (Lyne) (13:34): I rise to bring to the attention of the House a wonderful event in the Manning Valley. On Saturday, 30 January, we had the talented musicians and artists from the Manning community on show at the Summerfest music festival on the banks of the mighty Manning River. I would like to congratulate Russell Ingram and all the team at the Manning Youth Action Team, along with David West, the deputy mayor, who supported the event. We had amazing performances from Sarah Murphy; Erin Deudney and Sophie Watson; Sweet Nothin' with Grace Callaghan and Jai Harrison; Chill Snares and Baby Bears with Brendon Thode, Josh Clarke, Sampson Hillyard and Ben Stevens; Stichez with Saffron Bryant, Jakob Thompson, Ethan Tullipan and Riley Burton; Zenith with Sam Deehan, Xavier Hunt and Angus Davidson; and SOAR with Banjo Hunt, Sampson Hillyard, Josh Clarke, Ben Stevens and Cam Le Messurier.

What a wonderful evening it was. You could not get a better venue. We had a beautiful sunset, twilight, music and great talent—it just shows you what talent there is amongst the youth in the mighty Manning Valley. I am so pleased to represent these future musicians of Australia, who will bring all their talents to the fore once they leave school. If they are like this at high school, imagine what they will be like when they become professional musicians. *(Time expired)*

HeartKids

Mr MITCHELL (McEwen—Second Deputy Speaker) (13:36): This Sunday, 14 February marks not only Valentine's Day but also Sweetheart Day, an annual fundraising event on the HeartKids organisation's calendar. HeartKids is a great community organisation that supports children with heart disease and their families. Heart disease is the biggest killer of Australian kids under the age of one. Eight kids are born with a heart defect every

day in Australia, and four precious lives are lost. To date, HeartKids has committed over \$2 million of funding for research into childhood heart disease, aimed at understanding the causes and reducing the incidence of the disease.

Just recently, HeartKids Victoria and Tasmania posted a message about embryonic development of the heart on their Facebook page to show just how little is known about the causes of congenital heart defects. Perhaps if we can learn more about this, we can also prevent the onset of heart disease later in life.

To build awareness and raise much needed funds, HeartKids encourages Australians to 'show their heart' across the month of February and host Sweetheart Day on 14 February. You can make a donation directly to the organisation or buy gifts and other merchandise, with all funds going towards childhood heart disease research.

Funds raised via Sweetheart Day will be used to continue lifesaving research and to support the annual teen camp and the new MyHeart website dedicated to help and provide peer support to young people with childhood heart disease. I cannot stress enough the importance of awareness, fundraising and research into the causes and prevention of childhood heart disease. So please take part in Sweetheart Day and give generously to this worthy cause.

Singapore Chamber of Commerce

Mr GOODENOUGH (Moore) (13:38): I formally recognise the significant contribution made by the Singapore Chamber of Commerce (Western Australia) in fostering trade and investment between our nations. I acknowledge the dedicated work of Anthony Quahe, Eugene Lim and Joachim Tan. Recently I had the opportunity to introduce the Singapore Chamber of Commerce committee members to representatives of the Wanneroo and Joondalup business associations to form a direct link with the local business community.

Since the Singapore-Australia Free Trade Agreement came into force in 2003, there has been significant growth in our bilateral economic relationship. Between 2010 and 2014, Australian merchandise exports to Singapore grew by 70 per cent, from \$4.8 billion to \$8.2 billion annually, whilst our imports from Singapore remained relatively consistent at \$10.8 billion. During the same four-year period, Australian professional service exports to Singaporean clients grew by 42 per cent to \$3.7 billion annually, while our reliance on services from Singapore grew by 57 per cent to \$5.5 billion. Similarly, between 2010 and 2014 Singapore's investment in Australia increased by 83 per cent to \$80.2 billion, whilst Australia's investments in Singapore doubled to \$50.7 billion.

CSIRO

Ms COLLINS (Franklin) (13:39): Hobart is at the moment hosting a conference for climate scientists from all over the world. Ironically, as they are doing this today, our local newspaper in Hobart is full of headlines about the revelations last week of CSIRO's cuts and the impact it will have on Tasmania. We understand that up to 320 positions nationwide in climate science will be affected, but of course Tasmania and Hobart are home to CSIRO's oceans and atmosphere division, and rumours are rife in Hobart that more than 100 of those 350 positions nationwide will come out of Hobart. I repeat: more than 100 out of 350 could come out Hobart, and Hobartians are furious. This is the Murdoch press writing editorials about the science cuts being a great big mistake. The editorial states:

No amount of spin can change the fact this is a significant and unacceptable downsizing of an area of science of which Australia is at the forefront and that has unprecedented global ramifications.

It goes on to say:

Australian science needs more funding not less, and no amount of rearranging the furniture will convince Tasmanians that this is in our best interests.

Certainly it will not, and the Tasmanian state government should be outraged at this decision. I understand they are seeking clarification from the federal government. Of course, the Liberal members in this place should be standing up for Tasmania and for Tasmanians and demanding that the Turnbull government overturn this decision.

Canning Electorate: Bushfires

Mr HASTIE (Canning) (13:41): I rise on behalf of the people of Canning who have suffered greatly through the historic bushfires that swept through the Peel-Harvey region last month. Many people have lost their businesses, livelihoods and homes in Waroona and Wagerup. We also remember the people of Yarloop and Harvey, who have been very well represented by the member for Forrest, who is also a dairy farmer who came under threat from the flames.

After the devastation, our farming community now face the difficult task of rebuilding their lives and businesses. The media and cameras have long gone and I know that many people feel alone and that the task

ahead is insurmountable. The blazing heat of the past week is a stark reminder of how difficult it is to be a farmer in Western Australia. Today I think of people like Helen and Mick Muir, who lost 15 kilometres of fencing, feed, pastures, buildings and their tractor. They, like many farmers in Canning and Forrest, have a tough recovery ahead.

The volunteer spirit is alive and well in Canning. People are caring for their neighbours, without fanfare and in ways unseen. I think of the Pinjarra Rotary Club who, in the past fortnight, gathered 110 volunteers and removed damaged fencing from 10 properties. We have not forgotten our farmers and we will continue to make sure your voice is heard in the months ahead.

Overseas Workers

Ms McGOWAN (Indi) (13:42): Member for Canning, you have sympathies from us in Victoria as well. Please know that we are thinking of you and your families.

Today I rise to give my support to the Victorian Farmers Federation and the National Farmers' Federation and their campaign to call on the government to change its policy for taxing overseas workers. The 'backpacker tax' will increase from 19 per cent to 32.5 per cent from 1 July onwards. I support an effective tax rate, as suggested by the VFF, of 19 per cent.

This increase will have a major negative impact on agriculture and food production. In my electorate this sector includes vineyards, hops, cherries, dairy, grain, olives, small organic farms and many tourist businesses. These businesses are reliant on temporary workers to provide labour at important times of the year.

Carolyn Suggate from Organics Futures in Bonnie Doon, Swanpool farmer Mark Folletta and tourism operator Kath Baird from Bogong Horseback Adventures are examples of three Indi businesses which are very concerned that the increased tax will be a disincentive for backpackers and visitors coming to north-east Victoria to work.

Backpackers working in Australia earn about \$15,000 on average and fill a vital need during our harvest time. So I join with the Victorian Farmers Federation and NFF, and I call on my colleagues opposite—all the National Party and regional members of parliament—to stand up. We want a backflip on this tax. I call on the government to seek a win-win with the tourism industry and with agriculture.

Victoria: Public Transport

Ms HENDERSON (Corangamite) (13:44): I rise today on behalf of the people of Corangamite to express grave concerns about the Victorian Labor government's management of public transport across our region.

V/Line train services are in absolute chaos. As the *Geelong Advertiser* reports today, Labor's rail crisis is costing at least \$4 million a week, including in compensation and replacement bus hire. The total bill is tipped to soar to \$50 million by next month as the government forks out for an urgent track safety upgrade, new train wheels and an independent investigation. Around 200 replacement buses are running every day, after VLocity trains were pulled from service in mid-January when a train failed to trigger a level-crossing boomgate.

In Victoria we have an infrastructure crisis, a government which paid \$1.1 billion not to build the East West Link, a government which has shown no interest in duplicating the rail track and upgrading platforms between South Geelong and Wairn Ponds, a government which refuses to increase the number of services to and from Colac and a government which will not even fix train and bus timetables across the Geelong region. The head of V/Line has been sacked, but Premier Andrews needs to take responsibility for this rail crisis and his utter failure to progress important infrastructure projects in regional Victoria, including better rail and a proper western road link to Melbourne.

Higher Education

Ms BRODTMANN (Canberra) (13:45): This week is Orientation Week at Canberra's universities and this morning I joined the deputy opposition leader, the member for Kingston and Senator Carr in paying a visit to the ANU. It is Market Day at the ANU today, so the place was absolutely packed, with thousands of new and returning students excitedly signing up to various clubs and societies that will enhance their university experience.

And what was the message we heard from these students? What did they want to say to us? They wanted to say to us that they do not want the Prime Minister's \$100,000 degrees, that they believe a degree should not be a debt sentence and that the uncertainty that the Turnbull government is creating by refusing to walk away from its terrible higher education policy is wreaking havoc.

I was pleased to be able to tell these students that, under a Shorten Labor government, we will scrap the Liberals' \$100,000 degrees once and for all, reverse the Liberals' cuts to university student funding, guarantee student funding with an extra \$2,500 per year to keep fees down, take action to ensure that 20,000 more university students graduate by 2020, and waive HECS debts for 100,000 science, technology and engineering graduates.

Labor will invest in every student to ensure that graduates have the skills and knowledge they need for the jobs of the future. Labor will ensure that university is an affordable option for every Australian, not just the wealthy.

Page Electorate: Awards

Mr HOGAN (Page) (13:47): I would like to congratulate all the recent winners of the Kyogle Australia Day Awards. The Citizen of the Year Award went to Larry Condon, the Senior Citizen of the Year Award went to John Shirley, the Senior Sportsperson was James McPaul, the Senior Student was Marne Petherbridge, the Junior Student was Rueben Flower, the Junior Sportsperson award went to Miles Brown, the Sub Junior Student went to Maycee Deszecsar, the Sub Junior Sportsperson to Garnett Donnelly, and the Australian Day Committee Achievement Award went to a wonderful family, the Campbell family: Doug, Pam and Jason. Well earned!

I would also like to acknowledge the West of the Range winners. Citizen of the Year was Russell Carr, the Young Citizen of the Year was Daniel Sorenti, and the Sports Team of the Year was the Tabulam Public School cricket team. Well done! The Community Group Award was won by the Tabulam Race Committee, and the Services to the Indigenous Community Award went to Grant Martin and the award for Community Act of Kindness to Cheryl Allan.

Finally, the winners in the Woodenbong region were: the Citizen of the Year, Gregory Gulliver; the Young Citizen of the Year, Jacinta Grimmett; and the Sportsperson of the Year, Remy Leonard, who is soon going to Turkey for an archery competition. The Community Event or Organisation Award went to the Woodenbong and District Golf Club. Congratulations to all the award winners.

Renewable Energy

Ms BURKE (Chisholm) (13:48): In 2015, one of the warmest years on record, we reached halfway to the two degrees that is widely agreed to be the absolute degree limit of global warming. Every major economy in the world is transitioning to renewable energy. In recent years, our biggest trading partners and closest allies have made major headway in renewable energy production, specifically in solar and wind energy generation. In 2014, investment in renewables around the world grew by 16 per cent. But at the same time in Australia renewables investment dropped by 88 per cent under the Liberal government.

Unfortunately, things did not change after the Prime Minister changed. At the Paris conference, Prime Minister Malcom Turnbull disappointingly announced Australia's commitment to reduce emissions to 26 to 28 per cent of 2005 levels. This would make Australia one of the highest per capita emitters in the world. This is even when we are surrounded by countries that are literally drowning from the impacts of climate change.

Labor knows renewable energy is Australia's future. Many Australian businesses and households are transitioning to renewable energy. There are now over 1.3 million Australian households with solar power on their roofs, up from 7,500 just six years ago. Our largest companies, like AGL and Origin, are also making more investments in renewables.

Labor understands and is capable of making full use of Australia's advantage to charge ahead in renewable energy production, in particular solar energy, since we have the highest average solar radiation per square metre of any continent in the world. This will mean more solar panels on homes, more wind farms being built and huge advances in battery storage of renewable energy. And it will mean thousands of jobs for Australia. We know it is time to transform our electricity system and transition to a clean energy future. And so wrote Kate Song, who is doing work experience in my office.

Closing the Gap

Mr HOWARTH (Petrie) (13:50): This morning the Prime Minister released the 2016 Closing the Gap report. In 2008, COAG agreed to several ambitious targets to address the disadvantage that Indigenous Australians face in life expectancy, child mortality, education and employment, which are so essential for every person for their purpose and daily goals. The Closing the Gap report outlines these targets and our progress towards meeting them.

The 2016 Closing the Gap report shows that progress towards the targets has been mixed, but there have been significant improvements over recent decades. For example, Indigenous infant mortality rates have more than halved over the past 16 years, and immunisation rates for Indigenous children are high, which is just fantastic news.

It is at this point that I would like to acknowledge the Gabi people in my local area, and the community groups and services that are assisting the government and the nation in Closing the Gap. I acknowledge the Moreton Aboriginal and Torres Strait Islander Community Health Service, the Murrijabree Aboriginal and Torres Strait Islander Association, and the Murri Rugby League teams that train locally in Deception Bay. Thank you to these groups and the many more that are helping to empower the full potential of our First Australians.

Australian Indigenous Mentoring Experience Program

Dr CHALMERS (Rankin) (13:51): Thousands upon thousands of Indigenous students have completed high school and gone on to study and work because of the activities of the Australian Indigenous Mentoring Experience. On an important day like today, where the parliament comes together to take stock of progress on Closing the Gap, I wanted to acknowledge the work of Jack Manning Bancroft and his AIME colleagues, including the new co-CEO, Marlee Silva. There are almost 4,500 participants, involving hundreds of high schools, and mentees from 45 university campuses. AIME is providing support for Indigenous kids right around the country. They are doing an outstanding job of working on high school completion rates with outstanding results.

I have spent a fair bit of time in recent years with Jack—one of the most impressive young leaders we have; an extraordinary person who has been at the helm of AIME for 10 years now and is still only 30 years old. They have not only achieved measurable progress but also now put in place a very innovative and creative model to train future Indigenous leaders to take over the reins at AIME and, beyond that, to take over the reins of businesses, other NGOs and government agencies.

I encourage honourable members and the community beyond these walls to get behind their work which is achieving these remarkable results. You can donate on their site, like so many did during the Triple J Hottest 100 donation opportunity; you buy a hoodie or a t-shirt from AIME Apparel, like I have; or you can encourage young people to volunteer as a mentor. All the money and all the effort goes to giving Aboriginal and Torres Strait Islander kids the chance they need and deserve to help close the opportunity gap in this country.

Qantas Australian Tourism Awards

Mr HUTCHINSON (Lyons) (13:53): On Friday a week ago, there was a stunning advertisement for the tourism offering that Tasmania has to offer the world. I would like to take this opportunity to congratulate the businesses in my electorate, particularly Rob Pennicott, who was awarded gold for Bruny Island Cruises that operate out of the Tasman Peninsula. He was also added to the Hall of Fame for three consecutive gold-winning performances over the last three years. The MyState Australian Wooden Boat Festival, with entries from all around the state, won the Major Festivals and Events Award. For ecotourism, Rob Sherrard won gold with the Tasmanian Walking Company. For cultural tourism, Stephen Large and the team at the Port Arthur Historic Site won silver. The Old Woolstore Apartment in Hobart won gold for Business Event Venue. Bronze was given to RideNorthTas for Destination Marketing. Josef Chromy won bronze as well. Tim and Jane Parsons from Curringa Farm Tours won gold in Hosted Accommodation. Avalon Coastal Retreat at Swansea, a stunning venue, won gold as well. For Standard Accommodation, the silver award went to Sandpiper Ocean Cottages at Bicheno. Also winning awards were Saffire Freycinet, Pumphouse Point at Cradle Mountain and The Tasmanian Walking Company. (*Time expired*)

Shipbuilding

Mr ZAPPIA (Makin) (13:54): Today there are reports that the Turnbull government is not committed to a two per cent growth in defence spending. The reports raise questions about how many submarines will be built if and when the government finally makes a decision about them. Yesterday, ASC confirmed that 1,300 shipbuilders will lose their jobs over the next two years. Last week, there were also reports that there was a question mark hanging over South Australia's participation in the construction of the previously promised offshore patrol vessels. Those concerns were reinforced in Senate estimates questions yesterday. The loss of 1,300 shipbuilders at ASC will result in the loss of skills and the loss of capability at ASC that could be lost forever. The losses will come on top of the 1,665 shipyard jobs that have been lost since this government came into office. It is the third year into this government's term, and, after 148 days in office by Prime Minister Turnbull, we still do not know how many submarines will be built, where they will be built or who will build them. In fact, since being elected in 2013, this government has not awarded a single major contract to an Australian shipbuilder. The delays and uncertainty are causing the demise of Australia's naval shipbuilding industry and the loss of thousands of Australian jobs.

Swan Electorate: Brooke, Ms Cecilia

Mr IRONS (Swan) (13:56): I congratulate my constituent Cecilia Brooke on winning the City of South Perth Citizen of the Year and Premier's Australia Day Active Citizenship Award this year. Cecilia became well-known recently for her role in the local government anti-amalgamation campaign in South Perth. Her enthusiastic campaign resulted in an above 50 per cent turnout in the local referendum, which validated the result and surprised many commentators. Cecilia also has a long and proud history of volunteering that deserves to be recognised. She is currently involved in a campaign against high-rise buildings in the local area. Her community involvement started at the young age of 12, reading children's stories on a local radio station, joining the National Catholic Girls Movement and becoming a member of the state committee by 16. This sparked the beginning of Cecilia's involvement and active service within her local community.

In the early 80s Cecilia joined Soroptimist International supporting groups such as the Royal Flying Doctors and many community activities. Cecilia founded the Chiropractic Assistants Association of Australia and was highly involved in organising events, including breakfast with guest speakers every three months, and in 1997 was awarded the Chiropractic Association Award. Cecilia has also been involved with World Vision, the Cancer Council and the Lotus Children's Orphanage, and is currently the chairperson of the City of South Perth Residents Association and is an active member of the Soroptimist International Club of South Perth. Congratulations to Cecilia on a well-deserved award.

I see the former member for Deakin. I would like to see if the member for Moreton can prove to him that he can outlast question time today.

Safe Schools Coalition Australia

Mr PERRETT (Moreton) (13:57): I rise to speak about an article in today's *Australian* about the Safe Schools Coalition. It is a voluntary program which is all about promoting tolerance. To best to sum up what this program is about, I will read a quote from Senator Simon Birmingham, the education minister. He said:

Homophobia should be no more tolerated than racism, especially in the school environment ... The resource is intended to support the right of all students, staff and families to feel safe at school.

Unfortunately, this voluntary program, entered into by 490 Safe School Coalition members throughout Australia—who are, I stress, voluntary—is being attacked by certain people. The facts in Natasha Bitá's article are pretty straightforward, but a subeditor has written a headline that Mrs Slocombe would be proud of in *Are You Being Served?* or a *Carry On* movie. The reality is that this program does good things: it saves lives and it makes kids feel more safe. We have the reality where 75 per cent of same-sex-attracted young people have experienced homophobic bullying and four in five of those have experienced that bullying at schools. It is important that we work with our schools to make sure that our children are educated at an appropriate age about appropriate material, and that is what these schools do. The 490 schools that have signed up for this program have made the choice. They should be encouraged to continue to do so because they do great work.

Federal Grants Programs

Dr JENSEN (Tangney) (13:59): I wish to take this opportunity to highlight the commitment the coalition government has to creating strong, sustainable and vibrant communities across Australia through competitive federal grants programs. Two programs in particular are especially welcome in Tangney, namely the Stronger Communities Program and the National Stronger Regions Fund. I continue to encourage my constituents to make applications to these successful and very important programs. The Stronger Communities Program sees a funding envelope of up to \$20,000 available to community groups within Tangney.

The SPEAKER: It being 2 pm, in accordance with standing order 43, the time for members' statements has concluded.

Commonwealth Grants

Dr JENSEN (Tangney) (13:59): I wish to take this opportunity to highlight the commitment this coalition government has to creating strong, sustainable and vibrant communities across Australia through competitive federal grants programs. Two programs in particular I especially welcome in Tangney are the Stronger Communities Program and the National Stronger Regions Fund. I continue to encourage my constituents to make applications to these successful and very important programs. The Stronger Communities Program sees a funding envelope of up to \$20,000 available to community groups—

The SPEAKER: It being 2 pm, in accordance with standing order 43 the time for members' statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr TURNBULL (Wentworth—Prime Minister) (14:00): I inform the House that the Minister for International Development and the Pacific will be away from parliament for the rest of this week as he is representing Australia at the Bali Clean Energy Forum. The foreign minister will answer questions on his behalf.

CONDOLENCES

Jones, Mr Andrew Thomas

The SPEAKER (14:00): I inform the House of the death on Wednesday, 2 December 2015, of Andrew Thomas Jones, a member of this House for the division of Adelaide from 1966 until 1969. As a mark of respect for the memory of Andrew Jones, I invite all present to rise in their places.

Honourable members having stood in their places—

The SPEAKER: I thank the House.

QUESTIONS WITHOUT NOTICE

Medicare

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:01): My question is to the Prime Minister. Yesterday the Prime Minister said he was totally committed to Medicare, but this morning it was revealed in a Senate estimates committee that the Prime Minister established a 20-person task force at a cost of \$5 million to taxpayers to oversee his radical plan to privatise Medicare. Isn't this just another case of the Prime Minister saying one thing and doing something completely different?

Mr TURNBULL (Wentworth—Prime Minister) (14:01): The scare campaigns come thick and fast from the opposition. The government is totally committed to Medicare, as every member of this House knows.

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton is warned.

Mr TURNBULL: The examination of a more efficient way of transacting with citizens and patient-consumers is obviously a high priority for this government. It should be a high priority for any government. We are in 2016. This is the 21st century. People are transacting with their banks and e-commerce—eBay, Amazon and so forth. They are doing all that on their phones. They should be able to deal with Medicare like that as well.

This move into the digital world is hardly a secret. It was actually announced in the 2014-15 budget. So obviously the Leader of the Opposition thinks it was hiding in plain sight. There was an expression of interest called for in August 2014. The current request for quotations is all part of a carefully considered approach. Any outsourcing would apply only to back-office operations and the administrative actions—

Ms King interjecting—

The SPEAKER: The member for Ballarat will cease interjecting.

Mr TURNBULL: of making payments to individuals and providers. It would not include setting fees or rebates and it would not have any impact on the cost of health care other than that it may result in services being—

Ms King interjecting—

The SPEAKER: The member for Ballarat is now warned.

Mr TURNBULL: delivered more efficiently.

The goal, as with all of our digital transformation measures in the whole digital transformation agenda, is not to cut costs, although we believe that a customer focused approach which ensures that citizens can engage with government—not just with Medicare but with every aspect of government—more readily, more simply and more conveniently will inevitably not simply result in a much better quality of service and level of engagement from customers. It will also in due course result in cost savings not least on the side of business and the consumer. After all, the complexity of dealing with government and Medicare imposes real costs on businesses and families. So, really, the Leader of the Opposition is going to have to do better than this. He knows we are committed to Medicare and, by the way, we are committed to the 21st century. He plainly is not.

Indigenous Employment

Mr GOODENOUGH (Moore) (14:05): My question is to the Prime Minister. Will the Prime Minister update the House on how innovative businesses led by Indigenous Australians will help close the gap by creating economic opportunities and improved social outcomes for Indigenous Australians?

Mr TURNBULL (Wentworth—Prime Minister) (14:05): I thank the honourable member for his question. We will only achieve our full potential as a nation when all Australians, including our First Australians, share fully in the exciting opportunities our country has to offer and are able to have that genuine equality of opportunity which we all aspire for every Australian to have.

The Aboriginal and Torres Strait Islander people represent the oldest continuing cultures on earth. Their history, wisdom and experience is absolutely intrinsic to our identity. We are enriched by the enormous contributions Aboriginal and Torres Strait Islander people make across all fields of life—business, primary industry, arts, sport, community services and here in our parliament and in parliaments right across the country—caring for the environment and caring for the land.

Last night—in the lead-up to today's *Closing the gap* report, its tabling, my remarks and the Leader of the Opposition's remarks—I had the great privilege of hosting a function here for young Indigenous entrepreneurs.

They were so inspiring. Those young Indigenous Australians are future business leaders, they are business leaders today and they are role models. They represented sectors as diverse as construction, digital communications, the fashion industry, the creative arts, government services, stationery—right across the board. You had big companies there employing more and more Indigenous Australians.

The entrepreneurship and the innovation of these young people are shining examples of the ideas boom. That is the boom that can go on forever. We know that mining booms come and go; we understand that. The mining industry will always be important. It will always be a massive part of our economy. You get big booms in construction and so forth, and that is terrific. But the ideas boom is inexhaustible because it is limited only by our imagination and enterprise. Can I say: last night those young Australians were so inspiring to me, and you could see the example they provide. The businesses that they run are 100 times more likely to employ Indigenous people. Just the other day I did a video interview with Ray Pratt, who has an electrical contracting business—a national business. He is right at the cutting edge of technology. An Arrernte man from Alice Springs, he is taking 21st century technology to the most remote communities in Australia. They inspire us, those leaders, and we applaud them.

Taxation

Mr BOWEN (McMahon) (14:09): My question is to the Treasurer. The government promised before the last election not to make any adverse changes to superannuation, but, according to reports today, the government wants to do a deal with the Greens on superannuation that would see millions of middle-income Australians paying more tax and retiring with less. Is the Treasurer so lacking in ideas, other than increasing the GST, that he is getting his ideas from the Greens party?

Mr MORRISON (Cook—Treasurer) (14:09): I thank the member for the question. I had the opportunity to read the letter from the Greens this morning in the newspapers.

Opposition members interjecting—

The SPEAKER: The member for Jagajaga will cease interjecting.

Mr MORRISON: I had the opportunity to receive a copy a little later, and we are having a discussion, when it comes, about these matters of tax. I welcome contributions from people all round the country, as the Prime Minister does, about what can be done to make our tax system growth friendly. What I do not hear in this debate too often—except from those on this side of the House—is ideas about how we can reduce tax, about how we can reduce the tax burden on people who are earning every day and paying income tax on those earnings or on companies who are earning every day and paying tax on the earnings. I hear plenty of suggestions about how extra money should be spent. I hear plenty of suggestions about how taxes should be raised and how those taxes should be spent. But only those on this side of the House have been seriously considering ideas and suggestions about how you can actually ease and reduce the burden on Australians who are earning in our economy, because it is the Australians who are earning in our economy and it is the small businesses who are earning in our economy that generate the revenue to pay for our welfare system. It is true that around eight out of 10 income tax payers go to work every day in this country to pay for our welfare system.

Ms Macklin interjecting—

The SPEAKER: The member for Jagajaga will cease interjecting.

Mr MORRISON: We think that income tax payers in this country deserve the interest and attention of this government, and they have it.

Ms Plibersek interjecting—

Mr MORRISON: They have it. Those opposite have no interest in the income tax payers of this country. They are happy to see them pay higher and higher taxes every year, to fuel their addiction for spending.

Opposition members interjecting—

The SPEAKER: The member for Sydney will cease interjecting.

Mr MORRISON: This is a government that believes that lower taxes come from lower spending. Those opposite believe that higher taxes are for higher spending. That is a recipe for fiscal disaster, and their record in government proves it.

The SPEAKER: The member for Griffith will cease interjecting. I refer her to my earlier statements about persistent interjections. The member for Sydney will cease interjecting. I have reminded her a number of times: just since parliament has resumed, I have asked her to cease interjecting 12 times and she has been warned five times. The member for Sydney is warned again. I want there to be absolutely no doubt that if the member for Sydney interjects again she will be ejecting herself from the chamber.

Infrastructure

Mr CHRISTENSEN (Dawson—The Nationals Deputy Whip) (14:12): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the minister update the House on how the government's investment in infrastructure and regional development is helping to close the gap between Indigenous and non-Indigenous Australians?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:12): I thank the honourable member for his question. Indeed, everyone has a role in helping to close the gap for Indigenous Australians, and the government's investment in infrastructure and regional development is certainly playing a significant part in providing new opportunities for Aboriginal and Torres Strait Islander Australians.

The government's infrastructure program is investing in roads, rail, bridges and communications that make a real difference to help, shortening the travel difference and improving communications to communities. We work with local government right across the nation to help deliver services, including in 31 Aboriginal councils. In addition, our Cape York regional package is providing \$260 million to help upgrade roads and infrastructure in the Cape, and I know the honourable member for Leichhardt has been a champion of that project. I approved a package of 11 measures for the Peninsula Development Road, and already 68 kilometres of the Peninsula Development Road have been sealed under that program. In addition, there will be \$600 million for northern Australia under our northern Australia package for new roads in the North, and \$100 million for beef roads, which will also be benefiting Aboriginal communities. In South Australia, the APY main access road upgrade is a \$106 million project. With the member for Grey, I announced recently the letting of the contract for the crushed metal for some of the most significant parts of that project.

In our Northern Australia package the government committed to providing \$110 million towards finalising all native title claims within 10 years. We have also added another \$20 million to help native title claimants to mount their cases. It is so important for the security of Aboriginal and Torres Strait Islander businesses that they have security of land title. It is also important for other investors in Aboriginal communities that they know that their title is secure. In the Torres Strait we have a marine safety program which has led to about 170 local people obtaining qualifications in navigation, fishing and the like to help provide job opportunities in the Torres Strait. Our Remote Airstrip Upgrade Programme is providing funding to help upgrade airstrips—many of them on Aboriginal communities. Indeed, in the last round in December last year, I announced funding for 52 remote airstrips for upgrading to make sure that they can operate in a sustainable way.

The government is committed to improving access and opportunities for Aboriginal Australians, and by working together we can certainly advance social and economic outcomes for Aboriginal and Torres Strait Islanders and bridge some of the gap that exists currently between Indigenous Australians and those who have come here over the latter years. (*Time expired*)

DISTINGUISHED VISITORS

The SPEAKER (14:15): Before I call the member for McMahon, I want to welcome two former members before we lose them: former Deputy Prime Minister, a member of the Nationals, and the former member for Farrer, the Hon. Tim Fischer, and the former member for Deakin, Mr Mike Symon.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Taxation

Mr BOWEN (McMahon) (14:16): My question is to the Treasurer. Last year when asked about changing negative gearing, the Treasurer replied: 'No. I don't think we should change it.' Is that still the Treasurer's position?

Mr MORRISON (Cook—Treasurer) (14:16): I have been very clear about my view on negative gearing. The truth is that negative gearing is used in the overwhelming majority of cases by nurses, by police officers, by teachers—by ordinary hardworking Australians. They are the vast majority of people who are engaged in buying that property to give them the opportunity to grow and build and support their wealth and, in many cases, it is really the only good chance they have got. This side of the House has always supported people who are prepared to have that sort of a go. We have always supported them to do that.

What the member opposite is really inquiring into is whether there is any potential for things to be done in relation to that measure that can deal with the excesses that might occur in negative gearing—

Opposition members interjecting—

Mr MORRISON: the excesses. What I can say to the House is the more than 80 per cent of people that are on a very modest income, an average income, who are engaged in using that opportunity, we understand why they do it. We understand that they want to be able to provide for their family, they want to be able to provide for their future, and we understand that they make sacrifices to do it. We understand that they are not the problem in our tax system, like those opposite have suggested. We understand—unlike those opposite and in the other place who have suggested that people who actually try to invest and work hard and put things away and because they have decided to do that by getting involved in those sorts of property investments that they are somehow the problem that Australia has. These are the people that are actually working hard to help our economy transition. These are the ones that are actually making the sacrifice.

If there are inadequacies in that system, if there are areas where the system is being abused or if there are areas in the system where they are excessive and there is a way to channel that sort of high-end investment into other areas, well, of course, the government would look at those things. Why wouldn't the government look at those things? But those opposite will always seek to demonise those who are working hard just to try and get ahead. They will always try to pull the rug from under them by taxing them more so they can go off on their great big spending jaunt. This side of the House—and I have been very clear on this—will always be supporting those who are trying to put themselves forward into a better position for the future, because they are working hard. They are putting those savings in—whether it is into an investment property, their superannuation or something else. They are doing the things that we are wanting them to do and encouraging them to do. Those opposite will rip the rug from under them so they can tax them more, so they can spend more.

Women in Parliament

Mr PALMER (Fairfax) (14:19): Prime Minister, it is 114 years since women received the vote—a long time ago. It took them 41 years to get a member in parliament, yet in your ministry you have got a significantly lower proportion of women than voted at the elections. Does the government think Liberal women members are less worthy or of lower merit—

Government members interjecting—

The SPEAKER: The member for Fairfax will resume his seat. Members on my right will cease interjecting. I cannot hear the question.

Mr Whiteley interjecting—

The SPEAKER: The member for Braddon! The member for Fairfax will start his question again. The clock will be reset.

Mr PALMER (Fairfax) (14:20): Thank you, Mr Speaker. My question is to the Prime Minister. It is 114 years since women received the vote—a long time ago. It took them 41 years to get a member in parliament, yet in your ministry you have got a significantly lower proportion of women than voted at the elections. Does the government think Liberal women or members are less worthy or of lower merit than their Liberal male colleagues, or do you just say you believe in gender equality and fail to do anything about it?

Government members interjecting—

Mr Ewen Jones: Mr Speaker, on a point of order. There are 237 people who have lost their jobs in Queensland Nickel, and a fair few of them are women and they are still wanting their things.

Opposition members interjecting—

The SPEAKER: Members on my left will cease interjecting. The member for Herbert knows that was a completely frivolous point of order against the standing orders. He was warned at the beginning of the day, and that warning carries over. The member for Herbert will leave under 94(a).

The member for Herbert then left the chamber.

Mr TURNBULL (Wentworth—Prime Minister) (14:21): The member for Herbert was not, of course, in order, but the point that he made about the women and men who have lost their jobs in Queensland Nickel was nonetheless very well made. The honourable member for Fairfax should consider his responsibilities to those men and women.

Mr Mitchell interjecting—

The SPEAKER: The member for McEwen is warned.

Mr TURNBULL: when he raises issues of this kind.

Let me say, Mr Speaker, there are nine women in the executive government—five in the cabinet. Looking around our party rooms, we have a lot of talent from a lot of women. We have women who have been journalists, women who have been teachers, university lecturers and an army officer. Many of our women members have had

experience in small business; there are lawyers and there are number of farmers. We have a pilot—the Minister for Health is a very distinguished pilot and shearers cook, no less. We do not have to confess—it is not a comprehensive list—that we have any former trade union officials, but I gather there are plenty of those on the other side.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton, that is your final warning.

Mr TURNBULL: I can say that we are committed as parties to see more women in parliament and more women in the executive, and that is something that we will always work towards. Do you know that last year 60,000 more women joined the workforce than men? In the December quarter the highest level of female participation in full-time work was recorded in our history. That is a very good thing.

I have to remind honourable members opposite that they are presently standing in the way of the government's very significant reforms on child care, which, if enacted, will have the effect of enabling more women, particularly those on lower incomes, to join the workforce and have access to the continuity of the workforce that is so important for every aspect of their lives—economic, social and right across the board. So we have targeted the highest rates of subsidies to those on the lowest incomes and more hours of subsidised care for the families who work the most hours. It is a very good reform. I am not sure where the honourable member for Fairfax stands on it but, if he can use his influence with the opposition to supported, that would be a very useful piece of work for him to undertake.

Taxation

Ms SCOTT (Lindsay) (14:24): My question is to the Treasurer. Will the Treasurer update the House on how the government is ensuring that Australia has a modern taxation system that is fit for purpose for our new economy? What integrity measures has the government introduced to ensure a level playing field for Australian businesses by making multinationals pay their rightful tax?

Mr MORRISON (Cook—Treasurer) (14:24): I thank the member for Lindsay for her question. Today, once again, the Westpac survey shows there are more optimists than pessimists about the Australian economy. The optimists are on this side of the House; the pessimists are on that side of the House. One of the reasons we are so optimistic is about the opportunities this country has as our economy diversifies. For that we need a 21st century tax system that does many things—that is pro growth, but it also needs to ensure that companies, and particularly multinational companies, pay their fair share of tax.

It is incredibly important that we have a system that recognises the 21st century economy that we operate in, and that involves two key issues. First of all, we need to understand the digital economy and how a tax system engages with that. But we also need to understand the practices adopted by multinationals to ensure that they pay their fair share of tax on what is earned in this country and the transactions that take place here.

Earlier today, I introduced into the House new legislation that will ensure that digital services and products that are sold over the internet are captured by GST. If you are a foreign company, engaging with Australians here and you are selling digital products and services over the internet, you will pay GST. You will have to charge GST on that, and that will raise some \$300 million a year, which will go to the states and territories and which will go to support the initiatives they are intending to put in place. This will ensure that they are taxed at the point of sale. This is a practical demonstration of the practical things that this side of the House is doing to ensure that we are capturing the revenue that should flow to the state and territory governments—

Mr Husic interjecting—

The SPEAKER: The member for Chifley will cease interjecting.

Mr MORRISON: and that comes from the activities of multinational companies. In addition to that, you will be aware that last year this parliament passed laws to crack down on anti-avoidance of multinationals when it comes to their taxation. That was supported by the Greens and it was put forward by this government. I can tell you who did not support it, Mr Speaker—every single member on that side of the House—

Mrs McNamara interjecting—

Mrs Griggs interjecting—

The SPEAKER: The members for Dobell and Solomon will cease interjecting.

Mr MORRISON: who said, 'No, we don't want to support laws that will force multinationals to pay their fair share of tax in this country.' As a result of those laws, which those opposite opposed, the Taxation Office is now dealing with 80 companies. We have a tax office that is resourced to do the job. Just today the Taxation Commissioner advised in estimates that we now have over 150 people working in our internationals team. This

includes more than 20 new recruits who have specialist experience working in economics, transfer pricing and international risk. These complement the more than 1000 people in our public groups area. On top of that, in audits alone some \$2.5 billion in additional revenue—(*Time expired*)

Mrs Sudmalis interjecting—

The SPEAKER: the member for Gilmore will cease interjecting.

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:28): My question is to the Minister for Human Services. I refer to the minister's trip to China and his answer yesterday that he would fully assist the Secretary of the Department of Prime Minister and Cabinet in his review. Has the minister informed—

Honourable members interjecting—

The SPEAKER: The member for Isaacs will resume his seat. The member for Lyons is warned. The Leader of the House will cease interjecting. If members on my right wish me to hear the question, they will need to listen to it in silence, no matter the provocation. Otherwise we will waste a lot of time with me asking for the question to be repeated multiple times. The member for Isaacs has the call.

Mr DREYFUS: My question is to the Minister for Human Services. I refer to the minister's trip to China and his answer yesterday that he would fully assist the Secretary of the Department of Prime Minister and Cabinet in his review. Has the minister informed the Parkinson inquiry that, as a private citizen, he not only met the Chinese vice minister for land and resources while in China, but was accompanied to that meeting by executives of Nimrod Resources? Will he also confirm this information to the parliament?

Honourable members interjecting—

The SPEAKER: The member for Grayndler will cease interjecting. I have not called the minister. Members on my left will cease interjecting. I have also asked the Leader of the House to cease interjecting. He probably did not hear me, because he was interjecting himself. The Minister for Human Services has the call.

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:29): I thank the member for his question and I refer the member to my previous answer yesterday.

Small Business

Mr WHITELEY (Braddon—Government Whip) (14:30): My question is to the Minister for Small Business and Assistant Treasurer. Will the minister update the House on action the government is taking to boost Australian businesses through new ways to access finance, including crowd sourced equity funding?

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (14:30): I thank the member for Braddon for his question. He understands that capital is the lifeblood of small business and that many small businesses rely on credit cards, friends or dipping into their mortgage to either start or grow their business. Small business is one of the very key drivers in our economy—of jobs, of growth and of our national prosperity. We need to make it easier for small business, start-ups, to access capital, to access the funding that they need to innovate and grow. If we want them to innovate, we have to be prepared to innovate ourselves. That is why we announced a world leading crowd sourced equity funding framework, which is a key part of our national innovation and science agenda. Our crowd sourced equity funding platform connects small business for the first time with mum and dad investors who are looking to invest—in that start-up in Sydney, in that new innovative tech start-up or in that micro-brewery that is looking to start up or expand in Tasmania.

Our framework, which is the first of its kind in Australia, enables public companies with less than \$5 million in assets and less than \$5 million in annual turnover to raise up to \$5 million in funds in any 12-month period. We are giving these unlisted public companies a holiday for up to five years from some reporting and governance requirements that have rendered these crowd sourced equity funding provisions prohibitive up until this point. Now these companies will only be required to provide a low level of disclosure in their public offer information and AGMs will not be required. Mum and dad investors will be able to invest an unlimited amount in this crowd sourced equity funding. But there will be protections. There will be a cap of \$10,000 per issuer in any 12-month period so that they are not exposed to excessive risks.

Australia's crowd sourced equity funding platform is globally competitive, with the issuer cap of \$5 million each year being higher than that of the US and New Zealand. We are receiving strong support for our framework. Let me give you a few examples. The founder of OzCrowd, Nick Karolidis, said: 'We do see the regime as a great starting point and it will benefit many Australian businesses. The proposed regime does well to balance the

interests of providing an alternative financing option for new businesses and also protecting mum and dad investors.' The Chief Executive of CPA, Alex Malley, said that 'this is a new way of linking entrepreneurs and their ideas with global investors' and that 'there are in fact appropriate investor protections which the government has sought to address'. (*Time expired*)

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:33): My question is to the Minister for Human Services. I refer to the minister's trip to China and his answer yesterday that he would fully assist with the Parkinson inquiry. Has the minister provided the Parkinson inquiry with evidence that proved that, at the time he undertook his trip to China, the minister paid for his own flights to and from China, accommodation in China, internal travel in China and incidentals, including meals, in China? Will the minister also provide this evidence to the parliament?

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:34): I thank the member for his question and I refer the member to my response yesterday.

Tourism

Mr HUTCHINSON (Lyons) (14:34): My question is to the Minister for Foreign Affairs. Will the minister update the House on what the government is doing to promote Australia as a destination for tourism, to provide economic growth and to increase job opportunities for Australians?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:34): I thank the member for Lyons for his question and I know that he strongly supports the tourism industry in Tasmania. During my recent visit to the United States as part of our premier public diplomacy program G'day USA, I launched for Tourism Australia in New York their latest advertising campaign based on coastal and aquatics experiences in Australia with a very well known Byron Bay surfer, one Chris Hemsworth. As it turns out, making Chris Hemsworth our latest ambassador for tourism and launching a campaign to lure United States visitors to Australian beaches in the middle of one of the worst blizzards that New York has experienced turned out to be a masterly stroke, because the interest from the US tourism industry, the travel industry, was enormous. The estimated advertising value of the media coverage in the days following the campaign launch is about \$50 million—

Mr Husic: Table the autographs! Table the selfies!

The SPEAKER: The member for Chifley is warned.

Ms JULIE BISHOP: There were 1,500 articles in the United States media, and on social media the instant response was overwhelming—about 330,000 likes, re-posts and retweets. Promoting Australia as a destination for tourists around the world is a core part of our international engagement, a core part of the work of our diplomats and our posts overseas. It is also fundamental to our foreign and, in particular, trade policy. The tourism industry in Australia—

Opposition members interjecting—

Ms JULIE BISHOP: Members opposite should listen to this because it is important. The tourism industry in Australia is worth three per cent of our GDP. It contributes \$43 billion annually to the Australian economy and directly employs 500,000 Australians. The United States tourism market is one of our most valuable.

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports is warned.

Ms JULIE BISHOP: Last year the contribution of US tourists was over \$3 billion to the Australian economy. That makes it one of our third largest tourism markets. That contribution came from 600,000 American tourists to Australia. The United States' premier lifestyle magazine *Conde Nast Traveller* has nominated Australia as the tourism destination for 2016—not first among equals, not one out of 10, but the only tourism destination that *Conde Nast Traveller* has nominated for 2016. We on this side of the House support the tourism industry and its contribution to growth and jobs.

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:38): My question is to the Minister for Human Services. I refer to the minister's previous answer. The minister has referred the parliament to his statement yesterday. Given that his statement was silent on what would be provided to the Parkinson inquiry, will he now answer the question: has the minister provided the Parkinson inquiry with evidence that proves that at the time he undertook his trip to China the minister paid for his own flights, accommodation, internal travel and incidentals?

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:38): I thank the member for his question and I refer the member to my previous response yesterday.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton will leave under standing order 94(a).

The member for Moreton left the chamber.

Employment

Dr GILLESPIE (Lyne) (14:39): My question is to the Minister for Agriculture and Water Resources. Will the minister explain to the House how the coalition government's support for agriculture is boosting jobs and growth in my electorate and around the whole country?

Mr JOYCE (New England—Minister for Agriculture and Water Resources) (14:39): I thank the honourable member for his question. Might I say that even in the seat of Lyne we are doing exceptional work in making sure that we boost the export returns for agriculture. That is no better seen than in the wine industry at Cassegrain Wines. I was up there only recently. I met with John Cassegrain, Alex Cassegrain, Jim Mobbs from Bago Vineyards in Port Macquarie, Scott Wright from Wright Robertson at Glencoe in New England and John Drayton—and you should be interested in that—from Drayton Wines in Pokolbin.

An honourable member: Did you try the wine?

Mr JOYCE: The wines were exceptional. Cassegrain's wines have recently won a number of awards, and this underpins jobs and growth in the Port Macquarie area. They have won gold, silver and bronze industry awards in the 2015 Japanese International Wine Challenge. They won a gold medal for their 2011 reserve shiraz, a bronze medal for their 2014 fromenteau reserve chardonnay and gold medals in the *Wine Showcase* magazine for their riesling and verdelhos.

It is quite clear that, as we turn around the wine industry with the industry with international conditions getting a better return, there are going to be more jobs, but it is not just there. It is also very important on this day when we are referring to closing the gap—and you might be interested in this—how we are assisting those in the Aboriginal cattle industry to close the gap for their people. Having exported more than three million head of cattle since we have come to government we are underpinning the jobs—jobs you can see at the Roebuck export yards at Broome, with Aboriginal people working on Aboriginal land doing the jobs that they want to do, making money by the sweat of their own brow in their own industry. They are closing their own gap, not having to rely on other people to close the gap for them. All we do is make sure we make the way clear so that they can make the money that they deserve.

They are closing the gap also at Delta Downs in the gulf with Freddie Pascoe, with about 60,000 head of cattle. They are making real money. They are getting real social advancement for their people. All that we do is make the way clear so they can make their own money in their own industry on their own land. They are closing the gap also with Harry Curtain and the East Kimberley Cattle Company. Harry Curtain is driving towards 40,000 head of cattle and improving the genetics. Aboriginal people are working on Aboriginal land doing the jobs that they want to do. They are closing their own gap and advancing their own industry, with people employed in fencing and all the other industries that are manifest in this field of endeavour. We are working with the Aboriginals at closing their own social gap by further investment in Indigenous rangers in the north. It is through agriculture that so many people in the Aboriginal field are closing the gap. It is through work in agriculture that we are helping this nation and the Aboriginal people close the social — *(Time expired)*

Minister for Human Services

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (14:42): My question is to the Minister for Human Services. I refer to the minister's trip to China and his answer yesterday that he would fully assist with the Parkinson inquiry. Given that it is not clear from his answer yesterday what information he has provided to Dr Parkinson, has the minister provided the Parkinson inquiry with a copy of the letter of appointment he presented to an official of a Chinese state-owned company? Will the minister also provide this letter to the parliament?

Opposition members interjecting—

The SPEAKER: Members on my left will cease interjecting.

Mr ROBERT (Fadden—Minister for Veterans' Affairs, Minister for Human Services and Minister Assisting the Prime Minister for the Centenary of ANZAC) (14:43): I thank the member for his question and I refer him to my response yesterday.

Private Health Insurance

Mr PITT (Hinkler) (14:43): My question is to the Minister for Health. Can the minister inform the House what this government is doing to improve private health insurance for rural and regional consumers? Can the minister also advise that there is a publicly available database where constituents living in regional areas like Hinkler can identify which private hospitals have contracts with health funds so that they can make an informed choice before purchasing private health insurance?

Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (14:43): I often look at members of the Labor Party and wonder if any of them have ever risked a dollar of their own money in a small business, living the great Australian dream.

The SPEAKER: The Minister for Health will come to the question.

Ms LEY: When I look at the member for Hinkler I see it all—a man who has come through the ranks—

Honourable members interjecting—

The SPEAKER: Members on both sides will cease interjecting.

Ms LEY: worked hard in the sugar mill, built his own company, invested in training, sponsored young people and now has decided to give back by coming into this place. He really is a standout performer.

The member for Hinkler asks me about private health insurance as it relates to his rural and regional constituents. Having visited his electorate, I certainly understand that his people live on low incomes, fixed incomes, and they do their best to hang onto their private health insurance. We know that the stronger private health insurance is in Australia, the stronger public health is—because we do not find that people who would otherwise rely on private hospitals come to the emergency department of our public hospitals.

The member asks about the current private health insurance reforms. Clearly, responses to my survey into what people think about the private health insurance product have revealed that the premium increases are going up too fast—six per cent, every year, year-on-year—affordability is a problem and the product itself is not meeting their needs. So we in the Liberal and National parties are looking at ways to make consumers happier with private health insurance to deliver a product that meets their needs and support the health system as a whole.

There is a website that the member for Hinkler might like to refer to—privatehealth.gov.au—which he specifically has asked about, where constituents can see: 'If I go to a certain private hospital what is the gap that I might have to pay and what hospitals will better meet my needs, depending on the type of insurance I have and the insurer I am with?' This is an area that was really talked about through our private health consultations, because transparency and the ability to know what exactly your policy delivers—when and how, and where the known or no-gap site is—is really important.

I have had a positive response from insurers to my request to start considering a lower request of premium increase, and we are working well with those insurers. We are also looking at the prostheses list, because the costs that private health insurers pay for devices is very high, in Australia, compared to overseas, and there are regulatory aspects that we are also interested in to help ease the costs for the system as a whole. Once again, I think that member for Hinkler and I look forward to my next visit to his constituency.

Minister for Human Services

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:47): My question is to the Prime Minister. Clause 2.20 of the Prime Minister's own *Statement of ministerial standards* puts a blanket ban on ministers providing assistance to companies in a 'personal capacity'. But the Minister for Human Services has himself confirmed to the House that he was acting in a personal capacity when he attended a signing ceremony sealing a mining deal between a Chinese state owned enterprise and a major Liberal donor. When the breach is this clear, why hasn't the Prime Minister sacked the Minister of Human Services? (*Time expired*)

Mr Mitchell interjecting—

The SPEAKER: The member for McEwen has already been warned. That is his final warning. Just before I call the Prime Minister, the member for Chifley in the previous answer interjected, incessantly, through it. He has also been warned, and he has been warned and asked to cease interjecting a number of times this week. That is his final warning as well.

Mr TURNBULL (Wentworth—Prime Minister) (14:48): The Leader of the Opposition's colleague the shadow attorney-general, the member for Isaacs, has just been asking questions about the inquiries that Dr Parkinson, the Secretary of Prime Minister and Cabinet, is undertaking, which he is undertaking—as he knows full well—at my request. I made that request in accordance with procedures set down in the code of ministerial

standards, where an issue of this kind is raised, and the correct procedure is for the Prime Minister to seek advice from his secretary, to ascertain the facts, and then bring the results of that inquiry back to me.

Dr Parkinson will complete his inquiry and, when he does, I will review it and, obviously, the House will be very well aware of the conclusions that I make.

Mr Dreyfus: What more do you need to know?

The SPEAKER: The member for Isaacs will cease interjecting.

Mr TURNBULL: You would think that what the opposition would do—as they pump themselves up with indignation about this—you would think what they would do is allow the due process to take place. Everything I have done, in response to this—prompt, punctiliously, in accordance with the code—I have done everything you would expect me to do in these circumstances—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs is warned.

Mr TURNBULL: sought the advice of the secretary. But that is not good enough! At the same time they are asking the minister whether he is cooperating with the secretary of PM&C—

Mr Bowen: You think you're so clever, don't you?

Mr Bowen: The member for McMahon.

Mr TURNBULL: they are demanding that I ignore the Secretary of Prime Minister and Cabinet and dismiss him peremptorily! The confusion, the internal inconsistency, as all of these indignations and frustrations bubble up amongst them—

Mr Bowen: You're the Prime Minister!

The SPEAKER: The member for McMahon is warned.

Mr TURNBULL: We can understand their unhappiness, their frustration with their situation, but they should accept that the inquiry is being conducted by the secretary in accordance with the code. It will be completed and, when it is completed, then I will take the decision that only I can take, in respect of the minister's position. That should be allowed to proceed. It is in accordance with the code. It is due process. And they do themselves no service—and they do this House no service—by constantly trying to subvert what they know is the appropriate process for dealing with issues of this kind.

National Security

Mrs McNAMARA (Dobell) (14:50): My question is to the Minister for Immigration and Border Protection. Martin, from my electorate in Dobell, recently contacted me regarding his concerns towards our nation's security. Will the minister please update the House on what steps the government is taking to ensure that those seeking refuge on our shores will not pose a threat to our national security?

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (14:51): Thank you very much to the member for Dobell. It is a great question and reflects the interest and concern that all people in this place have, in relation to making sure our borders are protected. But all of us living in the community regularly speak to people who are concerned about what they see within our region, within Europe at the moment, in relation to people movements, in relation to terrorist attacks, which we have seen in Paris and elsewhere around the developed world. This government has, as a first priority—as it should—the protection of our people. We want to make sure that we can keep our borders secure so that we can keep our communities safe.

On a daily basis the Prime Minister and I and other ministers discuss what is important—the priorities that we need to meet to make sure that we can keep the Australian public safe. I am very proud of the fact that in Australian Border Force we have increased the number of counter-terrorism unit officers now at our eight international airports from 80 to 100 officers. They have been involved in offloading 315 passengers from planes, they have been involved in 109,000 real-time assessments and they have now been involved in 7,200 patrols within those airports—and that is this financial year alone. So they are involved on a day-to-day basis in looking at outbound passengers and looking at inbound passengers not only to make sure that they can keep the travelling public safe but also to make sure that they can keep the broader Australian public safe, and this government makes no apologies for that. We want to make sure that we have free and easy access at our airports for the travelling public, but we want to concentrate our efforts on those people who would seek to do harm here in Australia or overseas.

I am also proud of the fact that this government has increased the number of people that we have cancelled under section 501 of the Migration Act—that is, people who have failed the character test. We have cancelled the visas of 64 noncitizens who had been involved in organised crime, predominantly members of outlaw motorcycle

gangs. These people are involved in the distribution of ice and amphetamines, drug running, extortion and other criminal activities, and they do not deserve to be in the Australian society. We have taken a very determined decision to make sure that we can exclude those people from our shores so that our communities can be safer, and we will continue that hard work. I have said before in relation to the increased humanitarian support we are providing as a government that, in addition to being the most generous country on a per capita basis in taking people from war-torn regions such as Iraq and Syria, we will continue to conduct those tests, including biometric tests, so that we can give safe refuge to those people that are most in need and not allow refuge to those people that would seek to do us harm.

Minister for Human Services

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:54): The question is to the Prime Minister. When will the Prime Minister sack the Minister for Human Services? Just as with the former Special Minister of State and the former minister for cities, isn't the Prime Minister waiting for parliament to rise before he takes out his trash, because he is too arrogant to see one of his ministers forced to resign whilst parliament sits?

The SPEAKER: I caution the Leader of the Opposition about some of the language in that question. I am not going to ask him to rephrase it; I am just going to caution him, given his seniority as Leader of the Opposition. Some of that language is unacceptable. The Prime Minister has the call.

Mr TURNBULL (Wentworth—Prime Minister) (14:55): I will not detain the House by repeating the remarks I made in the answer to the previous question. I will simply summarise it this way: the Leader of the Opposition knows full well, as does everyone who has taken an interest in this matter, that I am dealing with it precisely in accordance with the code of ministerial standards. Advice is being sought from the secretary of my department, as is appropriate. When the secretary provides his advice to me I will then take whatever steps are appropriate in the light of that advice. The Leader of the Opposition is as convincing in his indignation as he was in his defence of the lettuces of Australia.

MOTIONS

Prime Minister

Attempted Censure

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:56): I seek leave to move the following motion:

That the House:

(1)notes the Minister for Human Services assisted Nimrod Resources during a trip to China in August 2014 by:

(a)participating in a signing ceremony to seal a mining deal between Nimrod Resources and a Chinese state-owned company;

(b)presenting what have been described as a "medal" from the Prime Minister and a "letter of appointment" to an official of the Chinese state-owned company; and

(c)meeting with the Chinese Vice-Minister for Land and Resources accompanied by executives of Nimrod Resources;

(2)further notes that:

(a)before he travelled to China in August 2014, the Minister for Human Services did not advise Australian officials that he was to meet with the Chinese Vice-Minister for Land and Resources accompanied by executives of Nimrod Resources;

(b)the Government is refusing to disclose whether Defence security protocols were breached by the Minister while he was in China;

(c)the principal of Nimrod Resources, Paul Marks, has donated more than \$2 million to the Liberal Party in the past two financial years; and

(d)the Minister for Human Services has already admitted to the House that he was travelling in a personal capacity when he assisted Nimrod Resources during his trip to China, and therefore, his actions were a direct breach of Clause 2.20 of the Prime Minister's own Statement of Ministerial Standards; and

(3)censures the Prime Minister for failing to enforce his own Statement of Ministerial Standards and sack the Minister for Human Services.

The SPEAKER: Is leave granted?

Mr Pyne: I think we will allow the Leader of the Opposition to keep his own leaves in his own lettuce and not take a leaf out of that lettuce, and we will not be giving leave.

The SPEAKER: Is leave granted or not?

Mr Burke: I raise a point of order. The Leader of the House has already been warned. We are in a situation now where the government has done what no previous parliament has done. Every one of these resolutions gets gagged. He cannot shut down debate and then use points of order in that way and get away with it.

The SPEAKER: I ask the Manager of Opposition Business to resume his seat.

Mr Mitchell interjecting—

Mr Champion interjecting—

The SPEAKER: The member for McEwen has already been warned. The member for Wakefield will not interject when I am making a ruling. I remind the Manager of Opposition Business and the Leader of the House about some of the language. I have pointed out the language in the Leader of the Opposition's question. I have not warned the Leader of the House; I have asked him to cease interjecting. The Leader of the House should have come to the point on leave being granted or not granted—and I am going to ask him to state whether leave is granted or not granted in the second—but I will say to the Manager of Opposition Business that I am allowing free flowing, robust debate, and if the Manager of Opposition Business wants me to pick up on every instance he will find that there have been a number that I did not pick up, particularly in preambles to questions, including from the member for Sydney yesterday. I am going to ask the Leader of the House to simply state whether leave is granted or not granted.

Mr Pyne: Leave is not granted.

Mr Snowden: Go to the dispatch box and do it!

The SPEAKER: The member for Lingiari is warned.

Mr SHORTEN: I move:

That so much of the standing orders be suspended as would prevent the Member for Maribyrnong from moving the following motion forthwith—

That the House:

(1) notes the Minister for Human Services assisted Nimrod Resources during a trip to China in August 2014 by:

- (a) participating in a signing ceremony to seal a mining deal between Nimrod Resources and a Chinese state-owned company;
- (b) presenting what have been described as a "medal" from the Prime Minister and a "letter of appointment" to an official of the Chinese state-owned company; and
- (c) meeting with the Chinese Vice-Minister for Land and Resources accompanied by executives of Nimrod Resources;

(2) further notes that:

- (a) before he travelled to China in August 2014, the Minister for Human Services did not advise Australian officials that he was to meet with the Chinese Vice-Minister for Land and Resources accompanied by executives of Nimrod Resources;
- (b) the Government is refusing to disclose whether Defence security protocols were breached by the Minister while he was in China;
- (c) the principal of Nimrod Resources, Paul Marks, has donated more than \$2 million to the Liberal Party in the past two financial years; and
- (d) the Minister for Human Services has already admitted to the House that he was travelling in a personal capacity when he assisted Nimrod Resources during his trip to China, and therefore, his actions were a direct breach of Clause 2.20 of the Prime Minister's own Statement of Ministerial Standards; and

(3) censures the Prime Minister for failing to enforce his own Statement of Ministerial Standards and sack the Minister for Human Services.

It is time for this do-nothing Prime Minister to do something. He must sack the minister. How many Liberal ministers in their own time are wandering around the world squiring Liberal donors to meet with Chinese dignitaries? It is not the job of this government to back in its donors and to hide the minister. He should go.

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (15:02): Mr Speaker, I will put the Leader of the Opposition out of his misery and move:

That the member be no longer heard.

The SPEAKER: The Leader of the House will not give commentary when I have asked him whether leave is granted or where he is seeking the call. The question is that the Leader of the Opposition be no longer heard.

The House divided. [15:06]

(The Speaker—Hon. Tony Smith)

Ayes86
Noes56

Majority.....30

AYES

Abbott, AJ	Alexander, JG
Andrews, KJ	Andrews, KL
Baldwin, RC	Billson, BF
Bishop, BK	Bishop, JI
Briggs, JE	Broad, AJ
Broadbent, RE	Brough, MT
Buchholz, S	Chester, D
Christensen, GR	Cobb, JK
Coleman, DB	Coulton, M (teller)
Dutton, PC	Entsch, WG
Fletcher, PW	Frydenberg, JA
Gambaro, T	Gillespie, DA
Goodenough, IR	Griggs, NL
Hartsuyker, L	Hastie, AW
Hawke, AG	Henderson, SM
Hendy, PW	Hogan, KJ
Howarth, LR	Hutchinson, ER
Irons, SJ	Jensen, DG
Joyce, BT	Keenan, M
Kelly, C	Laming, A
Landry, ML	Laundy, C
Ley, SP	Macfarlane, IE
Marino, NB	Markus, LE
Matheson, RG	McCormack, MF
McNamara, KJ	Morrison, SJ
Nikolic, AA	O'Dowd, KD
O'Dwyer, KM	Pasin, A
Pitt, KJ	Porter, CC
Prentice, J	Price, ML
Pyne, CM	Ramsey, RE
Robb, AJ	Robert, SR
Roy, WB	Ruddock, PM
Scott, BC	Scott, FM
Simpkins, LXL	Southcott, AJ
Stone, SN	Sudmalis, AE
Sukkar, MS	Taylor, AJ
Tehan, DT	Truss, WE
Tudge, AE	Turnbull, MB
Van Manen, AJ	Varvaris, N
Vasta, RX	Whiteley, BD (teller)
Wicks, LE	Williams, MP
Wilson, RJ	Wood, JP
Wyatt, KG	Zimmerman, T

NOES

Albanese, AN	Bandt, AP
Bird, SL	Bowen, CE
Brodthmann, G	Burke, AE
Burke, AS	Butler, MC
Butler, TM	Byrne, AM
Chalmers, JE	Champion, ND
Chesters, LM	Clare, JD
Claydon, SC	Collins, JM
Conroy, PM	Danby, M
Dreyfus, MA	Elliot, MJ
Ellis, KM	Feeney, D
Ferguson, LDT	Fitzgibbon, JA
Giles, AJ	Gray, G
Griffin, AP	Hall, JG (teller)
Hayes, CP	Husic, EN
Jones, SP	King, CF
Leigh, AK	Macklin, JL
MacTiernan, AJGC	Marles, RD
Mitchell, RG	Neumann, SK
O'Connor, BPJ	O'Neil, CE
Owens, J	Parke, M

NOES

Plibersek, TJ
 Rishworth, AL
 Ryan, JC (teller)
 Snowden, WE
 Thistlethwaite, MJ
 Vamvakinou, M
 Wilkie, AD

Ripoll, BF
 Rowland, MA
 Shorten, WR
 Swan, WM
 Thomson, KJ
 Watts, TG
 Zappia, A

Question agreed to.

The SPEAKER: Is the motion seconded?

Mr BURKE (Watson—Manager of Opposition Business) (15:10): I second the motion. He needs to be sacked. Everybody knows it and the Prime Minister cannot make a decision. We have got a Prime Minister incapable of making a decision—

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (15:10): I move:
 That the member be no longer heard.

The SPEAKER: The question is that the Manager of Opposition Business be no longer heard.

The House divided. [15:12]

(The Speaker—Hon. Tony Smith)

Ayes86

Noes56

Majority.....30

AYES

Abbott, AJ
 Andrews, KJ
 Baldwin, RC
 Bishop, BK
 Briggs, JE
 Broadbent, RE
 Buchholz, S
 Christensen, GR
 Coleman, DB
 Dutton, PC
 Fletcher, PW
 Gambaro, T
 Goodenough, IR
 Hartsuyker, L
 Hawke, AG
 Hendy, PW
 Howarth, LR
 Irons, SJ
 Joyce, BT
 Kelly, C
 Landry, ML
 Ley, SP
 Marino, NB
 Matheson, RG
 McNamara, KJ
 Nikolic, AA
 O'Dwyer, KM
 Pitt, KJ
 Prentice, J
 Pyne, CM
 Robb, AJ
 Roy, WB
 Scott, BC
 Simpkins, LXL
 Stone, SN
 Sukkar, MS
 Tehan, DT
 Tudge, AE
 Van Manen, AJ

Alexander, JG
 Andrews, KL
 Billson, BF
 Bishop, JI
 Broad, AJ
 Brough, MT
 Chester, D
 Cobb, JK
 Coulton, M (teller)
 Entsch, WG
 Frydenberg, JA
 Gillespie, DA
 Griggs, NL
 Hastie, AW
 Henderson, SM
 Hogan, KJ
 Hutchinson, ER
 Jensen, DG
 Keenan, M
 Laming, A
 Laundry, C
 Macfarlane, IE
 Markus, LE
 McCormack, MF
 Morrison, SJ
 O'Dowd, KD
 Pasin, A
 Porter, CC
 Price, ML
 Ramsey, RE
 Robert, SR
 Ruddock, PM
 Scott, FM
 Southcott, AJ
 Sudmalis, AE
 Taylor, AJ
 Truss, WE
 Turnbull, MB
 Varvaris, N

AYES

Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

Whiteley, BD (teller)
Williams, MP
Wood, JP
Zimmerman, T

NOES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
MacTiernan, AJGC
Mitchell, RG
O'Connor, BPJ
Owens, J
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Snowdon, WE
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Marles, RD
Neumann, SK
O'Neil, CE
Parke, M
Ripoll, BF
Rowland, MA
Shorten, WR
Swan, WM
Thomson, KJ
Watts, TG
Zappia, A

Question agreed to.

The SPEAKER: The question now is that the motion moved by the Leader of the Opposition be agreed to.

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (15:13): Just very briefly—I will not detain the House for long—the reason the government is obviously not entertaining the suspension of standing orders is: how can the House consider this matter—

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

The SPEAKER: The Manager of Opposition on a point of order—knowing that the Leader of the Opposition or, in fact, any member is entitled to speak on the motion.

Mr Burke: Not when this Leader of the House is in the parliament, they are not. He gags absolutely everybody else.

Mr PYNE: Mr Speaker, I just thought that the House might like to know why—

The SPEAKER: The Leader of the House will resume his seat. Before I call the Manager of Opposition Business: he knows well my attitude to frivolous points of order. I call the Manager of Opposition Business on a point of order. He will state the point of order.

Mr Burke: I will move the procedural motion, if this is what we have come to. I move:

That the question be put.

The SPEAKER: The Manager of Opposition Business has moved that the question be put.

Question agreed to.

The SPEAKER: The question now is that the motion for the suspension of standing orders be agreed to.

The House divided. [15:16]

(The Speaker—Hon. Tony Smith)

Ayes56

Noes86
Majority.....30

AYES

Albanese, AN
Bird, SL
Brodtnann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
MacTiernan, AJGC
Mitchell, RG
O'Connor, BPJ
Owens, J
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Snowdon, WE
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Marles, RD
Neumann, SK
O'Neil, CE
Parke, M
Ripoll, BF
Rowland, MA
Shorten, WR
Swan, WM
Thomson, KJ
Watts, TG
Zappia, A

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Hawke, AG
Hendy, PW
Howarth, LR
Irons, SJ
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Stone, SN

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hastie, AW
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Southcott, AJ
Sudmalis, AE

NOES

Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD (teller)
Williams, MP
Wood, JP
Zimmerman, T

Question negatived.

AUDITOR-GENERAL'S REPORTS

The SPEAKER (15:18): I present the Auditor-General's performance audit report No. 21 of 2015-16 entitled *Administration of the Commonwealth Scientific and Industrial Research Organisation's gift to the Science and Industry Endowment Fund: Commonwealth Scientific and Industrial Research Organisation*.

Ordered that the report be made a parliamentary paper.

DOCUMENTS**Presentation**

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (15:19): Documents are tabled in accordance with the list circulated to honourable members earlier today. Details of the documents will be recorded in the *Votes and Proceedings*.

STATEMENTS ON INDULGENCE**Coleman, Mr Adam****Lucas, Mr Dean**

Mr GRAY (Brand) (15:19): By indulgence—and I thank the House, Mr Speaker, the Prime Minister and the opposition leader for their support in making this statement. I acknowledge, of course, the presence in the distinguished visitors' gallery today of the Mexican Ambassador to Australia, His Excellency Mr Armando Alvarez Reina, and his Deputy Head of Mission, Mr Victor Manuel Trevino Escudero.

On 21 November 2015, the lives of two families changed in the most unimaginable way when Adam Coleman and Dean Lucas, both 33, were killed in Mexico. Adam along with his childhood friend Dean were murdered by robbers on a highway in Sinaloa. Their murders were brutal—a robbery that went wrong.

The section of the road where they died is notorious for crime, but it is a toll road and the men probably felt safe enough. They were fluent in Spanish and were experienced travellers who felt comfortable in almost any surroundings. Adam and Dean were killed by men posing as police officers. We can only imagine that the murderers were targeting Adam and Dean for bribery.

Adam's and Dean's families became aware of their disappearance and, through the assistance of the boys' girlfriends, the car with the boys' remains was found. The families were informed of their death, and the circumstances, on 28 November 2015.

Support for the families by the Australian department of foreign affairs, the Australian Federal Police and the Western Australian coroner's office was immediate, personal and professional. This was the start of support which reached from Golden Bay and Rockingham in Western Australia to Los Angeles, USA, to the Baja Peninsula, to Sinaloa in Mexico and continues to this day.

The families would like to thank the Mexican government, who helped to resolve this dreadful crime and aided them in getting the men home. The Mexican government were very supportive and cooperative and never shied away from the horror. We understand that they are trying hard to make Mexico safe, and, although the families were gutted by this incident, they have enduring affection for Mexico and its people. Both families will visit Mexico in the future—as tourists, not as grieving parents. Their love for Mexico is undiminished.

The families of Dean and Adam would like to thank the following people, whose sincere and professional manner and whose care and concern in all respects in their jobs is greatly appreciated. They asked me in particular to thank the Hon. Julie Bishop MP, Minister for Foreign Affairs. The minister, they have made clear, has extended both gracious care and concern and the great capacity of the department of foreign affairs to be supportive of this family. They thank the Hon. Michael Keenan MP, as Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism. The support of the Australian Federal Police has been simply outstanding at the

most important time for this family and the consular services section of the Department of Foreign Affairs and Trade has been terrific.

I thank His Excellency David Engel, the Australian Ambassador to Mexico. I also thank the Governor, Mr Mario Lopez Valdez, and Attorney-General, Marco Antonio Higuera Gomez, of the state of Sinaloa, for their support for the families of Dean and Adam. I thank Mayor Miguel Enriquez for the generosity and help the city of Navolato provided to families. I thank Mr John Borghetti and Virgin airlines, and GS Holdings in Edmonton, Canada, the generous employer of Dean and Adam, for their understanding and help. On behalf of the grieving families, I thank you all.

It is important for me to emphasise that the advice of DFAT Smartraveller is to get travel insurance, organise your passport and visas, and register your travel plans on the Smartraveller website for up-to-date information wherever you are travelling. This service helps all families in times of need. Travellers are of course responsible for themselves and their safety. That makes even more special the generous and loving sentiments Dean and Adams' families have for Mexico. In a happier time, Dean and Adam's families will return to explore beautiful Mexico—a wonderful country. The families will eat amazing food, surf incredible waves and, most of all, thank some special friends for helping them through a difficult time.

On behalf of the families, I thank the House for its indulgence. I thank Minister Bishop, Minister Keenan, the Prime Minister, the opposition leader and you, Mr Speaker. Every hour of every day around the world, a national interest is served by the wonderful men and women of our Public Service, working, as I have described here today, to help our families in times of need. On behalf of the families of Dean and Adam, I thank them all and I thank you all for your indulgence.

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (15:24): Minister Keenan and I thank the member for Brand for his gracious statement. We fully endorse the sentiments that he expressed here in the House today. I add our condolences, my own personal condolences, those of Minister Keenan and those of the government, to the families and loved ones of these two young Western Australians who were murdered in such tragic circumstances. I monitored the case closely. I was shocked by its brutality. I acknowledge the extraordinary grace with which the family and the loved ones have responded to this most harrowing event.

On behalf of the Australian government, I thank the Mexican government for its efficient handling of the case. I acknowledge the presence in the House of the ambassador and the deputy head of mission from Mexico. I thank the member for Brand for acknowledging the work of the AFP and also the Department of Foreign Affairs and Trade consular staff. I pay tribute to them for their tireless work. Our consular staff operate in often very difficult and dangerous circumstances and yet they are always prepared to support Australians who find themselves in difficulties overseas and their families back home. So I thank the consular staff in Canberra and also in our embassies around the world who were involved in this most tragic of cases. I thank the House.

The SPEAKER: I thank the Minister for Foreign Affairs and again thank the member for Brand. I think we all agree that they have both reflected all of our thoughts.

MATTERS OF PUBLIC IMPORTANCE

Broadband

The SPEAKER (15:26): I have received a letter from the honourable member for Blaxland proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Prime Minister failing Australians with his second-rate NBN.

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 CLARE (Blaxland) (15:26): Malcolm Turnbull has had one job for the last 2½ years and that is to build the NBN, and he has made a mess of it. Any objective analysis is that he has made a mess of it. Almost everything he promised he would do on the NBN he has failed to deliver. Now, almost every week, we have more evidence of the mess that he has made with the building of his second-rate NBN. I give you just three examples. The first and the worst is the massive blow-out in cost. Malcolm Turnbull said before the last election that he could build a slower second-rate NBN for \$29½ billion. We now know that that has blown out to as much as \$56 billion. It has blown out by almost 100 per cent. This is a man who says, 'I've got business experience. I used to be a merchant banker. I've got the skills to do the job.' He has blown the budget on the NBN by almost 100 per cent. If this were anybody else, they would have got the sack, but not this man—he was promoted.

The second example of the failure and the mess on the NBN is time—the massive blow-out in the time it is going to take to build the NBN. Malcolm Turnbull promised before the last election that everyone would have access to the NBN this year, 2016. That is now not going to happen. How many people do you think will get the

NBN this year? It is not 100 per cent, it is not 50 per cent or 40 or 30 or 20 per cent. As we stand here today, less than 15 per cent of the country has access to the NBN. That is another massive broken promise, another massive fail by the Prime Minister who deceived the people of Australia at the last election by promising that everyone would get access to the NBN this year. If you are listening to this or watching this and you are still buffering, then blame the Prime Minister because he promised you would have access to the NBN this year. In fact, the former Prime Minister went one step further. He issued an open letter to the people of Australia on election night and said:

I want our NBN to be rolled out within three years and Malcolm Turnbull is the right person to make this happen.

Well, it seems the former Prime Minister was wrong to trust Malcolm Turnbull on this and a lot of other things.

I am indebted to the member for Franklin because she has brought to my attention another document which is even and even more brazen. It is called 'The coalition's economic growth plan for Tasmania'. This does not promise that everyone would get access to the NBN by 2016. This says on page 23:

- The rollout of the NBN under the Coalition will be complete in Tasmania by the end of 2015 ...

It says '2015'. The last time I checked the calendar it was 2016, and guess what? It has not been built in Tasmania. In fact, not one person in Tasmania has been switched on to their second-rate copper NBN yet. The people of Tasmania, just like people right across the country, have been duped by this Prime Minister and this deceitful government.

The third example is copper and the massive blow-out in the cost of fixing the copper. Late last year I told the parliament that we had found out in estimates that the government was buying 2,000 kilometres or two million metres of new copper to build their second-rate NBN—enough copper to link Australia to New Zealand. What we have found out now is that that is the tip of the iceberg. It is not two million metres. We have now found out from an answer to a question on notice that the government are planning to buy 8½ million metres of copper. Just to put that into perspective, that is enough copper to connect Brisbane to Beijing or Perth to Pakistan or Kalgoorlie to Kuala Lumpur and back. That is how much new copper they have to buy to make this second-rate network work.

But that is not the worst of it. Through a leaked document that was revealed in the press late last year it has also now been revealed that the cost of fixing the second-rate copper network has blown out by over 1,000 per cent. When the strategic review came out in December 2013, I was scolded by the now Prime Minister for saying he had not properly allowed enough money to fix the copper. He said in this House, opposite me, that:

The critics of the coalition's approach to broadband have claimed that the coalition has not paid attention to the need for remediation of the existing copper plant ... As honourable members will see when studying this report, that matter has been taken most carefully into account ... and very conservative assumptions have been taken ...

He did not tell us then what those conservative assumptions were but, thanks to this leaked document, we know that then when they released the strategic review they assumed that it would cost \$55 million to fix Telstra's old copper network to make their second-rate NBN work. We also know from this document that it is not going to cost \$55 million; it is now going to cost \$641 million. In other words, it is a blow-out of more than 1,000 per cent. By any objective analysis, this is a massive mess and the Prime Minister has no-one to blame for this but himself.

In estimates last night it was revealed that there are even more problems. In the first places where they are now switching on their second-rate copper NBN, guess what? It is not working. It is not working properly. Instead of getting the faster broadband that they were promised, people are now getting slower broadband services than they were getting with ADSL.

Here are just a couple of examples. Max Taylor from Gorokan recently switched over from ADSL to fibre to the node. He used to get eight megabits per second. Now he is getting as low as three megabits per second. That is slower than his old ADSL. Here is another one. Laurence Alderton from Belmont says: 'I have been connected to the NBN for two days with TPG's 25 megabits plan. What a joke! Peak-time download speeds of around four megabits—that is less than my old ADSL2.' Here is another one. Jan Rigo's elderly parents in Bundaberg have now gone from 12 megabits per second with ADSL down to as low as two megabits per second. As a result, these elderly people can no longer Skype their children and grandchildren in the UAE and Korea. We have lots more stories like this. They are flooding in to affected electorate offices, both Labor and coalition. It is a right royal stuff-up and more evidence of the mess that this Prime Minister has made of the NBN. He promised people faster broadband speeds; in fact, they are getting the reverse. The boss of nbn last night in estimates admitted that, saying, 'I am certain these problems are real.' In a minute we are going to hear from the government and they are going to crow about what a fabulous job they have done on the NBN. My response to that is: fix this mess. Fix this problem.

This is where we are: the cost of their second-rate NBN has doubled, the time it will take to build this second-rate NBN has more than doubled, the cost of fibre to the node has tripled, up from \$600 to \$1,600, the cost of

fixing the copper has blown out by more than 1,000 per cent and in the places where they are starting to roll this mess out it is not working properly. Let me be very, very clear: this mess is going to haunt this Prime Minister. It is evidence of his failure to deliver and evidence that he cannot be trusted. It is evidence that he says one thing before an election and then does another. In the longer term it will be evidence of his bad judgement and lack of vision and that he just simply got this wrong.

I will give one more example to prove it. Before the last election in his election policy the Prime Minister said, 'I've got an example from America to show why fibre to the node is better than fibre to the premises.' He gave the example of Verizon and AT&T. Verizon built fibre to the premises; AT&T went and built fibre to the node. He said, 'AT&T made the right decision because it was cheaper and they will make the same amount of money.' Guess what AT&T announced in December last year? They are rolling out fibre to the premises for 14 million homes across the country and, in places where they rolled out fibre to the node, they are going back and building fibre to the premises. That is what is going to have to happen here in Australia. It is going to take a Labor government to do it—to come back and finish off the NBN and fix Malcolm Turnbull's mess.

Mr FLETCHER (Bradfield—Minister for Territories, Local Government and Major Projects) (15:36): The shadow minister is in a more desperate position week by week, as the rollout inexorably continues and gathers pace. Here he is, trying to pretend it is not succeeding. He is like the black knight of parliament, saying, 'Only a flesh wound,' as the NBN homes passed reach 1.7 million, many multiples of what Labor ever achieved; as the NBN premises pass rate passes 10,000 a week; as the fibre-to-the-node rollout reached 123,000 in December of last year; as NBN revenue for the six months ended 31 December 2015 reached \$164 million, more than double the revenue in the previous corresponding period; as HFC trials are conducted in multiple states; as the fixed wireless network reaches 1,265 base stations; as NBN successfully launched its first satellite; as wireless premises covered reach 342,000; as NBN is on track to meet 500,000 fibre-to-the-node premises by 30 June this year and adding 8,000 premises a week; and as the NBN net promoter score, what its customer assess it at, is at plus 31, an extraordinarily positive result. Yet here is the same tired refrain from the shadow minister, 'Oh, it's a failure.' He is like the black knight of the parliament, saying, 'Only a flesh wound,' as another limb gets lopped off.

The facts are inexorably mounting up. We know that there are connections to over 600,000 premises currently under construction and that design work is underway for connections to a further 1.3 million premises. We know that the NBN is on track to expand its footprint by 15,000 premises per week, rising to 25,000 per week by midyear. How does this compare with what Labor was delivering in its distinctly underwhelming tenure during its time in government, when it sought to rollout a broadband network and failed miserably? We know that, when Labor left office, barely 300,000 premises could be connected to the NBN after four and a half years, yet in two and a half years we are at 1.7 million and the rate is rising inexorably every week. Yet, in the face of these undeniable facts, the shadow minister clings to his self-deluded belief that Labor could do better—ignorant and completely denying the dismal reality of what Labor actually did when it was in power.

Let us have a look at some of the advantages of fibre to the node, which the shadow minister has been so critical of. The cost of rolling out this technology is markedly lower than fibre to the premises. It is in line with the corporate plan expectations at around \$2,300 per premises—around half the \$4,419 per premises that fibre to the premises would cost. Very significantly—despite the breathless rhetoric from the shadow minister—the reality is that customers are just as comfortable with fibre to the node as they are with fibre to the premises. We had a couple of anecdotes from the shadow minister, but where is the data?

Mr Husic interjecting—

Mr FLETCHER: He ignored the data even though it has been published by the NBN. Both fibre to the node and fibre to the premises customers report a satisfaction score of 7.7 out of 10. So, when you compare the satisfaction of fibre to the node and fibre to the premises customers, you see the same satisfaction rating of 7.7.

The shadow minister seems incredulous that the CEO of NBN, when presented with instances of customers with concerns, would say, 'I am certain those problems are real.' But let us be clear: one of the overwhelming differences between the coalition's approach to the NBN and Labor's approach to the NBN is that the coalition has always been frank about the difficulties and challenges of rolling out this network. After Labor engaged in six years of treating the NBN as a generator of photo opportunities, when Labor treated the NBN as a provider of political services rather than of broadband services, what you saw under the former Minister for Communications, now Prime Minister, was an insistence on transparency and openness with the Australian people. When the current Prime Minister became the communications minister he insisted that NBN report every week on its website actual numbers of premises passed—the detail on how the rollout was actually performing. This was all part of turning the company around from the dismal performance—the complete lack of operational competence—that we saw under Labor and getting the company on track towards systematically increasing the numbers of premises being connected each week.

Are there instances where customers are not getting the service that they should be? In a network of this scale, of course there are. Is a chief executive officer going to acknowledge those problems? Of course he will, because the whole approach with the NBN, under the coalition, has been to frankly admit that this is an extremely ambitious project, to focus on openness and transparency, and to get capable people onto the board and onto the executive, with globally qualified executives like Bill Morrow leading the company, so that we can steadily, sustainably and consistently improve the operational performance of NBN and get the rollout going where it needs to go.

Let us just remember the chaotic mess that we had under Labor, starting with a sweeping but ill-conceived promise from Messrs Rudd, Conroy, Tanner and Swan in April 2009 that it was going to be a 100 megabit per second network and it was going to cost \$43 billion. It was going to be such a great investment that then Prime Minister Rudd said in April 2009 that mums and dads should invest in the bonds issued to fund NBN. If there has been a more negligent piece of financial advice given by a Prime Minister in Australian history, I will be very surprised. We were told at the time that there was going to be substantial private sector investment. Remember that claim from Labor? Of course, about a year later the implementation study conducted by KPMG-McKinsey was slipped out in the dead of night the Sunday before budget in 2010. Guess what it said. It said that the private sector would not touch the NBN with a barge pole, because it was such an ill-conceived project, so all the money had to come from taxpayers. That is Labor's approach to financial management, and that is the mess that we have been charged with cleaning up.

The Prime Minister, in his capacity as communications minister, did a truly remarkable job in turning around what was a mess. We had absolutely incompetent execution by Labor. After 4½ years they had reached slightly over 300,000 premises. What is their suggestion now? This is perhaps the most troubling issue of all. What is it that the shadow minister is seriously suggesting to the Australian people should happen if Labor returns to power? He is claiming that if Labor returns to power the NBN will return to a fibre-to-the-premises approach. How has this suggestion been received—not by political activists but by industry participants? What did the chief executive of M2, one of the major telcos in Australia, have to say about this suggestion from the shadow minister? He said:

I think any further change in deployment model would be ill-advised ... I wouldn't advocate for any change.

That is what the industry said, not politicians. What did *The Australian Financial Review* say about this brilliant idea? *The Australian Financial Review* said:

Labor has no credibility in this area. The NBN as conceived under Rudd Labor turned an important piece of national infrastructure, running to a sensible timetable into a Kevin Rudd vanity project, with no real idea of the costs, that ran to a political schedule. It went from \$4.7 billion in 2007, to \$42 billion in 2009 to cost at least \$56 billion today.

The facts are clear. The coalition government in 2013 inherited a chaotically mismanaged mess from Labor. The current Prime Minister in his time as communications minister did an extraordinary job in turning the company around. There is still a big job ahead, but we are well on track with 1.7 million premises and climbing steadily.

Ms MacTIERNAN (Perth) (15:46): This is a really important debate because the NBN is critical to our future. We are operating in a global environment. If our telecommunications are not of world standard we will not be able to compete, and that is particularly critical in Western Australia. With the mining boom winding down and unemployment ratcheting up, we need to have diversification within our economy. We need to move to 21st century jobs, and we need the digital infrastructure that underpins that. But, despite the endless rhetoric that we get from the Prime Minister about technological innovation and agility, we are failing the future with our substandard attempt at a national broadband network.

My electorate of Perth is pretty much a microcosm of how this government has not only trashed the real NBN but failed in its own second-rate version. When the Prime Minister announced broadband, its one saving grace was supposed to be that relying on the degraded copper network and delivering only 20th century speeds might be an inferior product but we are all going to get it a lot quicker. We are all going to get it by the end of 2016. So 'sooner' was one of the tag lines for the coalition's broadband. Let's see how that has played out in Perth.

I want to talk first of all about the Bassendean exchange for the suburbs of Ashfield, Bassendean, Beechboro, Eden Hill, Kiara, Lockridge and Morley. They were all on the schedule when Labor lost government in 2013. They were set to receive fibre to the premises by 2014. The preliminary work had all been done. We had spent \$2 million upgrading the Telstra exchange, so it was all ready. Yet we noticed in 2014, when the first rollout plan came from this government, that something was missing. None of those suburbs had been included on the rollout. We then campaigned very strongly about this and, lo and behold, the next year they were put back onto the rollout—but the very earliest that they will be seeing this start is the end of 2016. That will be the start of construction. We know how lousy the copper infrastructure is in those suburbs. We know how the voice calls drop out when it rains, so we know that the likelihood of this being in place even by 2017 is very unlikely. So it is later, slower and more expensive.

We go to our next set of suburbs, even closer to the CBD, which operate out of the Maylands exchange—Bedford, Maylands, Embleton, Inglewood, Noranda and Dianella—and the NBN is not even a distant light on the horizon. Despite sitting on the lowest band for broadband quality in the nation, these suburbs are not on the three-year rollout. I will let the residents tell you in their own words about the situation. Sheila Pretsel from Bayswater says:

The section of Bayswater where I live does not have Internet access—period. This means that residents must use Wifi dongles—and the reception is hit and miss.

This also means no Netflix, updating of BluRay software, no ability to use the smart system linked to MyAir, etcetera. It's like living in the 1980s.

This is Maylands: the land of the mullet.

Betty Wong from Bedford tell us:

Though the exchange is diagonally 100m across from our house, we're unable to access iinet naked or ADSL2+.

Bayswater resident Scott Overheu says:

People don't believe me when I tell them that a YouTube video still buffers at the lowest definition they have.

Unfortunately I live in Bayswater, and with nine new residents in my street with infill, it just gets slower and slower.

And Anne Blake from Dianella says:

Looking at maps of the rollout in the Eastern States, I sometimes wonder if WA is treated as an afterthought.

Sadly when the rollout is completed we will still have a second class system which will no doubt feel the strain as more and more demands are placed on it.

This is not a niche issue. Our campaign over the past two years has proven one thing—nothing arouses passions in the electorate more than missing out on the 21st century technology we need for our future. Just this morning a Highgate resident, Steven Ebsary, emailed me his thoughts on the NBN— (*Time expired*)

Mr TEHAN (Wannon) (15:51): I might say nothing arouses passion in the electorate like utter nonsense, and that is what we have been hearing from the other side. People in regional and rural Australia know this more than anyone else because under the Labor Party's rollout of the NBN, we were neglected—as we were neglected when it came to the rollout of the mobile-phone towers. In six years of Labor, what did we get? A big, fat zero. What were we going to get from them for the NBN? We were going to get a system that was rolled out into regional and rural Australia last, and we were going to get it in 2025-2026.

I am happy to use my electorate as an example, but let's go to what the shadow minister had to say at the outset. He talked about a blow-out in costs, but what has happened to his memory? He had the audacity to talk about a blow-out in costs. What happened under Labor? Huge blow-outs in cost. But what if we go back to the Labor regime? We are talking about \$74 billion-\$84 billion and completion in 2026. How can you get up here with a straight face and say this?

Opposition members interjecting—

The DEPUTY SPEAKER: Order on my left.

Mr TEHAN: We are talking about time under Labor. The NBN Co. failed to meet every rollout target—every single one.—

Mr Husic interjecting—

The DEPUTY SPEAKER: The member for Chifley!

Mr TEHAN: Even your minister, who is now just a senator, says, 'We clearly underestimated, I think it is fair to say, the construction model could be legitimately criticised.' That is Senator Stephen Conroy. He also said: 'We wouldn't have been so aggressive if we'd known how tough it was for the company. That was an area where we were overly ambitious.' I can understand and even empathise with those who are disappointed with the progress of the fibre rollout. That is not ours—that is your side. Having heard all this, what is the Labor Party going to do? They are going to go back to their broken model. They cannot learn. It is like every other area—six years of failure and they want to go back to it!

The Australian people will not be fooled and people in regional and rural Australia will not be fooled. What we will see in my electorate is a completely different story. In very welcome news, NBN construction will be occurring right across Wannon by the end of 2017. That is exceptionally good news. If we still had a Labor government, do you know what year I would be mentioning? 2026, but we still could not have any additional mobile-phone towers. I think it was probably taking the plan from the beer coaster and having it mapped properly that was probably one of the key reasons, but there were probably others. In Wannon by the end of 2017 construction will have started right across the electorate, and that is very good news for my constituents. That is

the type of news that gets them passionate about government and about what government can deliver. As we all know, we need to make sure that in regional and rural Australia we have the ability to take advantage of the capabilities that broadband can provide. We have farmers with sophisticated business models who need proper telecommunications to be able to deliver for their businesses. *(Time expired)*

Ms HALL (Shortland—Opposition Whip) (15:57): I have news for the member for Wannon. He will be extremely disappointed when the NBN starts rolling out in his electorate. The rollout of Malcolm Turnbull's fibre-to-the-node NBN in Shortland electorate has been an abject failure. The contribution by the member for Wannon shows that he really does not understand what is happening. The people of Shortland electorate waited with great anticipation and expectation for the NBN to be rolled out in our area—there was great excitement in the community.

Many of my constituents rushed off very quickly to connect the NBN, only to be devastated by a litany of disasters. I hate to say this, but my electorate office has become an NBN complaints office. I will share some of those complaints with the House this afternoon. Among the disasters that I mentioned are: services disconnected; a failure to reconnect them; no service whatsoever; and poor communication between NBN and the providers. And it is not just one provider—it does not matter which provider it is, there is a problem, whether it is Telstra, Optus, Westnet, Dodo or TPG. All the constituents in Shortland are having problems with their provider and NBN; it is not a provider problem; it is an NBN problem. Be really aware of it—it is not a provider problem; it is an NBN problem. It is not one provider; it is all providers because the NBN is not delivering.

Now I will share my first example with you. This is Jess. She has had five appointments rescheduled just to connect to the NBN—that is a technician. This is what she had to say: 'When the technician came today, he said, "You have got no connection, no phone line connection." He came back and had another look and he finally found it.' At 12 o'clock today she finally was connected to the NBN; that has taken since 5 January to connect.

This has been a disaster. The cost blow-out has been highlighted, as has the failure to deliver NBN. Then there is the service and the speed and, of course, the broken promises that Prime Minister Turnbull made to the Australian people. The one thing the people in the Shortland electorate have learnt is that you cannot trust the Turnbull government. The Turnbull government is absolutely no different from the Abbott government. They have failed the people of Shortland and, I am sure, people throughout Australia when it comes to the NBN.

I promised I would share a few examples with you. Bruce and Rita had problems with their NBN and Optus. They have had no service since 1 February. They cannot receive phone calls and they cannot dial out. They are having enormous problems.

And then there is Jerry, from Ballantyne. He works from home. He is a director. He switched from ADSL2 and he was getting 14 mps. But listen to this. He is now receiving as little as four or five mps. It is an absolute disgrace. And it is a broken promise to the people of Australia. Why should a director like Jerry have his business put in jeopardy because this government fails to deliver what it promised?

And then there is a Phillip, who says he is no tech guru. On 12 January he signed up with ISP Westnet. It took four days to get the internet working and he is still without a landline as of 5 February.

And the list goes on and on and on. This government promised the people of Shortland electorate that they were going to get a fast broadband connection. But they have not received it. This government have tricked the people of Shortland and they are tricking the people of Australia. To Karen, Deirdre, Edward, Ian, Des, Maxwell Taylor, whom the shadow minister spoke about, David and Belmont meals on wheels—even Belmont meals on wheels—I am sorry that this government is so inept at delivering what they promised. You deserve decent fast speed broadband and Malcolm Turnbull—*(Time expired)*

Mr WILLIAMS (Hindmarsh) (16:02): With the member for Blaxland coming in here in a nice conservative blue tie and me wearing a red tie, I had hoped we might be on a reverse unity ticket! But five minutes into his speech we were disappointed. And so were the members of the gallery; I saw their faces drop when he started going into the negative diatribe that we so often hear. Going back to the corporate plan for Labor in 2010, it claimed that the NBN would pass almost one million premises and we know that they failed to get barely 100,000. That is only half the size of the city of Geelong and less than the size of the city of Gosford. We are talking about major regional centres in Australia—and they performed poorly, not even reaching those expectations.

Ms Henderson interjecting—

Mr WILLIAMS: Exactly, member for Corangamite. Under Labor, nbn co failed to meet every single target. The member for Blaxland leaves the chamber. He is going back to look at the business plan—the business plan that they did not even do. It is fundamental in major government infrastructure policies to do a cost-benefit analysis, to do a business plan. Anyone with a business background, like my good colleagues around me here, has been through that rigour, diligence and discipline in undertaking business plans.

Mr Taylor interjecting—

Mr WILLIAMS: I note the comment by the member for Hume. I will just reflect on one of the comments from Labor opposition speakers. They said that stories are flooding in from electorate offices about the poor performance of the NBN. Let's look at one example that the member for Hume informed us of recently—the NBN fixed line to some 25 towns in his area and the NBN fixed wireless to some 35 towns in his area. Those are the roundabout figures, member for Hume. Correct me if I am wrong. Those people in the member for Hume's electorate, especially in the east, are rejoicing. They have got NBN, they have got better broadband, because of the way this federal government has successfully implemented the NBN, managed the company in the way it should be managed, undertaken business plans and has effective local members. Whether it be the member for Hume, the member for Wannon, the member for Longman, the member for Corangamite or the member for Barton, they have each individually got results in their local electorates, pushing the case for more effective broadband and NBN.

Let's revisit some recent history of the project itself. I want to go back to some of the fundamentals of the complexity of this program. It is the largest and most complex infrastructure project ever embarked on, and our corporate plan is the most rigorous and detailed financial planning document. As the scientist, politician and writer Benjamin Franklin once said, if you fail to plan you are planning to fail. How apt is that. I see the people in the gallery nodding their heads and acknowledging the work of this government. They have good NBN. They have given us the thumbs up. They know that this government is on the right track. That is why they come in this chamber—to hear facts, to hear success, to hear execution, to hear corporate governance and to hear a successful government implementing a rigorous, detailed plan. That is why they come into this chamber and hear what the government is doing.

Let's look at satisfaction with broadband. There have been surveys recently that have highlighted that the levels of satisfaction with broadband services using fibre to the node are the same as those using the gold-plated fibre to the premises. What value for money we are delivering. It was not so long ago that we had former Prime Minister Julia Gillard complaining about the gold-plating of our electricity networks. Again I see the people in the gallery shaking their heads about the gold-plating of electricity networks and those utility bills that they hate. But when we talk about the NBN they are happy. They are happy that they are getting NBN, they are happy that their broadband is improving and they are happy that the coalition government is delivering.

Let me finish with a good little story from Murray cod farmer Noel Penfold. He used to live in a broadband blackspot. But since hooking up to the National Broadband Network he has more than tripled his exports of this native fish to China. He said: 'The internet was very poor before that to Wagga Wagga. But now it has improved and I'm exporting far more to China.' This is due to the success of our story on the NBN, the success of our trade agreements and the success of this work of the government. I look forward to the opposition coming forward with maybe a better business case and corporate plan than they did previously.

Ms BRODTMANN (Canberra) (16:07): It is a great pleasure to speak on this MPI this afternoon because Canberrans are furious. They are furious about the fact that the southern parts of my electorate are not even on the rollout map. They are furious about the fact that they are just one big blank when it comes to the NBN rollout. What does that mean? Here we are in the nation's capital. What does that mean for the people of the nation's capital? Coalition governments have got form when it comes to the nation's capital. In 1996, 15,000 jobs were cut here and in this round with the coalition government we have lost 8,500. Coalition governments have got complete form when it comes to lack of investment in the nation's capital. Sir Robert Menzies would be turning in his grave. He respected this capital. He invested in this capital. He built this capital up. What have coalitions done since then? Just tear it apart. There were 15,000 jobs lost in 1996 and 8,500 with this coalition government.

I have comments here from people in my electorate. Melanie said:

My family lived in Theodore for 7 years and we now live in Calwell. My 3 children go to the local schools (Calwell High and Theodore Primary) and my husband runs a small business from a home office. I am a public servant, I study part time and I often work from home. Slow internet has a real impact on our day to day lives, our ability to contribute to the economy and our educations. We are a hard working family and we make a genuine contribution through our taxes. Our lives are increasingly reliant on the internet and three years is too long for us to have to wait to have this fixed.

Adrian said:

In global standards we are a third world country when it comes to internet download speeds and pricing! Latvia has faster average internet speeds than we do damn it!

And Matthew said:

It is hard to believe, and embarrassing to admit, that there is no high speed broadband access for some people in the capital of the country.

Another constituent said:

I stand with you in that Canberra is in dire need of attention on this matter. Although there is a relatively small population here, as such a hub of Government and government-contractor activity, the productivity that has been enhanced by the introduction of the internet is being bottle-necked by the poor standard of our network. Not to mention how embarrassing it is for us to have foreign representatives living here whose communications networks back home undoubtedly—

like Latvia—

are vastly better than our own.

Of the lack of NBN Vicky said:

I am trying to establish a new business and work from home. The lost earnings are immeasurable—

because she cannot get access and she cannot work from home. I have heard from other constituents who want to work from home and run their small businesses from home but have to go to the expense and inconvenience of hiring an office because of the poor internet speeds here. They cannot actually have a home based small business. Let me go back to Vicky. She said:

The lost earnings are immeasurable and the inconvenience unacceptable.

These are some of the comments I have received from Canberrans on the NBN this year—just this year; it is only February. You should see the dray load of comments I had last year, particularly after the shadow minister had an NBN community consultation with my community.

It is crystal clear that the Prime Minister is failing Canberrans when it comes to the NBN. Now when it comes to our wonderful city, there is a lot to boast about—we are the most highly educated population in the country; we have got the highest rate of volunteering in the country; we have the highest average income in the country; we are the healthiest population in the country—but there is one aspect of our city that I will not boast about and that, in fact, I am fairly ashamed of and that is our internet connectivity. Despite being the national capital, being home to government and having defence, world-leading universities, scientific and cultural institutions and embassies here, under the Prime Minister's rollout map large parts of Canberra are not even visible. As I said before, they are not even visible—there ain't no plan for parts of my electorate. For huge swathes of my electorate there ain't no rollout plan for the NBN. They are invisible to this government and nbn co. They are not even on the map. This is despite the fact that these suburbs in Canberra have the lowest rating in the country for both availability and quality of broadband—the lowest in the country. We are talking about the nation's capital here. It is breathtaking. It is appalling. It is absolutely outrageous.

I call on the Turnbull government to prioritise Canberra on the NBN rollout map. I have written to the minister. I would like a response, Minister, to my call for prioritisation. (*Time expired*)

Mrs WICKS (Robertson) (16:12): I am really pleased to speak to this MPI today because it clearly exposes the fact that the only second-rate NBN in Australia was the one that was going to be delivered by Labor—the party who when in government promised one thing but then delivered little more than press releases and promises that stretched into the never-never for years. It is no exaggeration to say that under the previous Labor government the NBN was one of the most poorly managed projects in the history of the Commonwealth. When they announced it with great fanfare, then Prime Minister Rudd and Minister Conroy extravagantly promised that the rollout would be complete by 2018 and would cost the government no more than \$26 billion. Of course Labor representatives in my electorate on the Central Coast did the same.

In April 2013, former Labor MP Deborah O'Neill and Minister Conroy came to Gosford and pushed a big red button on the Gosford waterfront, claiming our region was open for business thanks to the NBN. In fact, the then member for Robertson said: 'We love this town and we love where we live, but we need jobs and need something to transform this area. It's time to come to Gosford and do some business.' Well it is time to come to Gosford and do business, so it is pretty ironic to see Senator O'Neill now actively campaigning against the Turnbull government's commitment to deliver 600 new federal jobs to Gosford, but I digress. Labor claimed that their NBN was a magic bullet, but when the gloss of the press release and the shiny red button wore off, it was a mess—it was a mess around Australia and a mess on the Central Coast. For instance, despite Labor's claims on the coast that a massive 90 per cent of premises in and around Gosford—

Government members interjecting—

Mrs WICKS: You may wish to listen to this, members opposite, because this is your record. Labor claimed that a massive 90 per cent of premises in and around Gosford were so-called open for business with the NBN when in actual fact 90 per cent of them were classified service class 0 or service class 1, meaning that, despite the fanfare and the press release, a lot of work was required before those people who wanted a service could actually connect. What is even worse, despite all of this fanfare during the election and during their time in government, when we came into government there were little more than 200 premises connected in my electorate.

What a farce—to tell businesses and families that Gosford was 'open for business', only to discover that, despite Labor's press releases, they could not actually access it at their premise. In fact, Labor were so obsessed with delivering fibre to the press release in Gosford that they forgot that the focus in unlocking superfast broadband is supposed to be about actually getting residents, businesses and families connected. Labor sold people in my electorate a dud deal. In contrast, this coalition government has spent more than two years cleaning up the mess in my electorate and across Australia. We have sought to clean up the mess left to us by those opposite home by home and piece by piece while, at the same time, rolling out the NBN to more homes and businesses sooner, cheaper and much more reliably than Labor.

This government has a responsible strategy to roll out a more affordable multitechnology mix. The case for the multitechnology approach is clear. It is far better for productivity on the Central Coast, for instance, to get fast broadband to premises quickly, than to deliver extremely fast broadband to just an exclusive few years and years down the track. It is like waiting for Godot! You can see the benefits of the Turnbull government's approach in the NBN's latest half-yearly results, as the member for Hindmarsh alluded. They reveal initial customer research showing the level of satisfaction with broadband services delivered through the fibre-to-the-node technology is the same for those using the gold-plated fibre to the premise. I grant you that our approach involves far less fanfare than that of members opposite. But the half-yearly results are a ringing endorsement of our approach. In fact, the NBN rollout is accelerating, with 1.7 million homes and businesses now able to order a connection. We are finally back on track with the NBN rollout, with plans to expand the footprint by 15,000 premises per week, rising to 25,000 per week by the middle of the year. Ultimately, of course, the goal is to connect eight million premises by 2020 across all access technologies.

But let me spend the few remaining seconds I have letting members opposite know about the record that we have delivered to my electorate in just two short years. In my electorate we now have more than 67,000 premises on the rollout schedule or already connected. Around half of these are only weeks away from being 'ready for service'—not simply passed but ready for service—in more than 20 suburbs, like Woy Woy, Empire Bay, Pearl Beach, Saratoga and Tascott. *(Time expired)*

Ms CHESTERS (Bendigo) (16:17): 'Incompetent', 'hopeless', 'useless' and 'a joke' are the words that people in central Victoria and regional Victoria use to describe this government's NBN plan. You need look no further than to what has happened with the NBN towers to the north of the electorate. These towers were built in 2013 under the former Labor government but, under this government, two and a bit years on, they have not been switched on. How incompetent are you as a government not to even switch these towers on? The towers of Goornong, Huntly North, Lake Eppalock and Ladys Pass have not been switched on. Businesses look out their window to a tower that has not been switched on. Homes look out their window to a tower that has not been switched on.

Even more frustrating is the fact that we did not get an answer as to why until six months ago, when nbn co finally revealed that the relay tower that was to be built on Mt Camel was not built—that it has been rejected by VCAT. Here we are 12 months since that rejection and nbn co and this government have refused to come up with an engineering solution. To this day, those four towers have not been switched on. To this day, there is no engineering solution to fix the relay tower to make sure that these people get access to fixed wireless. That is how incompetent this government is when it comes to delivering the NBN to people in regional Victoria and, in particular, to central Victoria.

Since this government got elected and they tore up the NBN plan for central Victoria, not one extra home has been added to the availability of broadband. The homes that are connected were connected because of contracts signed under the former Labor government. This government gets elected, rips up the plan and Bendigo's rollout timetable is delayed by two years—we are knocked off the plan. It still has not happened. We have since been told that we will get fibre to the node.

This is why we have a blackspot problem in regional Australia and, in particular, central Victoria. Because people do not have access to fast-speed broadband in their homes, they rely on their mobile phones to do their daily internet. That is clogging up the mobile phone network, and that is why we have blackspot issues in the heart of Bendigo, or five kilometres from Bendigo, or in Woodend, or in Kyneton or in Castlemaine. There is one street in Woodend where they have been offered four different types of internet services. Some homes are on ADSL2; some homes are on ADSL1; some homes have been told, 'Just use your internet on your mobile phone'; and some homes have been told, 'You'll have to get satellite services.' That is one street in one town in my electorate. What a mess—five different options, including none at all, which is option No. 5.

These are areas that rely on the internet for their businesses. These are areas that rely on the internet for online learning. These are areas where homes rely on the internet for programs. I receive daily complaints from people in

my electorate saying that they cannot get access to ADSL or to decent, reliable internet in their home. I have written to the minister. I have asked the former minister and the current minister to come to central Victoria over and over again. The former minister cancelled the meeting because he became the Prime Minister and said, 'Sorry; the people of central Victoria no longer matter to me.' Yet during the election he came to Bendigo and promised the people of Bendigo that they would get fast-speed broadband sooner and cheaper. What a con! It is an absolute con and it is a lie. He promised they would get it in 2016, and here we are in 2016 and the people of Bendigo and central Victoria still do not have it. He promised it would be cheaper, yet the cost has doubled—not to mention that it is also slower. That is because the internet that he is promising, the fibre to the node that has been promised for central Victoria, is relying on a copper network.

How incompetent are you to buy back old, ageing technology? Telstra think it is great. They have sold a dud asset back to a government. There is nothing but incompetence when it comes to the NBN. People in central Victoria know it, as does regional Victoria. Coalition MPs can bury their heads in the sand and pretend it is not an issue, but it is, and every single day there are people in their electorates, like in my electorate, complaining. *(Time expired)*

Mr JOHN COBB (Calare) (16:22): I rise to talk about how the NBN is powering ahead in Calare. Not long ago I heard the member for Wannon make the point that, at the election, his electorate would not be on the radar until 2026. He is fortunate because Calare was not even mentioned. I just heard one of the opposition members talk about Australia and Australians—and I note they talk about Australians in the heading of their MPI. The people of Calare had every right to believe they were not Australians, because they were not mentioned.

The comprehensive three-year construction plan released last year was fantastic news for Calare. But as we were able to tell them very early on in this parliament, the priorities were wholly changed when we got into government. It was those who needed it, rather than the capital cities, that were going to be highlighted and dealt with as early as possible. The rollout will see 49,700 premises in Calare hooked up to the high-speed network. Under our government a number of towns in our region will now be connected up to the high-speed network much earlier than was expected even at the start of this rollout.

The fixed-line build commenced in my home town of Molong in December. In actual fact, when I went onto the fixed wireless on the fringe of Molong, I think I was the first federal member of parliament to go onto fixed line. The build is also now underway in Orange, with it expected to be switched on progressively midway through this year. A very high speed data firm in Orange contacted me recently. They work around the world. They have recently put 24 people on. They are putting another 16 on. They asked me to contact the NBN, and I was able tell them they are actually about 50 yards from where the line will, hopefully, be ready for them in August, and they are going to put their own line straight onto it. That will be their choice and it will cost them something, but Telstra were going to charge them \$110,000 a year to be on NBN broadband. This is a godsend to them.

The rollout will then continue in Bathurst, Parkes, Blayney, Forbes and Oberon early next year, as well as in the Lithgow area. In this short year or so, Calare already has 40 fixed wireless towers operating successfully, including in places like Molong West, Oberon and Neville. Constituents Yvonne Furner and Rita Cobbe of Carcoar moved from Wyatt Roy's electorate of Longman in Queensland to the sunny pastures of Calare at the start of 2014. Despite assurances from their retail service provider that they would have ADSL2 connection at their new address, they were forced to rely on mostly unsatisfactory internet by the interim satellite. Yvonne and Rita spent 18 fruitless months on what they describe as a 'revolving roundabout' until I found out that they were able to get onto the fixed wireless NBN. Within three weeks of that they were connected to the wireless tower at Carcoar and they are enjoying, in their words, 21st century internet.

In just a couple more months the first of the two satellites, which between them will be able to handle 800,000 domiciles or contacts, will ensure people living in topographically challenging areas will not miss out and will receive extraordinarily good internet—chalk and cheese to the current satellite system, which is basically overloaded to blazes. It will be so much better than what we have had up until now, particularly in my electorate, because we obviously cannot put everybody on ground or even wireless. Funnily enough, it is not in the remote Far West that it is all going to be needed, although they obviously will have to use it as well. It is people just on the western side of the Great Dividing Range in places like Oberon, Lithgow and the like where the topography is very bad. Thank heaven there are two satellites. The first one has gone up, and it is an amazing story. It will look after those people.

Jeff Peak from Peak Connect, whose family owned company in Bathurst is thrilled to be a registered service provider for the NBN, said the NBN is a huge step forward for country people, and the way it had been reprioritised has been very good for us. *(Time expired)*

The DEPUTY SPEAKER (Mr Vasta): The discussion is concluded.

STATEMENTS ON INDULGENCE**Member for Calare**

Mr FITZGIBBON (Hunter) (16:27): on indulgence—I would like to wish the member for Calare a happy birthday for tomorrow.

BILLS**Corporations Amendment (Crowd-sourced Funding) Bill 2015****Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Ms BUTLER (Griffith) (16:28): As I was saying before the debate was adjourned in relation to the Corporations Amendment (Crowd-sourced Funding) Bill 2015, it is very important that we have a very strong and thriving innovation ecosystem. Part of that is making sure that funding works. Funding is part of the ecosystem. Of its very nature as an ecosystem, all components have to work together. In the funding space that means that crowdfunded equity has to work together with venture capital, with angel investment and with traditional forms of finance with a view to ensuring that new start-ups can get the money that they need to start and then to grow. The purpose of ensuring that we have such a strong ecosystem is to help start-ups get going and have very high growth in their early years with a view to, hopefully, follow the example of some great Australian firms like Atlassian and scale up to become a global firm. But we would like them to be able to do it a lot more, and we would like them to be able to do a lot more of it here in Australia. That requires a more mature funding system for start-ups where they can get better access to the funds that they need to start.

It is important, in considering that, that we get one of the strands of the bow of funding for start-ups—that is, as I say, crowd sourced equity funding—absolutely right when we legislate a new framework for that funding option for people, because it is really important that the sector feels as though this will be a positive move forward when it comes to finding an additional source of funding. Of course it is very important that, as members of parliament, we can have confidence that these laws will be laws that will be acceptable to the sector and to the public at large.

As I was saying earlier, there have been some very strong concerns expressed by some very significant and respected people in relation to this bill. Angela Perry, who is a world renowned expert on employee share ownership and who is part of Employee Ownership Australia, has made a submission to the Senate Standing Committee on Economics in relation to this bill raising some concerns. I was talking before we adjourned about the issue of the corporate structure for firms to be able to access the crowd sourced equity funding arrangement.

This bill requires a firm to become an unlisted but public company before gaining access to the crowd sourced equity funding regime. The Employee Ownership Australia submission to the Senate inquiry into the bill has made the point that this actually puts a significant amount of compliance burden on the firm right at the time they are starting up and trying to be a high-growth firm. They are being asked to do something they would not otherwise do. As Employee Ownership Australia says, transitioning from a proprietary limited company to a public company is something that it might do when it is getting ready to list, when it is at a significant size already. It is not necessarily something that it is going to be doing at the very beginning when it is that very new high-growth starting-up firm.

As Employee Ownership Australia say in their submission, there is a lot of cost. It is not just the additional compliance burden in time but of course time is also money. They say, for example, one of the key costs is a requirement to have an auditor and audited accountants, which smaller companies may not need. This can be a significant cost for a small organisations for \$15,000 per annum. The financial statement and content requirements also may cause some concerns for entities that do not wish to give full disclosure for competitive advantage. This is a significant and serious concern. It is a concern that has been expressed to me in private discussions with people who have got an interest in start-ups and in growing Australia's start-up and innovation ecosystem. It is an important concern.

I think the people in this place will find that the sector wants this done. There is no doubt about it; the sector wants the crowd sourced equity funding regime in place but wants it done right. There has been a variety of issues like the definition of 'related entities', for example, and the way that might work in situations where a start-up is not just relying on crowd sourced equity funding but is relying on venture capital. There is a range of other issues as well.

What Labor is saying is: go back to the sector, work out these issues, continue to consult and discuss. We will not criticise the coalition for taking that additional time to deal with the crowd sourced equity funding regime

because we want to see this done right, because it is a matter of bipartisan position in this place that Australia needs a good strong crowd sourced equity funding regime as part of our innovation ecosystem, so we want to see it done right.

But as the shadow parliamentary secretary also said when he spoke to the bill, in the event that the coalition fails to go and engage with a view to ironing out those wrinkles, fails to get this bill into the form that it needs to be in for it to be something that would be not just acceptable but celebrated by the sector then we are going to have to consider how further reform might need to be taken when we are in government. We are going to have to revisit it. Of course the most efficient and best way to deal with this is to get it right from the very beginning, so further consultation would be appropriate.

It is not as though we do not have a range of experts willing to give us their expertise, give us the benefit of their views about the regime as it has been proposed. I mentioned Employee Ownership Australia because I think that they have made a great submission to the Senate inquiry. It is very concise and it draws the attention of the inquiry to a number of issues with the bill. They are also a stakeholder that engages with our bipartisan parliamentary friendship group on innovation and enterprise—and I note that the member for Banks, my co-convenor of that parliamentary friendship group, is here in the chamber as we speak. It is a bipartisan group that engages very well with stakeholders to discuss what is needed for growing the innovation and start-up ecosystem in this country.

Another one of the stakeholders that has been very constructive and forthright in engaging with parliamentarians including through that friendship group is the Australian Private Equity and Venture Capital Association Ltd, known by its acronym AVCAL. They have also given us a great submission to the Senate inquiry to tell us what they think can be done to better implement the crowd sourced equity funding regime. Like all stakeholders and like Labor, they really welcome the implementation of the regime. They are very keen to see this crowd sourced equity funding regime put into place but, again, have raised several issues.

I mentioned earlier the related parties restriction. This is really something that needs to be dealt with because you do not want to inadvertently have a situation where coinvestors get caught up in the definition of 'related parties' and, as a consequence, you are actually reducing the pool of funding that a start-up is able to obtain by operation of these laws. That would be an unintended consequence and a shame, particularly given the funding that is available in the sector at the moment still needs to grow.

We still have immature funding in this country for start-ups. It is something that needs to be dealt with. It is something that both sides of this parliament are working very strongly on. Deputy Speaker Broadbent, You would have read Labor's very detailed and extensive innovation policy that we put out early in 2015. One of issues that needs to be dealt with is the available sources of funding in Australia need to grow. While that is happening, the last thing we would want to do as a parliament is inadvertently cut off funding options for start-ups through not having an appropriate definition of 'related entities' and therefore inadvertently catching co-investors.

A range of other submissions and issues have been raised by the Australian Private Equity & Venture Capital Association, AVCAL, as I have said. They are also concerned about the requirement under the bill as it currently stands that firms be unlisted public companies, for the reasons that were expressed in the submission to which I have previously referred. So there are a number of issues. There is an opportunity right now to deal with them, to continue the bipartisan spirit we have in trying to make a better start-up ecosystem in the interests of this country's economy. Now is the time, before the bill is passed, to iron out those wrinkles.

Crowdsourced equity funding is actually important for real businesses, for firms that are trying to start up, trying to grow, trying to scale and trying to become global firms. I do not say by any means that this is the be-all and end-all of funding for start-ups, but it is an important component. It will help some of our newer start-ups to try to emulate success stories like SEEK.com and Atlassian. Everyone in this place wants to see more success stories like those firms. High-growth start-ups are firms in which there are a lot of opportunities not just for the entrepreneurs themselves but also for the creation of jobs, which is something that our economy sorely needs.

The importance of funding obviously cannot be overstated when it comes to those starting up firms. That is why it is a genuine pleasure—I know I have talked about some of the concerns we have with the bill—to be here to speak in support of the concept of having crowdsourced equity funding as a framework in Australia. I think it is also timely—given that the Corporations and Markets Advisory Committee, also known as CAMAC, has given such good and strong advice on this framework—to acknowledge the real value of CAMAC and the advice it provides in this nation. I have spoken in this parliament before against coalition moves to abolish CAMAC. This is another example of CAMAC showing its value as an adviser.

The bill itself has a lot of really good features. I do not want to seem like I am being unnecessarily negative. But it is important that, in creating these frameworks, we work together—not just with the people here across the

aisle, but with the sector; with funders; with start-ups themselves; with peak bodies like StartupAus, which is a really great organisation; with the accelerators; with the incubators; with the universities; with the research bodies; and of course with the stakeholders like AVCAL and Employee Ownership Australia and New Zealand, which I have mentioned, who are so willing and ready to assist.

Mr COLEMAN (Banks) (16:40): The Corporations Amendment (Crowd-sourced Funding) Bill 2015 is extremely important, representing as it does a part of the government's approach to this most important area of facilitating funding for early-stage and start-up businesses. Why does funding matter? It matters because if, as a start-up business, you cannot raise funds to support your operations, you are not going to get very far. You are not going to get off the ground, you are not going to employ people and you are not going to be able to make that broad contribution to our economy which so many start-up businesses do. So anything that the government can sensibly do to facilitate the raising of capital on commercial terms for start-up businesses, we should do. We should not leave any stone unturned in that effort. One of those areas is crowdsourced funding, but there are a number of other areas that fit within this broad theme of helping our start-up businesses to raise the capital they need to get off the ground.

Mr Deputy Speaker, back in December you would no doubt have seen the National Innovation and Science Agenda, which was released by the Prime Minister and the Minister for Industry, Innovation and Science. In that important document the government covered off on a number of important areas to help start-up businesses to be able to raise more capital. One of the most important areas was in reforms to the operation of capital gains tax in Australia. At present, for the vast majority of investors, if you invest in a risky start-up business or if you invest in something more conservative—say, an investment property or listed shares or whatever the case may be—the capital gains tax treatment of those investments is exactly the same. Understandably, when most Australians decide where they would like to invest, they will tend to invest in those safer areas, such as property, listed securities and so on. Of course, there is nothing wrong with those investment classes, and they are huge parts of our economy, but it is particularly important that our policy levers encourage investment in early-stage businesses, because early-stage businesses are so often the place where innovation takes place. Our big incumbent businesses do innovate, but often when you are inside a very large business that is very successful today, it can be hard to pivot towards something that might be an opportunity in five or 10 years time. If you are a start-up, that is often your primary focus.

The capital gains tax regime as it exists now does not differentiate between a start-up investment and an investment in a much more conservative class of investment. What we said back in December is that we would make changes to our laws to give a capital gains tax benefit to investors to invest in start-up businesses. Basically the way it will work is that, when an investor takes that risk and puts some capital into a start-up business, as long as they hold that investment for a period of three years or more, on exit, when they sell, if they make a profit they will not pay capital gains tax. That is really important because it means that entrepreneurs, as they go out and try and raise money, can say 'Here is the proposition of our company.' A lot of start-ups do not work out, so the proposition will be, 'Here is our business concept—it might work, it might not work. But if it works and if your investment is successful you will not pay capital gains tax on that profit.' That is a really powerful lever for entrepreneurs to have, and from 1 July this year they will have that lever. For businesses that have modest expenditure and modest income in the last 12 months there will be that opportunity to have a capital gains tax benefit for investors. It is a very strong selling point.

In addition to that, those same investors who take the risk and invest in a start-up business will receive 20 per cent of the amount they invested back as a reduction of their tax bill. Take the example of someone who puts \$100,000 into a small business. They will receive a \$20,000 reduction on their tax bill at the end of the year as a result of that \$100,000 investment. That is a very big deal, and that is going to be a very powerful incentive for investors to get behind the Australian start-up community.

Also important in the National Innovation and Science Agenda were changes to things called early stage venture capital limited partnerships, or ESVCLPs—a bit of an acronym. These ESVCLPs have been around for some time. When they were created, more than a decade ago, the rationale was that they would create some advantages for investors who were going to invest in start-up companies and hopefully seek to seed that start-up environment in Australia. The reality is that ESVCLPs have not worked particularly well in a stimulating start-up investment in Australia. As of late last year, there were only 24 ESVCLPs in Australia—24 in the whole country. Those 24 ESVCLPs did get certain benefits in relation to capital gains tax and other taxes, but they are quite a complex structure and effectively they are only available to people who are willing to place their investment into a third-party fund which then invests on their behalf. So they have some limitations.

We want to encourage ESVCLPs because, just as with those very small investors who will have a tax advantage after these changes are made, ESVCLPs allow larger investors to gain some benefit from investing in

Australian start-ups. We have seen in recent months some more activity in the ESVCLP area. We are seeing the beginnings of a more mature funding ecosystem, so-called, but we can do more—and we are going to do more. Investors in ESVCLPs in the future will receive a 10 per cent reduction on their tax bill relative to the amount they put into an ESVCLP, and we are also going to enable ESVCLPs to hold up to \$200 million instead of the old limit of \$100 million. On both the small scale, with smaller investors putting money into start-ups, and the larger scale, with ESVCLPs putting money into start-ups, there are very significant material changes taking place here under the National Innovation and Science Agenda that will mean more money flows into start-ups, more investment in start-ups, more jobs in start-ups and more innovation in Australia. This government is absolutely determined to grow our innovation and start-up sphere. So these were very important initiatives back in December.

Today we are debating the crowdsourced funding bill, brought to the House by the Assistant Treasurer and Minister for Small Business. Just as those other initiatives were important for start-ups, this is a very important initiative too. 'Crowdfunding' has some of the characteristics of a bit of a buzzword, and sometimes it is used flippantly without it clearly describing what the situation is, so it might be worth explaining it. Effectively in Australia at the moment there are broadly two types of companies—there are public companies, which can make broad offers to raise capital from a very large group of people, businesses or whoever, under certain rules, and then there are private companies under which there is a series of other rules and those privately held companies can only raise capital in much more limited circumstances and effectively cannot make a general offer to raise capital. That means that if you want to raise a significant amount of money from lots of people in small amounts it is extremely difficult. You can do it through becoming a traditional public company and offering shares on the stock exchange and in other places, but there is a very substantial compliance cost, a compliance burden—as indeed there should be, because when such broad offers are made it is appropriate that there be a tight legal regime. You can do that now—you can through the public market seek to raise capital from large numbers of people but it is a very expensive process and, frankly, hardly any small business will ever attempt it because of its complexity. If you are a privately held company you can obviously seek to raise capital but there are significant limits on how you can do that and the number of entities you can approach. There are very substantial restrictions; you cannot just put out a general offer to the market.

Crowdsourced equity funding seeks to take the best of both worlds and basically say if you set yourself up to make use of this new structure you can raise money as a small company from hundreds of individuals providing small amounts of money and you can do so without all of the complexity that is normally associated with doing that. By 'complexity', we mean things like requirements for onerous meeting processes, for prospectuses to be issued, for complex audits of accounts and for various other things which render the current system not particularly useful to small businesses.

Through this important bill we will create a new structure of entity in Australia: a company which is set up for the purpose of raising funds in a crowdsourced fashion. Just to give you some perspective on what that means, in any given year, a company could raise as much as \$5 million, with up to \$10,000 from any one individual or entity, under these rules. So this is not about huge investors or highly sophisticated investors putting in millions of dollars; this is about small investors putting in a couple of thousand dollars, \$5,000 or whatever it may be. As you can imagine, Mr Deputy Speaker Broadbent, there are a wide range of applications for this new company structure.

There will not be the obligation to hold things like annual general meetings. Audit requirements will be reduced. There will be reduced financial reporting requirements, compared to what is required today of public companies. Generally, the focus of the government is on making it as simple as possible for small businesses to put out an offer, say what their proposition is, put it online and then encourage the public to invest in it.

Under this bill, we limit individual investments to \$10,000, and the reason for that is that we acknowledge that this is not a form of investment for which there is a very high standard of disclosure, with prospectuses et cetera, as you would normally expect of a publicly listed company. As a consequence, the amount that any one investor can put into that structure is limited to \$10,000, which means that people cannot put in a very large proportion of their assets. Intermediaries will be required to put the offer to the market on behalf of the company, and as financial intermediaries they will be required to be appropriately registered and to ensure that the company that is seeking to raise capital complies with all the rules of the new system.

So this is a really important change. We are going to go from a system where a small business basically cannot make an offer to the broader public to one where they can. That is a really big deal, because there are often situations where small businesses have great ideas and concepts but perhaps do not have the contacts or the sophistication to go and raise millions of dollars from investors. To be able to put out an offer to the broader community like this will enable them to raise more capital—and that leads to more innovation, and that is

extremely important. If you couple that with the changes to capital gains tax, income tax relief and EVCLPs, you can see there is a very broad and structured approach from this government to stimulate investment in start-ups, to drive innovation and to create more jobs and growth in our economy.

Ms OWENS (Parramatta) (16:55): I am really pleased to speak on this bill, the Corporations Amendment (Crowd-sourced Funding) Bill 2015. I know that the alternative finance sector, the many organisations that are finding new ways to work and the start-up community have been waiting sometime for this, so I am very pleased to be able to talk about it in the parliament today. There is of course much criticism of this bill, too. I am going to touch on some of that, but my colleagues have covered much of the sector criticism that we have seen in the submissions to the Senate Economics Legislation Committee inquiry and in the media, so I am not going to go into much detail on that. I want to talk more generally about the alternative finance sector and its needs, and why I believe the government really needs to rethink some of the elements of this bill.

We all know that something needs to be done. Even in the submissions that were highly critical of this bill, the need to do something fast was clear. We need to catch up with what is already happening among our competitors and we need to find ways to support the extraordinary creativity that we find within our business community to enable them to pursue some of the wonderful solutions that they have found—particularly start-ups but also small businesses. We need it not just for individual companies to flourish but because the economic system in Australia needs more capital: if there is no funding here, then our best minds and our best businesses will quickly go elsewhere. Entrepreneurs are welcome all over the world, and there are several countries now that are well and truly ahead of us in the area of access to funding through equity crowdfunding.

Nearly all of the submissions to the Senate committee inquiry were highly critical of what they see as overregulation, complexity, high costs and, sometimes, barriers that prevent certain types of businesses or organisations from accessing the scheme. Many believe that the bill itself risks the very growth in the sector that the bill is supposed to stimulate. So there is very real criticism but very real need.

The alternative finance industry, of which equity crowdfunding is a part, is still in its infancy. There is a lot of talk about it. We hear of peer to peer and of fintech, but it is very much in its infancy. The best report I have found recently is one from Nesta in the UK, from the University of Cambridge. They put out a substantial report in 2014 that looked at the UK alternative finance industry, which mirrors but is slightly ahead of ours. Even in 2014, they identified nine different elements of alternative finance: peer-to-peer business lending, invoice trading, community shares, reward based crowdfunding, debt based securities, pension led funding, peer-to-peer consumer lending, donation based crowdfunding and equity based crowdfunding. In 2014, there were nine, so there are probably 11 now, and I suspect that in the years to come we will see many, many more ways of disrupting what has been quite a conventional finance sector, through new products and systems.

As I said, the alternative finance industry is in its infancy, and, at a time when it is in its infancy, perhaps tying it down in such a prescriptive way limits its possibilities. The Prime Minister talks of agility; he says we must be 'agile'. I hope he is not talking just about the government, because the role of government at a time like this, a time of rapid change, is to allow flexibility into the economy to allow businesses and entrepreneurs to be agile, and you do not do that by overregulating or narrowing the definitions of the things they are doing at such an early stage. Being agile does not mean imposing a set of restrictive rules on a growing area. In fact, regulating a growing area is incredibly difficult. There are few times, probably no time, when it has been more difficult to do that than it is now because the speed of change means that our regulation needs to be very light to allow for things to change, almost on a weekly basis.

I think the problem that the government has here is that it has tried to regulate an answer to crowdfunding as we know it in quite a narrow sense. It has tried to solve the problem of crowdfunding. I believe that is the wrong way to go.

I find regulating for answers to be quite a common thing. It seems quite obvious. I come from a sector of the arts industry, which was never industrialised. We have never been in that world where you build large, monolithic structures and you have to stay within them. We dealt with a constantly changing environment all the time. Many times in my frustration I sit down and consider what we do, even in government. Quite often we have ministers for answers. We have a minister for superannuation. That is a very good answer, but we do not have a minister who considers how we build financial security through life in retirement. We do not have someone who considers how we create a sustainable way of life or how we ensure the health and wellbeing of our population or how we build the capacity of our people. It is a way of looking at government that looks at the major questions that we all ask ourselves—How do we improve the quality of life? How do we rebuild community cohesion and capacity? How do we strengthen community and decision making? How do we build resilience?—all those questions which we all ask ourselves, which in government we quite often break down into answers we already know, and then concentrate on.

I think that is, again, a method of looking at the world which is increasingly less relevant, and it is exactly what we have the government doing now. We have a bill that deals with something the government thinks it understands—that is, equity crowdfunding. It legislates rules to make the government feel comfortable about something that is already there. It is very much catch-up legislation. The problem here, though, is that crowdfunding as we know it now is nowhere near finished. It is still a possibility. It is still nascent and it is still very much questioned.

There are two ways of looking at crowdfunding even as we know it. On the one hand there is the government approach, and it is quite clear in the explanatory memorandum what that approach is. The first couple of sentences say:

Crowd-sourced funding (CSF) is an emerging form of funding that allows entrepreneurs to raise funds from a large number of investors. It has the potential to provide finance for innovative business ideas and additional investment opportunities for retail investors, while ensuring investors continue to have sufficient information to make informed investment decisions ...

For the government, crowdsourced funding is a way for entrepreneurs to raise funds from a large number of people—a crowd in this case.

There is another view of crowdfunding which turns it around the other way. It is that crowdfunding is actually about the crowd. I will talk about that for a small amount of time, because I was involved in crowdfunding back in the eighties. It was not equity crowdfunding, because it was not legal then as it is not now, but crowdfunding generally. I first participated in a crowdfunding project—I think the choir was called Cafe at the Gate of Salvation. They sent out a letter to a range of people, because the internet did not exist then, asking us to buy a CD that they would press some time in the next year, and when it was finally pressed I would get one. I was not a particularly great fan—it is actually a great choir, by the way.

Mr Neumann: What did they sing?

Ms OWENS: Gospel. I do not run around and seek out gospel, but I thought it was such a good idea that I thought, 'Yep, I'm gonna to do that.' So I did. So I participated in that one and that made me part of the buy-in on then. Every time I saw an ad for that choir I was part of their world. I was part of making it actually happen. In a way I was kind of Adam Smith on steroids—you know the old Adam Smith quote that says 'if each person acts in their own enlightened self-interest the resources of the world are best allocated.' This was not just me doing that by spending my money. This was actually me involving my time, my attention and my money in the production of the product which other people then bought. It was an incredible thing.

In the arts industry, theatre was crowdfunding in the seventies. In fact, in Australia the mechanism where people buy their entire year's subscription a year early, and arts companies start the year with 90 per cent of their revenue in their bank, and the crowd actually cash flows the production of their work, was developed in the seventies in Australia. Only Australia and South Africa do it. It is one of the great innovations in the theatre world. Even now, if you look at the proportion of where crowdfunding is, you will see that the arts sector matches start-ups in crowdfunding, because it has been in it for decades.

Crowdfunding for me, perhaps because I come from that background, is not just about business, and start-ups seeking investment. It is actually about the power of people to determine where a society spends its resources. It is actually about the crowd itself as much as it is about the investment. I can imagine the time when someone comes up with a way for crowds not just to fund something that exists but to cause it to happen, to cause it to come into being, to cause the idea to form. We can already see all around the world communities trying to take back that power, the power of determining their own direction. Even in Australia you see organisations, like GetUp!, that do it through the political process quite well, but you also see a whole range of other social enterprises and not-for-profits that are using the power of the crowd to make things happen.

The problem with the government's approach is that it excludes the kinds of organisations that are already in the crowdfunding space. It is very difficult for small business, which is not actually in the crowdfunding space, to get in, because most of them are now proprietary companies. They would have to become unlisted public companies—something that is quite expensive for a business to do. There is a lot of red tape and hurdles for small business, and most small businesses do not currently meet the requirements of crowdfunding. Then you have social enterprises, which also do not fit. You have not-for-profits, which do not fit. You have some intermediaries that are already using mechanisms that will no longer be legal under this platform.

What we have in a sense is a whole range of things that are happening—start-ups that are ready to do this—and then we have the government coming in with a structure and a process which do not match what is already happening and the vision that the sector itself has for how it might use crowdfunding. I hear from social enterprises, for example, that believe that crowdfunding could be a pathway between where they are now and the

impact investing world, which requires them to be of a much larger scale than they currently are. That is one pathway that we would hope this question of equity crowdfunding would solve, but not under this legislation.

This legislation is very narrow in its definitions and in many ways serves the larger end of equity crowdfunding quite well. Businesses that are well established, businesses that have some administrative capacity and the larger investors are served quite well by this legislation, but the many, many people who would be interested in making small contributions to quite young and emerging organisations of a whole range of types are actually excluded in this legislation.

It is good that it opens the door to some. We on this side will be watching very carefully. We are looking forward to the results of the outcome of the Senate inquiry and we will be watching very carefully. We are listening very carefully to the criticism that is coming from the field and we are urging the government to reconsider some of the more difficult elements of this bill.

But I do want to say that it is very good that the government is acting and that at least some elements of the start-up and small business communities will find a way to use this bill to grow their activity. But, again, it is a belief I have that the time for governments to prescribe the way people do things is coming to an end. If we really want our community to be agile, if we really want innovation, the way of regulating now is not to describe what the narrow framework is; it is to describe the outcome and the rules and allow people and businesses to find pathways that best work for them; to allow business to define their structure by what works for them as a business not because of this single piece of legislation. We want people who wish to do social good to determine the pathway to do that—whether it is a social enterprise or whether they have to do it through some other structure—in the way that best satisfies the work that they are doing, not in a way which the government prescribes in order to allow a very narrow definition of equity crowdfunding to take place.

Once again, I thank the government for its work in getting to this point. I thank all the many stakeholders who have spoken to me and who have written submissions to the Senate. They have been very clear in their criticism. I strongly urge the government to pay a little bit of attention and rethink some of the elements of this bill.

Mrs GRIGGS (Solomon) (17:10): Under the heading 'Innovation' in chapter 3 of David Murray's financial system inquiry report, he paints a cautiously optimistic picture of the role of new technologies and business practices in Australia's economy of the future. To provide a context for the legislation we are debating today, I will place on record a precis to the important chapter in David Murray's overall volume of work:

Chapter 3: Innovation

Technology-driven innovation is transforming the financial system, as evidenced by the emergence of new business models and products, and substantial investment in areas such as mobile banking, cloud computing and payment services.

Although innovation has the potential to deliver significant efficiency benefits and improve system outcomes, it also brings risks. Consumers, businesses and government can be adversely affected by new developments, which may also challenge regulatory frameworks and regulators' ability to respond.

The Inquiry believes the innovative potential of Australia's financial system and broader economy can be supported by taking action to ensure policy settings facilitate future innovation that benefits consumers, businesses and government.

The Inquiry's recommendations to facilitate innovation aim to:

- Encourage industry and government to work together to identify innovation opportunities and emerging network benefits where government may need to facilitate industry coordination and action.
- Strengthen Australia's digital identity framework through the development of a national strategy for a federated-style model of trusted digital identities.
- Remove unnecessary regulatory impediments to innovation, particularly in the payments system and in fundraising for small businesses.
- Enable the development of data-driven business models through holding a Productivity Commission Inquiry into the costs and benefits of increasing access to and improving the use of private and public sector data.

These recommendations will contribute to developing a dynamic, competitive, growth-oriented and forward-looking financial system for Australia.

The past couple of sittings have seen the federal government begin to shape its legislative response to the Murray inquiry, and the Corporations Amendment (Crowd-Sourced Funding) Bill is part of that overall picture. But its origins are more closely linked with the government's national innovation and science agenda, which will shape economic development in this country in the years and decades to come.

Crowdsourced equity funding—or crowdfunding, as it is sometimes called—is an emerging way for start-ups and early-stage businesses to access the funding and investment they need to move the size and scope of their businesses up to the next level. At the same time, it maintains adequate protections for retail investors who share in the risks and the successes of these businesses.

The legislation will allow unlisted public companies with less than \$5 million in assets and less than \$5 million in annual turnover to raise up to \$5 million in funds in any 12-month period. Companies that become an unlisted company in order to access crowdsourced equity funding will receive a holiday of up to five years from some reporting and governance requirements. In order to allow investors to make informed decisions, companies raising funds through crowdfunding will be required to release an offer document. To ensure that mum and dad investors are not exposed to excessive risks, a cap of \$10,000 per issuer over a 12-month period will be introduced.

The Australian Securities and Investments Commission will have oversight of the new arrangements, and this legislation represents a fundamental change in our business investment landscape, blending key aspects of the Corporations Act as it relates to public and proprietary companies. In Australia, there is a historical distinction between public and proprietary companies which underpins the Corporations Act. A proprietary company is a company registered under the Corporations Act that is limited to having no more than 50 non-employee shareholders and, generally speaking, must not offer shares to the general public or undertake other fundraising activities that would require the use of a disclosure document. Proprietary companies are generally relatively small and closely held, and have lower corporate governance and reporting obligations than public companies. A public company is a company registered under the Corporations Act that is not a proprietary company. It is important to note that public companies are not required to be listed on the Australian Stock Exchange. In fact, only one per cent of public companies actually list on the Australian Stock Exchange.

The government's CSEF, or crowdsourced equity funding, framework will not apply to listed public companies. The distinction between the rights and obligations of proprietary and public companies is an underlying rationale of the Corporations Act 2001 and applies to all companies. If crowdsourced equity funding were to be facilitated through the proprietary rather than the public company structure, there would need to be an exemption from the 50-shareholder limit and a prohibition on making offers to the public. The proprietary company obligations would also need to be increased to require an offer document for crowdsourced equity funding offers to the public. If such exemptions were to be a part of the crowdsourced equity funding framework, once no longer eligible for the disclosure and reporting exemptions the proprietary companies would be required to undertake one of the following two actions to bring them back into line with the Corporations Act 2001. Option 1: if the company wished to continue with more than 50 shareholders, it would need to convert to a public company and then comply with the increased disclosure and reporting rules. Option 2: if the company wished to continue as a proprietary company, it would need to undertake a selective share buyback until it had fewer than 50 shareholders. This is a time-consuming and costly process and would see companies lose significant amounts of capital in paying out shareholders.

In contrast, the government's crowdsourced equity funding public company model requires no further action at the end of the crowdsourced equity funding exemption process beyond complying with the standard public company disclosure and reporting rules. The government's crowdsourced equity funding framework anticipates that crowdsourced funding accessing companies are seeking to grow through capital sourced from a crowd or, to use the more conventional corporate language, shareholders.

As I described earlier, to facilitate this growth the framework provides exemptions for up to five years for compliant crowdsourced funding companies from the most regulatory burdensome aspects of administering a public company. After that holiday period or upon no longer being eligible for the crowdsourced funding framework—for example, due to company growth beyond the turnover and asset caps—crowdsourced equity funded companies with more than 50 shareholders will need to comply with the reporting and governance arrangements like all other Australian public companies.

Intermediaries play an important role in crowdsourced funding and will vet companies seeking to raise funds, run offers including suspending or closing offers where there are disclosure concerns, and handle investors' money. ASIC will develop a separate Australian financial services licence authorisation for crowdsourced funding intermediaries. Australia is not alone in regulating the role of intermediaries in crowdsourced funding ventures. The New Zealand and United States models also require them to be licensed. Crowdsourced funding intermediaries must comply with certain obligations, including conducting prescribed checks around the identity of issuing companies and their officers, confirming the issuing company is eligible to use crowdsourced equity funding and checking that offer documents contain the required content and are not misleading or deceptive. Intermediaries must ensure that a risk warning appears prominently on their platforms at all times, provide an application facility for investors, ensure cooling-off rights are available to retail investors, disclose fees paid to the intermediary by the issuer, stop an offer if the intermediary knows the offer document is defective and enforce the per-issuer investor cap. In answer to the question: how will an intermediary determine if it has conducted the prescribed checks to a 'reasonable' standard, the government proposes to include direction on what could be

considered reasonable in the regulations, along with details of the checks themselves, to increase certainty for intermediaries.

The intent of this bill is to assist start-ups and other small businesses that may have difficulty accessing equity funding due to the costs of disclosure and other requirements, which is why the gross assets and turnover caps are set at a \$5 million limit. We have set a \$5 million assets and turnover test as it ensures the framework is appropriately focused on start-ups and genuine small businesses. The \$5 million fundraising cap is consistent with the maximum limit under ASIC's business introduction and matching services class order. The \$5 million limit is higher than equivalent limits in the United States and New Zealand.

Concessions from corporate governance and reporting requirements only apply to newly incorporated or converted public companies because these obligations can be costly for small companies. Newly incorporated or converted public companies that make a crowdsourced funding offer within 12 months of registration will benefit from interim exemptions from holding annual general meetings, having financial statements audited and sending annual reports to shareholders.

These concessions are intended to facilitate access to crowdsourced funding for companies that cannot yet meet the public company obligations. They are not intended as a means by which existing public companies should reduce their reporting or interactions with their existing shareholder base.

The \$5 million cap acknowledges that investing in early-stage companies can be risky. While crowdsourced equity is an exciting new asset class for retail investors, lower disclosure requirements may also make it more difficult for retail investors to assess the relative risks of offers. For crowdsourced funding to be a viable long-term option, investors must have confidence in the sector and the investments they make.

A retail investor cap will mitigate investor risk by limiting exposures to individual offerings and issuers. The coalition government intends to keep the cap under review and the regulations will allow for amendment over time if the government feels this is appropriate. The legislation provides the minister with additional exemption powers in relation to Australian market licences. The Australian market licence regime was designed with large public exchanges in mind and imposes obligations that may not be appropriate for other market types.

The minister currently has the power to exempt a market from the need to hold an Australian market licence or clearing and settlement licence but does not have the power to exempt a market from individual obligations. There is no scope to tailor a licence to suit the circumstances of an individual market. This means markets may be required to comply with obligations that are clearly excessive in their particular case or exempted from obligations that would be appropriate. Extending the exemption powers will provide for more effective and flexible licensing regimes that could appropriately respond to and facilitate innovation.

In conclusion, I should point out that the government will also consult on options to facilitate crowdsourced debt funding during 2016. I commend the bill to the House.

Mr BANDT (Melbourne) (17:25): I rise to speak on the Corporations Amendment (Crowd-Sourced Funding) Bill 2015. The social media has really turbocharged crowdsourced funding. It is now possible to go to a variety of platforms, some of which many people know and use regularly—Kickstarter, Pozible and many others—and put up a project or an idea online and put the call out for people who want to be part of it and who want to put a bit of money into that project. That is a remarkable thing and it has given rise to whole new ways of people relating to each other and supporting each other in their communities. On the whole it is to be encouraged, and it is something that is to be applauded because it is allowing people to connect with each other and form common bonds in a way that even 10 years ago, let alone 20 or 30 years ago, would not have been possible. I have helped a book come to fruition by being a small player in crowdsourcing it, and I have participated in other crowdsourced projects as well. Knowing that it is something that I could not have done 10 or 15 years ago is a good thing, and it is one of the more welcome aspects of the development of technology—the ability for people to connect to each other.

Many of the projects that use existing crowdsourced funding platforms reach an almost natural limit. These platforms are great for things like putting out a book, and some people have even used them for getting a new piece of machinery for their farm, for example. But there are certain projects where you want a bit more than someone offering to put in a bit of money on a website. You want something where the person who is putting in money might have a legal claim, and it is questionable at the moment as to what your legal status is if all you have done is to put in \$20 via Kickstarter. So you might want to have a legal claim or you might want to have some say in what happens inside the enterprise. All these are questions we have to answer, as this new sharing economy develops, as to how best to deal with them.

In Australia at the moment, if you are someone with a good idea and you needed funding to make it happen, and you want to get that funding from multiple sources—as opposed to, say, going to a bank or getting into debt

some other way—you have really only got the option, once you reach a certain size, of forming what is called a public company: a company that the law allows to go out and publicly advertise for people to put money into. The other form of company that most small businesses use, a proprietary company, does not allow you to do that. So start-ups find themselves at that point where they might have to make a choice: do they become a private company, as many small businesses would, but know that you cannot then go out to the public and ask for money—or do you become a public company? The problem with becoming a public company, for many of these innovative ideas, is that there are a lot of requirements that you have to comply with to become a public company. There is a lot of disclosure that you have to go through and it is an expensive exercise, and for those reasons not many small companies choose to take it up—public offerings and the like—and it gets even more complicated if you decide that you want to list on the stock exchange. You do not have to, of course, but many public companies do. So these new ideas are finding themselves at a point where they are facing an impasse. So, to that extent, it is good that the government has recognised that. It is good the Financial System Inquiry recognised that. And it is good that the government is bringing a proposal before this chamber to deal with it, because it is something that we should deal with, as members of parliament.

I am encouraged to hear from previous speakers and also from the minister that the government is going to have a look a bit later on at how to deal with debt funding for crowdsourced entities, because at the moment it would be fair to say that that characterises the majority of crowdsourced funding—people putting a bit of money into something that could be much more closely akin to debt rather than equity funding. But what we are dealing with here is: how do small enterprises encourage other people to take something akin to an ownership stake—an equity, or a share, as it would commonly be referred to?

It is good that there is potentially going to be a third way for these companies, so that they do not have to go through the rigmarole of becoming public companies and certainly not publicly-listed companies. And it is good that the government is considering allowing people in that position to opt out of a large number of the regulatory requirements. With that comes a potential downside, because the investors into those crowdsourced enterprises then might not have the same information that you would have if you were a normal, publicly-listed company in Australia. So if you jump on the internet and you see an idea or you hear an idea on the radio and you think, 'That looks like a good idea; I want to invest in that,' if they are going through a crowdsourced funding model as proposed by this bill, then you, as an investor, will probably have less information available to you than you would if you were to go off and buy a share in a public company. So, on the one hand, it makes it easier to get the idea off the ground; on the other, it potentially reduces the protections that are available for people who are prepared to invest in it.

Say I put \$20 in to help someone publish a book. Many of us who do that are prepared to accept that we might not see that \$20 again. Many platforms in fact only ask you for the \$20 if you reach the full amount. We are talking about something different here. We are talking about potential investments of tens of thousands of dollars into a new idea—into a start-up. What kinds of protections should you offer those people?

I am pleased to see that this bill does place some weight on those protections for those people—that there is a version of the protections that are available to people who invest in public companies flowing through to this new crowdsourced equity funding model. That is a good thing. That has led some, though, in the sector to say: 'This bill won't do enough for start-ups. If we have to comply with those requirements, and if the protections that are available for the investors come in the form of limiting how much money we can raise or limiting how much money we can raise from an individual investor, then it is not going to do enough for start-ups.' We have had people approach our office from this sector saying exactly that—saying, 'If you really want to unleash innovation then you need a more laissez faire model than is currently being proposed,' and saying that this model is too restrictive.

I want to thank everyone in the sector who has come and approached us and raised those issues and said that there are ways that the bill could be improved. I also want to thank the minister responsible, for giving us an extensive briefing on it. I anticipate that this bill will be subject, probably, to an inquiry in the Senate, but it is certainly something that is being discussed and debated more broadly. We will continue to formulate our position based on those inputs that we get. We appreciate that this is about striking a balance, and the question is whether or not the government has got the balance right in this particular bill. That is in part going to be a question of judgement. But we need to have a bit more work done, from our perspective, before we can form a final position about the pros and cons of each.

There is one area that is of particular interest to us in the Greens, and that comes to the question of crowdsourced and community-owned renewable energy, because this is a booming sector. Increasingly, people want to own their own solar panels—their own way of producing electricity. They are going to start putting

batteries in their houses soon so as to be able to store that electricity and generate it as they need. And it is expanding now beyond individual households to whole communities and whole towns.

In Victoria we have Hepburn Wind, for example, where the wind turbines that have been erected outside Hepburn are now helping power the whole community, but they are owned by the community as well. When the community decided to put this together, they had to jump over a number of hurdles to work out what the right legal form was to allow everyone in the community to own a bit of the wind turbine that exists in their area and how they—the people who wanted to make it happen—could put out an open offer to the community to get everyone to buy in and how to navigate their way through all these parts of corporations law that I have been talking about—private versus public company versus other kinds of organisations, associations and the like.

We have heard from a number of the community-owned renewable energy associations, of which there are many, many more around the country and whose number is growing, especially as they watch governments attack the renewable energy target and attack action being taken on climate change. People in this country are far, far ahead of this government. People know climate change is real, and people like renewable energy. They are now starting to build wind farms and large solar farms in their own backyards, especially if they are living in regional and rural areas, and they are starting to come together as communities to own them. One issue that we found is this. They get together, they navigate the system, and, after doing their crowdsourced funding, they have community ownership of renewable energy generation—and then they find it hard to plug into the market. They are told that there are a number of barriers to being able to do that and told, 'You are not the right kind of entity to do that.' We hope that perhaps this bill might give them a new way forward. Perhaps it might provide an opportunity for addressing some of those issues. But those issues are real, and they are ones that we will be considering in the context of this bill.

I can also say that, more generally, in Melbourne, which I think is the social enterprise capital of Australia and the social innovation capital of Australia, there will be many, many others who are looking at the prospects of doing their own crowdsourced funding who we will continue to talk to over the next little while.

As a result, I commend the government for taking the initiative of adopting this part of the financial systems inquiry and bringing a proposal before the House. The Greens will look at it in good faith and will continue to take soundings from the sector and will make the decision about whether it strikes the balance in the right way. I again thank the minister for approaching us in good faith as well and offering us information about this bill. As it progresses through this House and through the Senate, we hope that this is a bill that, either in its current form or in an amended form, will strike the right balance, because crowdsourced funding is an idea whose time has come and, if we can support it and protect people who want to invest in it as well, that is something that we as parliamentarians should do.

Mrs PRENTICE (Ryan) (17:38): Innovation is constantly transforming the international financial system and this is likely to continue. Technology-driven innovation has the potential to deliver significant efficiency benefits and improved productivity, efficiency and investment outcomes right across Australia's financial system. New payment methods, innovative funding sources, better use of customer information and deeper cross-border linkages promise enormous opportunities if properly harnessed. Technology is reducing the number and need for a financial institution to secure and underwrite a financially viable contract between producers and consumer, and crowdfunding is emerging as an alternative funding source for small and medium sized enterprises around the world. There has never been a better time to start and grow a business anywhere in Australia, and from here to compete for customers located anywhere in the world.

On this side of the House, we know that funding for small and medium sized enterprises is essential to facilitate productivity growth and job creation, and crowdfunding and peer-to-peer lending can facilitate new technology enabled mechanisms for accessing finance and obtaining credit. Our future depends on us being a nation that is agile, innovative and creative. As the old saying goes: fortune favours the bold. We cannot be defensive; we cannot future-proof ourselves.

Prime Minister Malcolm Turnbull, arguably the best qualified person in any Australian parliament in the combined areas of law, commerce, banking, finance, investment, environment and water resources, constitutional change, information technology, communications, media and the arts, speaks from experience when he says:

... the disruption that we see driven by technology, the volatility in change is our friend if we are agile and smart enough to take advantage of it.

Our policy settings must facilitate entry of these disruptors rather than acting as a blockage. As part of our Growing Jobs and Small Business package, the coalition committed to introducing a new regulatory framework to facilitate crowdsourced equity funding for public companies. Crowdsourced equity funding is a relatively new and

innovative concept that allows businesses to obtain capital from a large number of investors to an online platform where each investor typically contributes a small amount of money in return for an equity stake in the business.

The big challenge we must overcome right now is that start-ups and small businesses in Australia are struggling to access retail investors due to significant and ongoing compliance costs and red tape. Changing this will unlock growth and unlock innovation. I welcome the introduction of the Corporations Amendment (Crow-sourced Funding) Bill 2015 as another step closer to where we need to be to meet the challenges and opportunities that technology and innovation promise. I congratulate and thank the minister for bringing this bill forward. I have many innovative small to medium sized businesses in the electorate of Ryan which have developed some very creative and exciting world-first products and services, and they are currently looking for finance and new markets. I look forward to telling them about what we are doing today to give them another opportunity to help secure the finance they need to turn smart and clever thought into action. As I said earlier, there has never been a better time to start and grow a business anywhere in Australia.

The Foreign Minister this week provided a terrific example of where new thinking is transforming old industries, with the Australian start-up company called Flow Hive, which has made harvesting of honey from a beehive as simple as turning on a tap. The father and son team put this idea on a global crowdfunding website and they hit their funding target within three minutes—that is right, just three minutes—and they are now receiving \$30,000 worth of orders every day. Like the Foreign Minister and indeed all Australians, I celebrate the success of Australian businesses that are taking Australian innovation onto the world stage. I am even more proud to be an Australian when I hear that a family owned Australian start-up businesslike Flow Hive has achieved what has been called the greatest step forward for beekeeping in 150 years. Wouldn't it be even better if the crowdsourced funding website that our creative thinkers and our innovative small to medium sized businesses used was also Australian owned and operated?

I applaud the coalition government's decision that development of a crowdsourced equity funding market in Australia is an urgent priority to support the funding needs of early-stage innovators. These reforms were considered by the Corporations and Markets Advisory Committee which identified regulatory impediments that make it costly and impractical for businesses to undertake crowdsourced equity fundraising. In this context, regulatory barriers can hinder competition and impact the market forces that push firms to innovate and perform at their best. Crowdsourced equity funding will complement other forms of crowdfunding already available, including rewards based crowdfunding and peer-to-peer lending to offer start-ups choices in how they fund their operations. It will serve as both a complement to and a source of competition to more traditional funding options for small businesses, including bank debt products.

To get to this point today the government also had a root-and-branch examination of Australia's financial system, just as we committed to during the last federal election. As most members know, the inquiry, chaired by Mr David Murray AO, was tasked with making recommendations that would position our financial system to best meet Australia's evolving needs and support economic growth. The inquiry also recommended facilitating crowdfunding by adjusting fundraising and lending regulations, streamlining issuers' disclosure requirements and allowing retail investors to participate in this new market with protections such as caps on investment.

The government has worked hard to get the regulatory framework right so that it can fit within Australia's financial system while creating more opportunities for small to medium sized businesses to grow but also provide some safeguards for Australian consumers and investors. The government consulted widely on potential models, including the model recommended by the committee and the model implemented by New Zealand in 2014. This bill inserts a new part into chapter D of the Corporations Act to create a new regulatory framework to facilitate crowdsourced funding in Australia. Graduating the regulation of market based financing will increase opportunities for small businesses to seek finance from the general public.

The framework set out in this bill adopts key elements of the New Zealand approach, such as licensing and gatekeeper obligations for intermediaries, reduced disclosure, risk warnings and a relatively liberal approach to retail investor caps. The bill balances stakeholder views on supporting investment by reducing compliance costs for equity fundraising while also ensuring appropriate levels of investor protection.

It is no doubt fair to say that because the previous the Rudd-Gillard-Rudd governments were better at talking than doing and, because Labor was better at spending than developing new markets and growing our economy, we are now playing catch-up with New Zealand and other developed countries in this innovative area of finance. Many stakeholders recommended adoption of a framework quickly because further delays would risk impeding the development of the crowdfunding market in Australia.

The government listened and engaged extensively with industry and other stakeholders on the design of the proposed crowdsourced equity funding framework. That is why the model in this bill strikes the right balance

between supporting investment, reducing compliance costs and maintaining an appropriate level of investor protection. The new crowdsourced equity funding regime will allow eligible companies to fundraise up to \$5 million per year from retail investors, which is higher than that allowed under both the New Zealand framework and the model recommended by CAMAC, the advisory committee. The ability to raise higher amounts will enable entrepreneurs of innovative early-stage businesses in Australia to obtain the capital they need to turn good ideas into commercial successes.

I am also pleased the government has shown foresight in the framing of this bill so that, as the market develops, the ongoing appropriateness of these thresholds can be reviewed. This bill permits retail investors to invest up to \$10,000 per issuer per 12-month period, allowing investors the opportunity to make substantial investments in a product while also seeking to mitigate the size of their exposure. The bill also provides a regulation-making power to amend this amount as the market develops. Retail investors will not be limited in the total amount of investment in crowdsourced equity funding they can undertake, which will allow them to diversify their investments. Investors will also be protected in the form of cooling-off rights for a period of five days after making an initial investment.

The framework will enable public companies that are issuing equity through crowdsourcing to do so with reduced disclosure compared with what is required under full public equity fundraising. It also provides for newly registered public companies that meet the assets and turnover tests concessions from some corporate governance and reporting obligations.

The important role of intermediaries in the operation of an equity crowdfunding market cannot be overstated. As gatekeepers, intermediaries provide an important quality assurance role. For this reason, intermediaries will be required to hold an Australian Financial Services licence. The framework sets out certain obligations that intermediaries will need to meet, including the requirement to conduct checks on issuers before listing their offer. Ongoing responsibility for issuing licenses and monitoring the operation of the framework set out in this bill will sit with the Australian Securities and Investments Commission, which was provided with \$7.8 million in funding through the 2015-16 budget for this task.

I note a number of other jurisdictions have a regulatory framework in place for crowdsourced equity funding, and consultation indicated wide ranging support for an Australian framework. Because the legislative framework and policy settings we are constructing today will need to continually evolve and keep pace with technologically driven change, we must as far as possible future-proof this regulation such that public administration will always encourage innovation.

Clearly in an age of rapid, technology driven change we simply cannot afford to 'set and forget' when it comes to rules and regulations. I note advice from the Minister for Industry, Innovation and Science that one of the most well-known stockbrokers in London said, 'Australia now has an innovation competitive advantage as a result of the coalition's changes to taxation for angel investors around capital gains tax and income tax.' Britain has been ahead of us in this area on innovation. That Australia has now leapfrogged Great Britain means our creative class and our small to medium sized businesses will be able to attract even more international investment, which will create more jobs and more growth in the economy.

The coalition are the real friend of small business, and we will always consider any emerging issues, concerns and aspirations for consumers, investors and business operators surrounding the scope and application of these laws. I welcome amendments in this bill to ensure the Australian market licensing and clearing and settlement licensing regimes can be tailored to operators of emerging and specialised markets, such as crowdfunding intermediaries. This will reduce the compliance burden for operators of these markets.

The framework set out in this bill will enable Australia's innovative early-stage businesses to obtain the capital they need to turn good ideas into commercial successes. I congratulate and thank the minister for bringing this bill forward, because it delivers on our commitment to foster innovative economic activity. This bill unlocks a new source of funding for small to medium sized enterprises that will push and pull more opportunities for Australian innovators and those other creative thinkers and doers into developing new products and services for the domestic and international market. As I have said before, there has never been a better time to start and grow a business anywhere in Australia and, from here, to compete for customers located anywhere in the world. I commend the bill to the House.

Mr VAN MANEN (Forde) (17:53): It is with great pleasure that I rise today to speak on the Corporations Amendment (Crowd-sourced Funding) Bill 2015. This bill is designed to help facilitate crowdsourced equity funding in Australia, which is an innovative and increasingly popular concept. Crowdsourcing allows businesses to obtain capital from a large number of investors through online platforms, where each investor typically contributes a small amount of money in return for an equity stake in the business.

It is worthwhile reflecting on one of the reasons that I think this legislation is so important, and this was touched on in the Treasury discussion paper on this particular topic back in 2014. The discussion paper makes the observation that:

Small businesses are a significant driver of productivity and economic growth. However, obtaining affordable finance to fund development of innovative new products is difficult in some cases.

... ..

Difficulties in accessing debt finance can arise as a result of gaps in information between lenders and borrowers. As the provision of debt finance requires an assessment of a business' ability to service the debt, small businesses and start-ups that do not have adequate evidence of past performance or prospects for success can face particular challenges accessing credit.

... ..

Some banks have noted that they decline approximately twice as many loan applications for start-ups as for established small businesses ...

That is why this bill is so important to our small business and start-up sector.

We are in a time where our government is encouraging innovation—innovation that creates jobs, creates opportunities and creates economic growth for Australia. Crowdsourcing is an opportunity to provide an alternative funding avenue that unlocks a new way of funding business start-ups. The member for Ryan used a fabulous example, which the Prime Minister had used, in Flow Hive. Equally, in my electorate of Forde, we have fabulous innovative businesses such as Beovista, A1 Rubber, Poppy's Chocolate and Beenleigh Artisan Distillers. While they are a large business not a small business, they are constantly looking to innovate and develop their product, and they are the oldest operating rum distillery in Australia. Recently, Zarraffa's have announced that they are going to move their headquarters to Beenleigh. They are looking at doing some additional, really innovative things in the building that they have purchased. So it is not just an administrative. I am sure that everyone in this House has in their electorates some businesses that are at that cutting edge of innovation and technological development.

It is an innovative economic concept that has helped launch many successful businesses. That is the importance of this crowdsourced equity funding. For retail investors, it creates an opportunity, which they do not currently have, to invest in small companies and start-up companies. Therefore, it is time for the government to catch up and provide a framework that will deliver sound outcomes and opportunities for these businesses and investors to take part in crowdsourced equity funding, and that is what this bill is about.

Crowdsourced equity funding was found by the Corporations and Markets Advisory Committee to be costly and impractical for businesses, due to regulatory impediments in the Corporations Act. This bill responds to those findings by establishing a legislative framework for crowdsourced equity funding that will address these regulatory impacts.

The coalition government made a commitment in the 2015-16 budget, as part of the Growing Jobs and Small Business package, to introduce legislation that facilitates crowdsourced funding in Australia. This government is committed to supporting the growth and success of Australian business. As we continue passing legislation from the jobs and small business package, complemented by the recent launch of the National Innovation and Science Agenda, there really has never been a more exciting time to establish and grow a business in Australia.

The framework our government is introducing in this bill will enable public companies that are issuing equity through crowdsourcing, to do so with reduced disclosure compared with what is required under a full public equity fundraising. For newly registered public companies that meet the assets and turnover tests, this framework provides concessions from some corporate governance and reporting obligations, to ensure that investors are able to make informed investment decisions and are not exposed to excessive losses. The framework also sets out the minimum disclosure requirements and a \$10,000 per issuer per 12-month period investor cap for retail investors.

It is not the government's role to help pick a winning concept or business idea. What we can do is create the right economic conditions for small businesses and start-ups to grow and thrive, and take steps to remove unnecessary regulatory barriers. The framework set out in this bill will enable Australia's innovative early-stage businesses to obtain the capital they need to turn good ideas into commercial successes. It is only through turning those good ideas into commercial successes that we grow and develop our economy. The great thing about Australia is that we have a history of innovation, and we should be very proud of that. Yet, we should also be disappointed at the fact that many of those innovations ended up offshore as a result of a lack of capital to help develop and grow them here onshore.

Crowd-sourced equity funding will also offer a new funding option for Australian small business. It will complement other forms of crowdfunding already available, including the rewards based crowdfunding and peer-to-peer lending to offer start-ups a choice in how they fund their operations. It does not take much of a search on

the internet these days to find peer-to-peer or crowdfunding options. Many of those are now local but a lot are still overseas. Hopefully, this legislation will also encourage those organisations to set up their operations here in Australia so that the operations are contained here locally. This will serve as both a complement and a source of competition to more traditional funding options for small business, particularly in relation to bank debt products. One of the major issues for our small- to medium-businesses is the gap in the cost of capital compared to large listed entities. That gap in capital cost can in a lot of cases be roughly double. So this option creates an opportunity for our small- to medium-business sector to be able to compete on a more level playing field with the big end of town.

The government has consulted extensively on the design of the proposed crowd-sourced equity funding framework, and the model detailed in this bill strikes the right balance between supporting investment, reducing compliance costs and maintaining an appropriate level of investor protection. Schedule 1 of this bill inserts a new part into chapter 6D of the Corporations Act. This sets out the various elements that comprise a crowd-sourced equity funding framework. Australia's crowd-sourced equity funding regime will allow eligible companies to fundraise up to \$5 million per year from retail investors. This amount is higher than that allowed under both the New Zealand framework and the model recommended by CAMAC. The ability to raise higher amounts will enable entrepreneurs of innovative early-stage businesses in Australia to obtain the capital they need to turn good ideas into commercial successes.

Schedule 2 of this bill sets out a number of concessions for newly-registered public companies that have restructured in order to access crowd-sourced equity funding. Provided a company undertakes crowd-sourced equity fundraising within 12 months of registering as a public company, it is eligible for exemptions of up to five years from the requirement to hold an annual general meeting; have annual reports audited if it has raised less than \$1 million from crowd-sourced equity funding; and provide its annual reports to investors, other than publishing them on its website. Further, companies fundraising under this framework will be able to offer equity securities to retail investors, with lower disclosure than currently required. This measure will improve access to crowd-sourced equity funding for small businesses and start-ups, as a full disclosure document can be costly and time consuming to prepare.

The government has listened to stakeholders on how to best balance the fundraising needs of business with investor protection. The framework in this bill permits retail investors to invest up to \$10,000 per issuer per 12-month period, allowing investors the opportunity to make substantial investments in a product, while also seeking to mitigate the size of their exposure. The bill also provides a regulation-making power to amend this amount as the market develops. Retail investors will not be limited in the total amount of investment in crowd-sourced equity funding they can undertake, allowing them to diversify their investment portfolio. Investors will also be protected in the form of cooling-off rights for a period of five days, after making an investment.

Another element of this bill reflects the importance of intermediaries in the operation of equity crowdfunding. As a gatekeeper, intermediaries provide an important quality assurance role and, in recognition of this, intermediaries will be required to hold an Australian financial services licence. Requiring intermediaries to be licensed will provide issuers and investors alike with confidence in the integrity of the intermediary and their capacity to carry out the obligations of operating a crowd-sourced equity funding platform.

This bill delivers on our government's commitment to foster innovative economic activity by unlocking new sources of funding and equity. I commend this bill to the House.

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (18:05): Firstly, I would like to thank those members who have contributed to this debate. The Corporations Amendment (Crowd-sourced Funding) Bill 2015 gives effect to the government's commitment to facilitate crowd-sourced equity funding in Australia by introducing a framework which will reduce the regulatory impediments for small businesses, particularly early-stage businesses, seeking to obtain equity finance.

The government consulted widely on the provisions contained in this bill. This process began in late 2014, following release of a discussion paper that sought to canvass stakeholder views on possible models for a crowd-sourced equity funding framework. These models included the framework adopted in New Zealand and the model recommended by the Corporations and Markets Advisory Committee, otherwise known as CAMAC, in its review of Australia's equity crowdfunding landscape. Over 40 submissions were received, and two stakeholder roundtables were hosted by Minister Billson to discuss the design of the framework. The government acknowledges the efforts of stakeholders to provide feedback and to help guide development of the framework in this bill.

A proposed framework for Australia, a hybrid of the New Zealand and CAMAC models, was outlined in a separate consultation paper in August 2015. Targeted consultation was undertaken on the draft legislation, and

further public consultation was undertaken following the introduction of the legislation into Parliament. In line with the Corporations Agreement of 2002, the Commonwealth also sought and received the agreement of the states and territories to the amendments contained in this bill.

Overall, there was broad support for developing a framework that incorporates elements of the model recommended by CAMAC and a model adopted by New Zealand. The framework that the government has introduced into parliament reflects improvements suggested by stakeholders during consultations and seeks to ensure the balance between supporting investment and reducing compliance costs for the issuers of crowdsourced equity funding offers, while maintaining an appropriate level of investor protection.

For equity crowdfunding to be a viable funding source, it is important that the framework can operate effectively to benefit businesses and investors. Like in New Zealand, intermediaries will play an important role in the operation of Australia's equity crowdfunding market with the framework setting out certain obligations that are necessary for facilitating crowdsourced equity funding offers. Intermediaries will act as gatekeepers, ensuring that certain disclosure and other requirements are met by issuers before their offer is listed on the platform.

The crowdsourced equity funding framework proposed in this bill allows eligible companies to fundraise up to \$5 million per year from retail investors with reduced disclosure obligations compared to traditional public equity fundraising. We are also streamlining public company corporate governance and reporting obligations for companies that become established as a public company in order to access crowdfunding.

In Australia, unlike other countries, the distinction between the rights and obligations of proprietary and public companies is an underlying rationale of our Corporations Act and applies to all companies. Australian proprietary companies are limited to 50 non-employee shareholders and as such have reduced reporting and governance arrangements than public companies. By providing a holiday for up to five years from the most onerous reporting and governance requirements for unlisted public companies, this framework facilitates equity funding from the 'crowd' while ensuring that the normal obligations that apply to all Australian companies with a larger number of shareholders apply once this time has passed. The government's approach in this matter was supported by the Productivity Commission's inquiry report into Business Set-Up, Transfer and Closure on 30 September 2015. The framework will provide a number of protections, including offer documents providing basic information about the offer and a per issuance investor cap, to ensure investors can make informed decisions without being subject to excessive levels of risk.

I acknowledge that some people found the limits on the fundraising threshold too low, while others argued that the investment limit should be higher than what is currently in the bill, or be removed altogether. The government has listened to stakeholder views on how to balance the fundraising needs of businesses while ensuring investors remain adequately protected. The bill also provides a regulation-making power that will allow these thresholds to be reviewed over time, as the market develops. To accommodate market developments, the bill also provides the minister with an exemption power to exempt certain market operators, including intermediaries, from specific obligations under the Australian Financial Market Licensing regime. This will enable the government to more readily tailor the regime to intermediaries operating in the crowdfunding market, as it matures. This exemption power will apply from the date this bill receives royal assent.

During the debate the issue of whether collective investment models, such as unit trusts or managed investment schemes, should be permitted to use the crowdsourced funding framework was raised. Under this structure, investors place their funds in trust with the managed investment scheme, which becomes the shareholder in small companies on the investors' behalf. Under the Corporations Act, managed investment schemes that accept investments from retail investors are subject to disclosure, licensing and other obligations that are specific to the risks of this investment structure. The crowdsourced funding framework would prevent a managed investment scheme from utilising the crowdsourced funding framework to raise funds from the public. This is because the reduced disclosure environment provided by the crowdfunding regime is not appropriate for more complex arrangements like a managed investment scheme.

The crowdsourced funding framework in this bill will take effect six months after it receives royal assent. Over this period, the Australian Securities and Investments Commission will put in place systems, processes and guidance to effectively administer the framework and provide additional certainty to industry. The government provided \$7.8 million to the Australian Securities and Investments Commission in last year's budget to facilitate this.

This bill fulfils the government's 2015-16 budget commitment and our response to the Financial System Inquiry to introduce an equity crowdfunding framework. Its introduction will enable entrepreneurs of innovative early-stage businesses in Australia to obtain the capital they need to turn good ideas into commercial successes. It will also open a new form of investment class to provide an additional investment option for investors.

I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Ms O'DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (18:12): I move:

That the bill be read a third time.

Question agreed to.

Bill read a third time.

Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms COLLINS (Franklin) (18:13): I rise to speak on the Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015. This bill introduces a range of minor 'housekeeping' amendments in the Social Services portfolio, all of which Labor supports. We all know that housekeeping amendments are required from time to time, and the amendments that we are discussing today are designed to correct technical errors and clarify intended policy by removing minor ambiguities and anomalies.

There is, I believe, nothing controversial in the bill. Indeed, it has no financial impacts. This bill will make a series of changes that I will now outline for the House. First, it will clarify that people serving an income maintenance period for a mainstream income support payment cannot access the special benefit. An income maintenance period is a period of time during which certain payments or certain leave payments—for example, termination payments or leave payments—are treated as ordinary income for certain social security payments, such as the Newstart allowance. This change can be reduced or waived if a person is in severe financial hardship because the person has incurred reasonable or unavoidable expenditure.

The special benefit is a payment for people in financial hardship due to circumstances beyond their control. This change will confirm the longstanding intent that it should not be paid to a person who is serving an income maintenance waiting period for a mainstream income support payment due to receiving a termination payment or leave payment.

Second, the bill will align time frames for meeting the family tax benefit reconciliation conditions and related amendments.

Third, the bill will alter student payment eligibility criteria so that the requirements for new apprentices can be determined by the minister in a legislative instrument. It will achieve this by amending the definition of 'new apprentice' in the Social Security Act to remove the requirement for a Commonwealth registration number and alters the requirements for that definition so it can be determined by the minister in a legislative instrument.

Fourth, this bill will confirm that students are only assessed against one course of education under the full-time study requirements of youth allowance and the qualifying study requirements of Austudy and not against more than one course of part-time study during a single study period.

Fifth, the bill will clarify the policy intention relating to a person's exemption from the Austudy payment assets test if their partner is receiving or has received a relevant pension, benefit, allowance or compensation or has received lump-sum compensation as an armed services widow or widower under the Military Rehabilitation Compensation Act 2004 in the past.

Sixth, the bill consolidates and removes inconsistencies and redundant provisions in relation to the indexation of the pharmaceutical allowance.

Seventh, the bill clarifies which components of Newstart allowance are taken into account under the allowable income limits for the health care card.

Eighth, the bill removes an administrative restriction in the family assistance delegation provisions.

Finally, this bill corrects cross-references and similar technical errors.

In supporting this bill, Labor of course continues to oppose some of the other social services legislation that the government is trying to get through the parliament. We oppose the government's attempts to cut family payments for 1.6 million families and three million children. We oppose their unfair cuts to paid parental leave, which will leave thousands of new parents worse off. We oppose their proposal to force young unemployed people to live on

nothing for months at a time, with no support. We oppose the government's cuts to the pension and their proposal to force Australians to keep working until they are 70.

The government's record on supporting families, older people and vulnerable Australians is atrocious. Labor will continue to stand up for them and protect the fair go—because Labor always puts people first. However, when it comes to this particular bill, as I indicated earlier, Labor offers our support for the bill and the minor amendments that it will make.

Mr PORTER (Pearce—Minister for Social Services) (18:18): I thank the member opposite for her contribution to the debate on the Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015. In summing up the second reading debate, I will reiterate some of the points that were made just a moment ago—and all but those last few points were quite accurate. The bill introduces a number of housekeeping amendments in the Social Services portfolio contributing to general maintenance of the substantial suite of legislation administered by the portfolio—and the suite of administration administered by the portfolio is indeed substantial.

While the amendments are minor in nature, they are worth bringing forward to, over time, minimise confusion for payment recipients and stakeholder groups contending with legislative provisions that are sometimes unclear. Such amendments are also an important part of ongoing responsible management of this important core legislative framework and within the established policy to ensure consistency and clarity. In this case, amendments will be made to the social security law and family assistance law. The amendments will correct technical errors and clarify intended policy by removing minor ambiguities and anomalies.

One of the changes in the bill is to clarify that people serving an income maintenance period for a mainstream income support payment such as Newstart allowance cannot also access special benefit during that period. An income maintenance period is a period of time during which payments—for example, redundancy or leave payments—are apportioned and treated as income for certain social security payments. The effect of the income maintenance period is either to reduce the person's payment rate or to preclude them fully from receiving a social security payment for the period represented by the determination or leave payment. During this period the person is expected to draw upon the resources provided by the determination or leave payment.

A single person without children would be fully precluded from receiving Newstart allowance if their termination payment were equivalent to at least \$1,014 per fortnight. This amount is of course higher if the person is paying rent. In addition to Newstart allowance the income maintenance period applies to youth allowance, partner allowance, Austudy payment, widow allowance, parenting payment, disability support pension and sickness allowance. A person who is required to serve an income maintenance period may have it reduced or waived if he or she is in severe financial hardship due to unavoidable or reasonable expenditures. Unavoidable and reasonable expenditure includes but is not limited to reasonable costs of living—such as food, rent and utilities bills—as well as school and funeral expenses; essential repairs to the home, whitegoods and car; insurance premiums; medical expenses; and other costs that are considered unavoidable or reasonable taking into account the individual circumstances of the person.

Special benefit is a discretionary income support payment available to people in severe financial hardship who are unable to earn a sufficient livelihood for themselves due to reasons beyond their control. Special benefit is generally paid at the same rate as Newstart allowance but is not subject to an income maintenance period. However, it has been longstanding policy that a person who is unable to have an income maintenance period for another income support payment waived or reduced because the expenditure of their funds is neither unavoidable nor reasonable should not be paid special benefit. As this circumvents the purpose of the income maintenance period, it may encourage people to spend their termination payments too quickly.

This amendment affirms the policy position that people should use their own resources before drawing upon taxpayer funded support. A further measure in this bill will realign the time period for income reconciliation for certain family tax benefit recipients. That is, for families who are not required to lodge a tax return or who have types of income not included in a tax return, the bill will introduce a one-year time frame for individuals to notify their non-lodger status or provide income details. This is consistent with the equivalent time frame currently applying to families who are required to lodge a tax return. One year is thought of as a reasonable period of time for families to notify Centrelink that they are not required to lodge and/or provide details of types of income not included in a tax return in order for reconciliation of their family tax benefit entitlement to occur. The reduction to the time frame to provide income details from two years to one year is also consistent with the intent of the family assistance program, which is to deliver financial assistance to families to help with the cost of raising children when it is needed.

It is also important to note that this amendment will have very little practical effect on families, as the one-year timeframe to provide income details or notify of non-lodger status has been communicated to recipients since the

implementation of the broader realignment of time period amendments in 2013. As such, these amendments will not result in any unexpected or unforeseen outcomes for families, as they have been familiar with the rules for some time. However, the amendments will make it clear that all FTB recipients have the same time period in which to meet the reconciliation conditions for receiving supplements and top up payments.

This bill will also make several amendments to the administration of certain student payments. One of these amendments is to clarify that only one course of education is taken into account in assessing the definition of 'undertaking full-time study' or the definition of 'undertaking qualifying study' for student payments at the same institution or across multiple institutions. This amendment aims to prevent students from being supported financially to undertake multiple unrelated courses of education that do not contribute to their employment or career prospects. It is estimated that this will affect only a small number of individuals. It has always been the intention that students are only assessed against one course of education under the full-time study requirements of youth allowance student and the qualifying study requirements of Austudy. The amendment will make the law clearer in this area so that students are not assessed as undertaking full-time study on the basis of more than one course of education during a single study period.

Secondly, the student payment eligibility criteria will be changed to remove the current requirement for new apprentices to have a Commonwealth registration number. This present administrative detail has proved to cause delays in accessing and cancelling payments for apprentices. For example, when an apprentice who is receiving Austudy payments ceases his apprenticeship and leaves his employer the delay in cancelling the Commonwealth registration number means the apprentice continues to be paid Austudy payments. There can be delays of weeks or even months before a Commonwealth registration number is cancelled which can mean that when the Austudy payment is cancelled the apprentice has been overpaid and has incurred a debt.

The amendment alters payment eligibility criteria so that the requirements for the concept of new apprentice can be determined by the minister in a legislative instrument. The amended definition of 'new apprentice' removes any link to the person having a Commonwealth registration number and removes the delay in cancelling payment and avoids social security debts. Removing the requirement is a sensible improvement. The change ensures that payments are not unduly delayed to new apprentices needing financial support and that payments cease promptly when people cease to be apprentices so debts do not occur. This is expected to benefit all new apprentices seeking financial support through youth allowance or Austudy payment. The change is also needed in light of Commonwealth registration numbers being replaced from 1 July 2016 as part of the Department of Education and Training's apprenticeship reforms.

The third amendment relating to student payments is to clarify exemptions from the Austudy assets test for people with a partner receiving a relevant payment. A person is intended to be exempt from the Austudy assets test if their partner is receiving a relevant pension, benefit, allowance or compensation payment. The exemption is not intended to apply if the partner has received the relevant payment at any time in the past unless the payment relates to lump sum compensation received in the past as an armed services widow or widower under the Military Rehabilitation and Compensation Act 2004. This amendment will ensure the appropriate application of the assets test to the partners of individuals receiving financial support through Austudy payment.

The bill will also make a series of other minor amendments clarifying and simplifying matters such as the allowable income limits for the healthcare card, indexation of pharmaceutical allowance and certain delegation provisions. In relation to the healthcare card, the Social Security Act 1991 does not presently specify exactly what components of Newstart allowance are to be included in the calculation of allowable income limits for the healthcare card. The amendment in this bill, therefore, clarifies that the maximum basic rate and energy supplement are included in this calculation but that pension supplement, pharmaceutical allowance and rent assistance are all to be excluded.

In the case of the pharmaceutical allowance, the bill makes some small corrections and additions to cross-referencing in the indexation tables. Pharmaceutical allowance, which is added to the rate of social security payments or may in some circumstances be paid as a separate payment, is indexed or adjusted each year. These amendments are effectively a minor consolidation of those indexation provisions.

The amendment regarding the delegation framework will remove the current requirement in the family assistance law for the Secretary of the Department of Human Services to agree formally before the secretary of the department administering the family assistance law—currently the Department of Social Services and the Department of Education and Training—can delegate powers to an officer of the Department of Human Services. This amendment will reduce the administrative burden and the time taken in the making of instruments of delegation under the family assistance law. It will also bring the relevant delegation provisions in the family assistance law into line with those in the social security law. Officers of the relevant departments will continue to consult closely to ensure delegation instruments meet appropriate requirements.

Finally, there are a small number of technical amendments. These technical amendments to the social security law include correcting cross-referencing, which will make the law easier to understand, and repealing a spent clause that no longer has any application. These measures in this bill are technical in nature. The amendments are an important part of the ongoing management of these relevant legislative frameworks. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Craig Kelly): The question is that this bill be now read a second time.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER: As there are fewer than five members on the side for the noes, I declare the question resolved in the affirmative in accordance with standing order 127. The names of those members who are in the minority will be recorded in the *Votes and Proceedings*.

Question agreed to, Mr Bandt and Mr Wilkie voting no.

Bill read a second time.

Third Reading

Mr PORTER (Pearce—Minister for Social Services) (18:33): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Criminal Code Amendment (Firearms Trafficking) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr FEENEY (Batman) (18:34): I rise to speak on the Criminal Code Amendment (Firearms Trafficking) Bill 2015. The purpose of the bill is to amend the Criminal Code Act 1995—the Criminal Code—to set new mandatory minimum penalties and maximum penalties for the offences of, firstly, trafficking firearms and firearms parts within Australia—in division 360 of the Criminal Code; and, secondly, trafficking firearms and firearms parts into and out of Australia—in division 361 of the Criminal Code. For each of the offences in these divisions the following penalties are proposed: a mandatory minimum sentence of imprisonment for five years, and maximum penalties of imprisonment for 20 years or a fine of 5,000 penalty units, or both.

The coalition government has introduced this bill, which would see the introduction of mandatory minimum sentencing for those found guilty of trafficking illegal firearms, despite the parliament rejecting these measures not once but twice already in 2015. Labor has previously successfully opposed the introduction of mandatory minimum sentencing with the support of the Greens party and crossbench support in the Senate in both February 2015 and August 2015. The Australian Labor Party maintains its position that the introduction of mandatory minimum sentences for those convicted of firearms trafficking offences should be avoided. That is on the basis that the Australian Labor Party is opposed in principle and in all circumstances to the imposition of mandatory minimum sentences. And I will speak more to that in a moment.

We note that these provisions have already been considered and rejected by parliament twice. The government has failed on two occasions to justify the need for these provisions, and I foreshadow that they will fail for a third time. While Labor supports the government's intentions to protect the community from gun related violence—of course we do—we urge this government to adopt a similar sentencing regime in relation to the proposed firearms trafficking offences as prevails in other areas and in other jurisdictions of law. We believe in sending a strong message to serious criminals, but we seek to avoid the issues associated with mandatory minimum sentences.

As I said earlier, in February 2015 Labor successfully moved amendments in the Senate to remove the introduction of mandatory minimum sentencing which was then contained in the government's Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Bill 2014. In August 2015 Labor was again successful in moving amendments in the Senate to remove the introduction of mandatory minimum sentencing, on that occasion, in the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015.

There is no convincing evidence to prove mandatory minimum sentencing acts as a deterrent. In fact, the government's own department says mandatory minimum sentences may create an incentive for a defendant to fight charges, even in hopeless cases. The Attorney-General's Department's own document, *A Guide to Framing Commonwealth Offences, Infringement Notices and Enforcement Powers*, states at 3.1 that minimum penalties should be avoided. That is in the Attorney-General's Department's own guidelines. It goes on to say that this is because, inter alia, they interfere with the judicial discretion to impose a penalty appropriate in the circumstances

of a particular case; they may create an incentive for a defendant to fight charges, even where there is little merit in doing so; they may preclude the use of alternative sanctions, such as community service orders, that would otherwise be available in Part IB of the Crimes Act 1914; and they may encourage the judiciary to look for technical grounds to avoid a restriction on sentencing discretion, which then leads to anomalous decisions.

In inquiries for the two previous bills over the course of 2015, the Senate Committee on Legal and Constitutional Affairs received evidence from a number of submitters who strongly opposed the introduction of this amending legislation. The Law Council of Australia referred to a number of unintended consequences of mandatory sentencing, which include:

- undermining the community's confidence in the judiciary and the criminal justice system as a whole.

The Australian Human Rights Commission noted that these amendments give rise to the potential for injustices to occur and:

... run counter to the fundamental principle that punishment ... should fit the crime.

We also note the concerns previously raised by state prosecutors, who believe that these provisions can lead to unjust results and impose a significant burden on the justice system. On this third occasion, the committee received a majority of submissions that raised significant concerns about mandatory minimum sentences. The Law Council of Australia submitted that:

Increasing the maximum penalty to 20 years imprisonment or a fine of 5,000 penalty units, or both, reflects community concern regarding the potential seriousness of the offence.

We, of course, support a harshening of the sentences. But we remain absolutely resolved to the principle that mandatory minimum sentences are an inappropriate mechanism. Many submissions acknowledged that it was appropriate to increase the maximum penalties and that an increase in penalties acknowledges the gravity of firearms-trafficking offences. On this question we do not have a debate. The Australian Human Rights Commission submitted that:

... the imposition of mandatory minimum sentences raises the real prospect that the sentence imposed will be disproportionate to the culpability of the offender or the gravity of the particular offence because it is set without regard to the individual circumstances of the offender and context of the particular offence.

While there is no evidence that mandatory sentencing laws have a deterrent effect, there is clear evidence that they can result in injustice, because they remove the discretion of a judge to take into account particular circumstances that may result in unintended consequences. In addition, mandatory sentencing removes any incentive for the defendants to plead guilty, leading to longer, more contested and more costly trials. Time and time again I have heard law enforcement officers complain that mandatory minimum sentencing actually operates as a barrier to good investigations because it removes the capacity for a miscreant to cooperate with police or other authorities on the basis that they might receive a reduced sentence. In that sense, it can impede investigations.

Twice already the parliament has debated this proposal, rejecting it. The introduction of the Criminal Code Amendment (Firearms Trafficking) Bill 2015 shows that the minister has failed to comprehend the arguments posed by the experts, by the stakeholders and even by the Attorney-General's Department with regard to mandatory sentencing. There are currently no mandatory minimum penalties found in the Criminal Code Act 1995. I again draw attention to the Attorney-General's document, *A Guide to Framing Commonwealth Offences, Infringement Notices and Enforcement Powers*, which specifically stipulates that minimum penalties should be avoided. I also refer to evidence previously given by the Attorney-General's Department, where it stated that it was:

... not aware of specific instances where sentences for the trafficking of firearms or firearm parts have been insufficient.

What an inadequate basis upon which to build this case by the government. While we note that the Attorney-General has the power to direct the CDPP to not prosecute an offender in certain circumstances, the government has given no indication that it would consider using this power when cases of injustice occur. Furthermore, the Attorney-General also can revoke an order at any point. We note that the current Attorney-General has already revoked an order introduced by the previous Attorney-General in relation to people-smuggling offences.

While the minister accuses Labor of being soft on crime and enjoying the pure politics of that banal statement, he has continued to prove his ignorance by not listening to the experts and the advice of those who understand the complexities and sensitivities of such cases. In 2012 Labor introduced legislation that would have increased the maximum penalty for firearms trafficking to life imprisonment. That would have made it the same as the maximum penalty for drug trafficking. The proposals put forward by the Abbott and Turnbull governments actually contain watered down penalties—most recently of 20 years—and the government has yet to explain why it is doing this. The measures introduced today are also mostly symbolic and they do not include specified non-parole periods. This proves again that you can change the salesman but you have not changed the product. This is

a government that is very keen to parade its law and order credentials on the back of the primitive artifice of mandatory minimum sentences but has rejected Labor's proposed legislation that would have increased the maximum penalty. Labor believes that this government has failed to explain the need for mandatory minimum sentences. That has now been proven time and time again in Senate inquiries. We cannot support this bill in its present form.

Let me conclude my remarks by saying that this is, sadly, an instance of pure politics. This is not an instance of good public policy. The reason the government has served this issue up for a third time to the parliament, knowing full well what the mood of this parliament is, is that it seeks to win a primitive tabloid conversation about the virtues of mandatory minimum sentences. How ironic, perhaps, that that debate arrives on a day when we are talking about closing the gap, because time and time again we have seen mandatory minimum sentences have perverse and distorting results. We have seen the discretion of judges restricted and, as a consequence, we have seen poor law and order justice outcomes. We have seen incarceration where it is unnecessary for minor crimes. We have seen time and time again our incarceration rates going up and, as we know, it is cheaper to send someone to Harvard for a year than to imprison them for a year.

So maximum penalties, harsher penalties where appropriate, and a stronger and better resourced police force—all of this Labor is up for, but a primitive conversation aimed at nothing more than winning a few hearts and minds in a tabloid-standard conversation is not good public policy and it is not good justice. It is petty politics in an election year and the government should be ashamed of itself.

Mr JOHN COBB (Calare) (18:45): I rise today to speak in support of the Criminal Code Amendment (Firearms Trafficking) Bill 2015. This bill amends the Criminal Code Act 1995 to provide for a mandatory minimum sentence and increased maximum penalties for the offence of trafficking firearms or firearm parts within Australia and into and out of Australia. As a legal firearm user myself, I am very supportive of cracking down on those illegal firearm users. This bill will implement the coalition's election commitment to tackle crime and introduce a mandatory minimum sentence of five years imprisonment for firearms trafficking offences. It will also double the maximum penalty for these offences from 10 years imprisonment or a fine of 2½ thousand penalty units or both to 20 years imprisonment or a fine of 5,000 penalty units or both.

The importation of illegal firearms must be dealt with in order to crack down on gun related crime. The criminal use and trafficking of guns is a deadly crime and will not be tolerated in our country. The federal government are committed to ensuring Australian communities feel safe and secure, and to do this we must take a strong approach to those involved in the illegal dealing of weapons. The coalition has already taken action on illegal firearms since coming into government. Eighty eight million dollars has been invested to introduce increased screening and examination of international mail and air and sea cargo, giving our agencies more power and better tools to ensure they pick up illicit firearms and firearm parts at the border, before they enter Australia. We introduced the National Anti-Gangs Squad to target the activities of outlaw motorcycle gangs within Australia, focusing on their role in firearms trafficking. This has been a great success as, since 2013, 535 illegal firearms have been taken off our streets. Last year, the government further diminished the ability for those trafficking firearm parts into Australia to evade prosecution. No longer can criminals break down firearms and traffic the parts separately. CrimTrac is developing a National Firearms Interface to allow better sharing of information between jurisdictions. Police and firearm registration authorities will be better able to track the movement of firearms in and out of Australia.

As I stated earlier, I am a firearm user and owner, and I am one of the multitudes of people, men and women, who are some of the most law-abiding people I know. I am well acquainted with the major firearm importers and dealers, and they, firearms users, industry and we totally support every measure to crack down on those involved in illegal activity. In recent talk about these changes, not one of the people I know involved in legal firearm trade and activities spoke against the increases to the penalties—not one of them. Our aim also must be not to pass laws that make legal firearm owners illegal but to ensure that those acting illegally are dealt with, and that is what we are doing here. It is important that the interests of the legal and responsible gun community are protected. It must be recognised that the legal gun community are using firearms not only in recreational shooting but as practical tools on farms to deal with feral animals and pests. Once again, I reiterate that the laws must respect the rights of legal firearm users, who are doing the right thing. I am proud that the industry has got behind the government and will totally support what we are doing to make it much tougher and harder for people involved in illegal trafficking of firearms, both domestically and internationally.

In finishing on that, may I say that the firearm industry also are very involved in training people to deal with these issues. For all those keen people who want to be involved, including at a young age, the industry is making sure that users have an ability to recognise their responsibilities. One of the advantages that country people on farms et cetera have with firearms is that they grow up with them and they are very aware of the practical issues

surrounding firearms. All my children know exactly what a rifle is. They have all used one and they are all good shots. Even a sheepdog does not get in front of you when you are carrying a rifle. They know what it does. Those of us in the country have that advantage, and that is why the industry is putting such a big effort into teaching those who are involved and want to be involved in the responsibility of being a firearms owner.

Mr HAYES (Fowler—Chief Opposition Whip) (18:51): Thank you, Cobby, for continuing on there. I was very interested to hear about you and your use of firearms.

Having worked and advocated for police for many years, I know about the issue of firearm trafficking in this country. In fact, 15 years ago in my electorate of Fowler, Cabramatta—which is at the centre—was not only the heroin capital of the country but also the firearms exchange of our nation. For law enforcement agencies, firearms trafficking is very, very significant. I cannot remember the number of firearms in use in this country, but the last time I saw indications from the Institute of Criminology, I think there were one-point-something million firearms supposedly in the hands of about 300,000 registered firearm users. The truth is that the number of firearms in our community varies greatly because of illegal trafficking of firearms. It is a pretty well-known fact that many of the firearms that come from outside the country originate through the Chinese market, but the vast majority of trafficking of firearms in this country occurs by theft. Theft on police officers is certainly one but security guards and others are main targets for people trying to access illegal firearms.

There are many other variants of trafficking firearms—for instance, people manufacturing firearms. I recall when I was a young fellow that it was common to see if you could make a firearm using crackers. I am sure that does not happen these days, but making a 'bunger gun', as I think they used to be called, and giving it to somebody would actually be caught by this legislation. You might say that if you were a minor it would not have any great impact. Maybe the police would not act on it; maybe they would exercise their discretion. But under the provisions that are being put forward tonight, there would be no discretion other than the police deciding not to act. Certainly if the matter were to be prosecuted it would be an issue of mandatory sentencing. That is where I would like to start.

There are a whole lot of variations, and any of those opposite who have had the opportunity to appear in court will know that every case is different. Cases might fall into similar categories but they are individually different. The very purpose of this bill is to amend the Criminal Code to set mandatory sentence penalties as well as penalties for offences in trafficking firearms parts under division 360 of the Criminal Code—that is for trafficking within Australia—and trafficking firearms within and without Australia under division 361 of the Criminal Code. Under the provisions of this bill, the following penalties would apply for each of those offences: a mandatory minimum sentence of imprisonment for five years and a maximum penalty of imprisonment for 20 years or a fine of 5,000 penalty points, or both.

The basis for the government bringing this legislation here tonight is that they are, in my opinion, labouring under the belief that mandatory sentencing serves as a deterrent and that it would cause individuals to rethink their actions before entering into the illegal conduct. As I said, I had the opportunity to represent police officers in this country for many years, and I know that most of the people I would represent would ordinarily say that mandatory sentencing is a good thing. I think the police are from time to time amazed about how tough we can be on crime. I think one of the things that underpins this is that there is no evidence that mandatory sentencing has acted to deter any category of crime in this country. Mandatory sentencing is not a new thing; it seems to occur when politicians want to act tough and do something when they are not really doing anything, so we impose mandatory sentencing and therefore our courts will apply it and it looks like we are tough on crime. I do not think that is the way we should be looking at this.

There are a couple of things that, for me, sets a lot of our criminal justice system apart from what applies in many parts of the world. Firstly, we do have a system that operates without fear or favour, and that is something to be very proud of. We have a jury system that, in the main, works very effectively. But there is plenty of anecdotal evidence that, in a jury system, when mandatory sentencing is applied it is very easy for a juror to take the view that 'If I do this, this is the absolute consequence. I know that in finding someone guilty I, not the judge, am going to impose the mandatory sentence.' That probably gives the opportunity for a jury to opt to find person guilty on a lesser charge and not the one that requires mandatory sentencing. I put that forward as an issue that could have the impact of undermining the application of criminal justice through our system and one which relies on the orderly function of a jury.

It is simply a matter of record that we on this side of the House have opposed mandatory sentencing on a number of occasions. In February last year we successfully moved amendments in the Senate to remove the introduction of mandatory sentencing from the government's Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Bill 2014. In August last year we again successfully moved amendments to remove the introduction of mandatory sentencing from the Crimes Legislation Amendment (Powers, Offences and

Other Measures) Bill 2015. It was not simply an issue of politics and having a position opposite to that of the government that drove that. But it is an underpinning view if not a very clear philosophical position of Labor that we believe in the proper functioning of our criminal justice system.

Unlike other state players, we do not have a system where we hand-pick judges from some predetermined list. As I said earlier, we can pride ourselves in a judicial system which works without fear or favour. Yet what we are trying to do is to hamstring the application of justice in those criminal proceedings—in this case, in respect of the traffic of firearms—and to hamstring judges. And judges apply sentencing after someone is found guilty.

I just want to make the connection from a jury feeling that they are not only finding a person guilty but also, in fact, by that, imposing a mandatory minimum sentence themselves, to a judge who can weigh the circumstances upon which a person has been found guilty. As I said at the outset, those of us who have appeared in courts know that there will be individual case matters that need to be considered on each and every occasion.

So we disagree with the government that this will add to, in this case, the reduction of firearms trafficking. I do not think it will add to the abilities of our police, who do a sterling job out there at the moment; they need every assistance they can get, but I do not think this will do anything to assist them in chasing down those who want to become involved in firearms trafficking for various reasons.

The mere notion that there is a mandatory minimum sentence is hardly likely to dissuade a criminal enterprise or criminal entities from getting involved. And, where people are apprehended, it also may affect whether they enter into a plea of guilty. It has been a long while since I looked at the criminal justice system but, as I recall it, in somewhere around 75 per cent or possibly 80 per cent of cases—brought by either the police directly or the departments of public prosecution operating in each of the state and territory jurisdictions—people handed in pleas of guilty. People will plead that way and then eventually seek to mitigate their involvement, with a view to sentence provisions. If the only prospect is of a mandatory sentence applying, there is no great utility in the accused pleading guilty; they may as well let the prosecution and the police run their case.

So I just think that this is not good policy. I do not think it has been good policy in previous attempts by the government to bring this into other pieces of legislation. I do not think it adds to the protection of our community, and I do not think it adds to our criminal justice system. For those reasons, I oppose what the government intends to do here. I am happy to support any measures the government brings forward that will impact on the criminal justice system in a positive way, and more than happy to be working in partnership with the government and the minister at the table if they want to bring forward legislation to enhance our crime-fighting ability throughout the country.

Mrs GRIGGS (Solomon) (19:03): The legislation that we are debating today, the Criminal Code Amendment (Firearms Trafficking) Bill 2015, is of national significance, but in the Northern Territory issues of firearms have been causing police and the broader community headaches for many years. In the last few days reports have emerged of a firearms incident in an industrial neighbourhood only minutes from my home in Palmerston. The ABC reported the incident under the header 'Darwin Rebels motorcycle gang clubhouse targeted in drive-by shooting'. The report continued:

A drive-by shooting at the Darwin clubhouse of an outlaw motorcycle gang has led to police seizing two guns and methamphetamines but the shooter remains at large.

The NT Gangs Task Force is investigating the shooting which happened early on Saturday morning while members of the Rebels gang were inside the Yarrawonga building.

After a search of a premises in the Palmerston suburb of Bakewell, police seized two firearms and the methamphetamines. Investigating officer Detective Senior Sergeant Mark Stringer—a very, very good police officer—said the Rebels arrived in Darwin five years ago and since then have been 'making a name for themselves'. That includes their involvement in the theft of weapons from a Navy patrol boat back in 2012.

In that incident, Northern Territory Supreme Court records show that Seaman Matthew Evans stole guns from a Royal Australian Navy patrol boat at Darwin's Larrakeyah naval base because he felt pressured by the outlaw motorcycle gang. The event made national headlines in November 2012 and was a significant and disturbing breach of security at a very important Australian naval establishment. Seaman Evans gained access to the Larrakeyah base using his security pass, and then, once inside the base, covered his face with a beanie and boarded a patrol boat he had once worked on. He briefly struggled with a watchman and restrained the watchman with cable ties before stealing 14 guns. I say again: before stealing 14 guns. The guns were, thankfully, later recovered from a Darwin unit. Evans pleaded guilty to several charges and, for his trouble, was seriously bashed in prison and spent a considerable period of his prison sentence in protective custody.

It is disturbing enough that the Rebels gang is in Darwin at all, but the fact that they are accessing firearms is absolutely horrifying. The weekend incident in which shots were fired at their premises is not the only firearms-

related incident investigated by the Northern Territory police this year. We are only five weeks into 2016, and police have already issued a media statement urging firearm owners to take all necessary measures to ensure the safety of their weapons. The 12 January statement said:

Northern Territory Police are asking gun owners to rethink their security and double check their gun safe keys are kept in a secure location ... following the theft of firearms from homes during recent break-ins.

Sergeant Ameer Meredith from the Firearms Policy Section said Police ... are concerned at the ease with which ... offenders are finding and using gun safe keys.

She said:

... firearm owners have a responsibility to ensure the safekeeping of ... firearms.

She pointed out:

Under NT legislation gun owners must take all reasonable precautions to ensure that the firearms are kept safely, that they are not lost or stolen and that they do not come into the possession of persons not authorised to possess them.

The media release did not go into detail on how many firearms had actually been stolen or the exact type of weapon, but, in my old home town of Alice Springs, 2016 has seen at least three firearms related incidents. One of those related to the theft of a rifle, a shot-gun and ammunition from a home in Braitling, and just last week police appealed for public assistance following the overnight theft of a firearm from a vehicle in Caterpillar Court. The report said:

Between 7.30pm 3 February and 6.15am 4 February, an unsecure Ruger Imperial bolt action .308 calibre rifle, which was inside a canvas cover, as well as a quantity of ammunition, was removed from a vehicle by an unknown offender/s.

Superintendent Peter Gordon went on to say:

Firearms that get into the wrong hands can have fatal consequences ...

And he is so right.

On Thursday, 21 January the home of a 34-year-old Alice Springs man was searched and, as well as drugs, two .22 calibre rifles were seized, one of which was sawn-off, and a 12-gauge rifle was also seized. The two rifles had apparently been stolen during a break-in in October 2015. These disturbing accounts only re-enforce the need for strong measures to prevent firearms from getting into the wrong hands. By that, I mean the Rebels bikie gang members or methamphetamine addicts. I am not saying that the bikies are methamphetamine addicts. There are two different kinds of groups there.

The Criminal Code Amendment (Firearms Trafficking) Bill 2015 will amend the act to implement the coalition government's election commitment contained within the government's policy to tackle crime which we released in August 2013 to introduce a mandatory minimum sentence of five years imprisonment for firearm trafficking offences. It will see the maximum penalties of those offences doubled from 10 years imprisonment and a fine of 2,500 penalty units, or both, to 20 years imprisonment or a fine of 5,000 penalty units, or both. The introduction of increased maximum penalties and mandatory minimum sentences of five years imprisonment for firearms trafficking offences is consistent with the government's commitment to pursue a strong and nationally consistent approach to gun crime.

Members opposite, in their desire to be difficult and to foster the ambitions of hard-core criminals to get away with light sentencing, have expressed issues around mandatory minimum sentencing. The coalition government believes that mandatory minimum sentences are necessary and will act as a strong deterrent for those who would otherwise engage in illicit firearms trafficking. As the provisions do not impose a mandatory non-parole period, the actual time a person will be incarcerated will remain at the discretion of the sentencing judge. The level of judicial discretion provides protection against arbitrary detention and demonstrates the government's commitment to limiting any infringement against this right. These measures also do not apply to children, which in legal terms means anybody under the age of 18.

For the Australian Labor Party to have taken this position is difficult to understand. On two prior attempts by the coalition government to crackdown on illegal firearms trafficking by introducing mandatory minimum sentences, our amendments have been blocked by Labor's hypocrisy. This is all a bit hypocritical if you ask me, because they claim that their opposition to mandatory minimum sentencing is laid out in the Australian Labor Party's national platform, although in 2010 Labor legislated mandatory minimum sentencing for people smuggling. So, while Labor goes soft on crime, the coalition government is getting on with delivering what we promised to the Australian people: a safer and more secure nation.

The criminal use of firearms is a matter of considerable concern to the community. The introduction of even a small number of illegal firearms or firearms parts into Australia can have a significant impact on the threat posed by the illicit market. The amended penalties aim to more adequately reflect the serious nature and potential

consequences of supplying firearms and firearm parts to the illicit market. Tough sentences for illegal firearms trafficking send a strong message that gun related crime and violence is a serious threat to the safety of all Australians.

These amendments are in addition to the work the coalition government has done since coming to government to create a safer and more secure nation. After savage cuts by Labor, one of the first things we did when we came to government was invest \$88 million to increase screening and examination of international mail, air and sea cargo. That is right: \$88 million. This funding boost gives our agencies greater tools to detect illicit firearms and firearm parts at our borders.

Shortly after coming to government we introduced the National Anti-Gangs Squad, with strike teams now in Victoria, New South Wales, Queensland and Western Australia, and liaison officers in the Territory and all other jurisdictions. Their role is to target outlaw motorcycle gangs within Australia, particularly their role in firearms trafficking. Since the introduction of the anti-gang squad in 2013, 535 illegal firearms have been taken off the streets around the country. In February 2015 the coalition government closed a loophole that allowed criminals to avoid prosecution for trafficking firearm parts into Australia. Without these amendments, criminals could evade trafficking offences and penalties simply by breaking down the firearms and then trafficking the parts separately.

In response to the joint Commonwealth-New South Wales Martin Place siege review, which identified weaknesses in Australia's ability to maintain and share firearm information between jurisdictions, CrimTrac is developing the National Firearms Interface to assist police and firearms registration authorities register firearms, license firearms owners and track the movement of firearms in and out of Australia. This interface will provide a single record of each firearm in Australia, detailing every event in its history—from importation or manufacture for sale in Australia through to its exportation or destruction. It will create a national picture of firearm data by linking with existing state and territory firearm registration systems, which will continue to be used. This will improve information and intelligence sharing on firearms, providing essential support for law enforcement agencies.

Mr Deputy Speaker Kelly, as you know, I am the wife of a police officer, so I think it is really important that we on this side of the House do everything we can to make sure that we provide legislative support for our men and women in blue. Their job is to keep us safe, and I think that they do a fantastic job. I commend the minister for putting this legislation before us, and I call on those opposite to support our men and women in blue, to stop this hypocritical behaviour and to get on board and sign up. Let's provide this support to our men and women in blue. With that, I commend the bill to the House.

Mr GOODENOUGH (Moore) (19:17): I support the Criminal Code Amendment (Firearms Trafficking) Bill 2015. This bill effectively seeks to amend the Criminal Code Act 1995 by introducing a mandatory minimum sentence of five years imprisonment for offenders convicted of trafficking firearms and firearm parts. It also doubles the maximum penalties for firearms trafficking from the existing 10 years imprisonment or a fine of 2,500 penalty units, or both, to 20 years imprisonment or a fine of 5,000 penalty units, or both.

I strongly support this legislation which effectively limits access to firearms by criminals yet does not impinge upon access to firearms by legitimate persons for lawful purposes. Firearms have the potential to be used for good and bad purposes. I am strongly in support of legislation that will be effective in combating the illegitimate use of firearms whilst promoting and protecting the rights and liberties of thoughtful, legitimate users of firearms.

There are currently more than 2.7 million legally registered firearms in Australia. Firearms most certainly have a legitimate place in our society. They are used at clubs and in Olympic and Commonwealth Games sports and are an essential part of agriculture for controlling feral pests. Firearms are used to provide food through hunting and for recreational shooting. They are essential to our law enforcement defence and security. Historic firearms collections form part of our cultural and military heritage.

It is the misuse of firearms for criminal purposes which this legislation seeks to curtail. There is no good reason for illegal firearms to enter Australia's borders as their misuse will impact adversely on legitimate use of firearms through negative public perception. Unfortunately, high-profile firearm incidents will continue to elevate firearm related crime to the forefront of public awareness, media headlines and political agendas.

Firearms trafficking is generally defined in the 2001 United Nations Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition as the unauthorised import, export, acquisition, sale, delivery, movement or transfer of firearms, their parts and components and ammunition across internal or state borders.

According to a recent report from the Australian Crime Commission, it is estimated that there are more than 250,000 unlicensed long arms and 10,000 unlicensed handguns in Australia. The ACC defines the criminal trafficking of firearms as the movement of illegally owned, modified or manufactured firearms between market

suppliers and organised crime. Criminals regularly use illicit firearms to protect their area of criminal operation and in other criminal activities, such as extortion, to settle inter-gang disputes and in the collection of outstanding debts and drug payments. The ACC conservatively estimates that serious and organised crime costs Australia at least \$15 billion each year.

From the outset, I should declare that I am a lifelong shooting enthusiast who has participated in a range of competitive shooting sports—pistol, rifle and shotgun—and hunting for more than 30 years. I am a member of both the National Rifle Association and the Sporting Shooters' Association of Australia. The Sporting Shooters' Association of Australia was established in 1948 in order to promote the shooting sports and protect firearm owners' interests. Those roles remain the same today. With more than 175,000 members and 400 clubs, the SSAA is the premier sport shooting body representing licensed owners in Australia. The SSAA manages more than 18 shooting competitions at local, state, national and international levels.

In addition, I am one of the founding members of the Parliamentary Friends of Shooting group, along with Senator Bridget McKenzie. Over the years I have represented Western Australia and Australia in clay target shooting and competed amongst Olympians, Commonwealth Games medallists and even visiting royalty. My hunting expeditions have taken me to remote parts of outback Australia, where I have met and stayed with some very interesting people.

I will now focus on the key aspects of the bill, which provide a strong, nationally consistent approach against firearms trafficking. The amended penalties aim to more adequately reflect the serious nature and consequences of supplying firearms and firearm parts to the illicit market. The penalties will act as a strong deterrent and disincentive for people seeking to illegally import firearms and their parts into Australia. Increasing the maximum penalty for these Commonwealth firearms offences will put the Commonwealth in step with other jurisdictions on their maximum penalties for firearms trafficking offences. These measures have been proposed after consultation with the Australian Federal Police and the Commonwealth Director of Public Prosecutions.

The Australian Institute of Criminology released a report in 2012 titled *Firearm trafficking and serious and organised crime gangs*, which indicated that the main entry points for firearms entering Australia are via parcel post, contained in passenger luggage, and through ports and airports through sea cargo and air cargo. Under the previous Labor government, less than 10 per cent of air cargo and less than five per cent of sea cargo were inspected upon entry into Australia's borders. Since being elected, the coalition government has invested \$88 million to increase the screening and examination of international mail and air and sea cargo. The funding boost provides our agencies with more resources to detect and intercept illicit firearms and parts.

The magnitude of the task of monitoring our borders is on a vast geographical scale that defies comprehension. We have a sparsely populated continent with a significant number of remote towns where only basic port and airport facilities exist, without the advanced security found in capital cities. The vast Australian continent covers an area of more than 7.6 million square kilometres. To provide some context to the scale of operations, in the seven-month period to 31 January 2015, Australian Customs: processed around 23.1 million passengers through Australian airports; processed over 837,000 passengers through Australian seaports; inspected over 1.3 million air cargo consignments; inspected over 69,000 sea containers of twenty-foot equivalent units; and inspected more than 38 international mail items. Detecting illegal weapons can be described as being like finding a needle in a haystack. In February 2015, the government closed a loophole which allowed criminals to avoid prosecution for trafficking firearm parts into Australia. Without these amendments, criminals could evade trafficking offences and penalties by simply dismantling the firearms and trafficking the parts separately.

According to the Australian Crime Commission report titled *Organised crime in Australia 2015* the online purchasing of illicit firearms is an emerging threat. Increased use of the internet and dark net websites is likely to drive an increase in firearms importation and pose a threat to border security. Websites such as Black Market Reloaded and Agora have enabled the trade in illicit firearms to operate freely, affording anonymity and offering secure online payment systems. The Armoury is an example of a website specifically designed to facilitate the trading of firearms, components and ammunition. In December 2013, a Victorian man was convicted of importing a semiautomatic handgun and possessing ammunition, after the prohibited items were purchased from the website Black Market Reloaded and imported to Australia from the United States concealed in a karaoke machine.

In Australia, the sale and supply of firearms to the illicit market is typically carried out by organised crime gangs and also individual lower level criminals driving the demand for illicit firearms. There are direct links between firearm trafficking and other serious crimes, such as drive-by shootings. Criminal use of firearms includes the distribution and supply of drugs, armed robbery, acts of violence, impeding law enforcement, and in standover tactics, intimidation and threats against rival groups. The National Anti-Gangs Squad was established to target outlaw motorcycle gangs, particularly their role in trafficking firearms. Since the introduction of the National Anti-Gangs Squad in 2013, more than 480 illegal firearms have been seized.

It is true to say that licensed firearm owners in the Australian shooting community overwhelmingly support this legislation. There is no place in the community for illegally imported firearms to be in the possession of criminal elements likely to misuse the firearms to commit crimes. Such adverse publicity affects the public perception of lawful firearms owners and impinges upon their freedoms. Certain aspects of recently introduced firearms legislation and regulation are fundamentally flawed in terms of effectiveness in preventing crime. There has been too much focus on the technical attributes of firearms themselves and insufficient focus on the suitability of the owner in the first instance. I advocate for reforms which place greater emphasis on licensing the firearms owner, with more stringent background checks, safety training and in-person interviews. This would be coupled with a comprehensive firearm registration system which registers individual firearms to suitably licensed owners, for accountability and traceability.

At present, too much emphasis is placed on the characteristics of the firearm itself and not on the suitability of the owner. Some ill-conceived arbitrary measures are in place, such as limiting the calibre of handguns to .38, specifying the minimal barrel lengths and limiting magazine capacities. These measures have practically no effect in improving public safety. For instance, a .38 Super is ballistically superior to a .45 ACP, yet the .38 is permitted and the .45 is restricted. This is akin to an attempt to improve road safety by banning all vehicles capable of exceeding 200 kilometres per hour and limiting the capacity of vehicle's fuel tanks when it is obvious that it is the competence of the driver, and not the characteristics of the car, that affects road safety.

In addition, the current practice of online applications for firearm licences through Australia Post with no face-to-face contact also presents the risk of identify fraud. In the past, applicants were required to attend in person at the police station closest to their residence, and they were interviewed face to face by a police officer, who had the opportunity to assess, to a large extent, if an applicant was bona fide and competent. I support measures to make the licensing of firearm owners more robust and thorough.

Debate interrupted.

ADJOURNMENT

The SPEAKER (19:29): It being 7.30 pm, I propose the question:

That the House do now adjourn.

Goods and Services Tax

Ms RISHWORTH (Kingston) (19:30): Today I rise to call on the Prime Minister to rule out once and for all increasing the GST to 15 per cent. A fair tax system is what matters to the people of Australia. This is why Labor will never, ever support an increase in the GST to 15 per cent. We have been very clear that we are not in the business of introducing a regressive tax that will hurt low- and middle-income earners the most. It would cost the average Australian family an extra \$5,000 a year. I want to make it really clear where I stand, even if the Prime Minister will not be clear about where he stands and even if the Treasurer will not be clear about where he stands. I want to make it very clear where I stand, because my electors have asked me to stand up for them in this place and say: 'No increase to the GST'.

There are many reasons why I oppose an increase to the GST. First of all, one of the myths going around this place about the GST is that people will be fully compensated. Of course, we know that any type of compensation is not complete and is always temporary. People will not be fully compensated. NATSEM modelling shows that it will be the low- and middle-income earners who will be hurt the most under an increase to the GST. NATSEM modelling has also shown that an increase in the rate of the GST to 15 per cent would require people in the lowest 20 per cent of income brackets to pay seven per cent more. This is not a progressive tax and it is not a fair tax. People in the highest 20 per cent income bracket would pay just three per cent more. So we can see that this is an unfair increase in the tax that will not lead to a fair outcome.

We also know that the Prime Minister has been alluding to the fact that there could be a variety of things paid for by an increase to the GST. Those things could be hospitals, schools, income tax cuts or company tax cuts. Quite frankly, an increase to the GST cannot pay for it all, as well as compensation. This is a myth that is being peddled around by many in our community who want to foist this unfair tax on people.

People in my electorate have said: 'No way'. I would like to quote some of my local constituents, because they are very, very concerned. Patricia from the southern suburb of Adelaide wrote to me and said:

Amanda: I think an increase to GST will severely hurt pensioners, low income earners ...

Roman says:

We the public are not a cash cow for the government.

Colin, a small business owner, has pointed out the high costs in relabelling the books in his second-hand book store. He says:

I'm a second-hand bookseller and stock about 35,000 books. Every one of these prices will need to be changed individually.

Those on the other side pretend that they are the party for small business. Small business does not want to see an increase to the GST. In fact, they find the GST cumbersome and that an increase would not only lead to them having to reprice all their items but dent consumer confidence and the consumption power of many who purchase their items. I forgot Caroline—and I don't want to forget Caroline. Caroline says:

I am opposed to the GST Increase. We are being told that we will be given a deduction on our income tax which will offset the GST. This will be short lived and anyone thinking the income tax cuts will be permanently misguided. It won't be long before the next treasurer looks at that low income tax threshold and decides to put it up again, whilst still maintaining the higher GST. This is not acceptable.

Caroline has the gist of it right. Originally, when the GST was first brought in, it was never going to increase, and now we see the Liberal Party advocating for a five per cent increase and a broadening of the base to include food, health and education. This is a poor policy and it is not supported by the Australian people. It is now time for the Prime Minister, the Treasurer and the government as a whole to rule out an increase to the GST and to stand up for ordinary Australians and actually do what is fair and right.

Deakin Electorate: Small Business

Mr SUKKAR (Deakin) (19:35): On a slightly more up-beat note, tonight I want to discuss a couple of wonderful local success stories from the electorate of Deakin, which are examples of how we can approach the economic challenges and the globally competitive forces that we will face as a country. As people in my home state of Victoria know all too well, the days of heavy industrial manufacturing that just caters to a very small, local market will not provide us with the opportunities or the jobs of the future. Industry policy in this country is no longer dictated by a small group of highly unionised industries, which just leverage taxpayers funds to prop up uncompetitive businesses and justify unsustainable wage increases. It is why this government is focussed on providing Australian businesses with all of the opportunities to grasp their own futures and to carve out markets for themselves.

We now have unimaginable access to the markets of Japan, Korea and China, not to mention all of the nations involved in the Trans-Pacific Partnership. This provides opportunities for our businesses to get access to these new markets with a range of products—95 per cent of our products. This presents enormous opportunities for businesses in the electorate of Deakin. I want to point out a couple of the businesses that have really grasped these opportunities to date, and I am confident that they will continue to do so into the future.

The first is Trajan Scientific and Medical, based in Ringwood. Led very capably by Stephen and Angela Tomisich, Trajan is a leading manufacturer of medical devices and advanced medical consumables. Established in 2011, Trajan has since acquired three established businesses in the field of scientific and medical research products and have gone on to employ more than 300 staff, with a large R&D capability. In addition to their impressive and profitable suite of existing products and, while many businesses might rest on their laurels for having made these, Trajan is also leading the way on commercialising valuable research into local manufacturing opportunities. For example, Trajan has recently entered into a strategic partnership with the University of Adelaide, where scientists from the Institute for Photonics and Advanced Sensing and the School of Physical Sciences will work with Trajan to commercialise their research into products that we hope will ultimately benefit human health and wellbeing. Trajan is leading the way in showing how research institutions and manufacturers can work together to power the National Innovation and Science Agenda.

They were also one of eleven Victorian manufactures that are now benefiting from \$27.4 million in grants announced late last year under the Next Generation Manufacturing Investment Programme, which forms a key component of the Commonwealth's \$155 million Growth Fund. In Victoria there was, as you would understand, an incredibly strong response to the program from a diverse range of businesses, but I am very pleased that Trajan was able to receive \$750-odd thousand as part of a \$1.8 million project they are undertaking to develop their high precision, advanced medical manufacturing. I want to congratulate Stephen and Angela Tomisich and all of the team at Trajan. I want to emphasise our commitment to supporting them and their employees.

In my remaining time, I also want to mention another great local success story, and that is Luna Nameplate Industries. Based in Bayswater North, LNI has historically been highly reliant on the automotive industry as a component manufacturer. In particular, they manufactured car badges and emblems, and, indeed, most of the cars that you see driving around would have an emblem or a badge from LNI. But LNI has for many years, long before the demise of the automotive industry, been seeking opportunities to diversify their business and inoculate their business from such an event. They have pursued other opportunities, including labels, decals, nameplates and a range of industrial and consumer products. They are now getting into licensed products—retail products that they will be exporting around the world, but particularly to South-East Asia.

To support these activities, LNI recently received a \$440,000 grant under the Automotive Diversification Programme. We are assisting them and their employees to grow their business and to diversify. These are two wonderful examples from the Deakin electorate, and I am sure there will be many more into the future.

Nick Xenophon Team

Mr CHAMPION (Wakefield) (19:40): There is always an element of theatre in politics, and it would be churlish and perhaps envious of me to question the media coverage that Senator Nick Xenophon gets. But no matter how good the performance at the theatre, it is always worth looking behind the curtain.

Firstly, we need to look at the question of leadership. On the Nick Xenophon Team website in the frequently asked questions section, it states that Nick Xenophon is both an independent senator and a party leader, but that is a contradiction in terms. The Nick Xenophon Team website frequently asked questions section also states:

His formal position in NXT is that of Convenor. He is a convenor of like-minded people who will take a common-sense approach to politics.

Which raises the question: is he independent? Is he leader of a party? Is he convenor? Is he all three? It sounds like a recipe for confusion and future division to me—confusion and division that a new political party cannot afford, and confusion and division that the nation cannot afford.

And looking at the NXT party's policy positions and whether they can be enacted, one frequently asked question on the website says:

Candidates and Nick will work as one team and their vote will be guided by the spelt out policy principles.

But if you click on the link for the Nick Xenophon Team Party rules—the 'Constitution of Nick Xenophon Team Incorporated', you will find in the objectives of the association under clause 3.8:

3.8 Conscientious Voting

To allow and encourage Parliamentary Members of the Association to vote according to their consciences.

This directly contradicts the information given on the Nick Xenophon Team website frequently asked questions and it raises real questions about whether Stirling Griff, the South Australian candidate for the Nick Xenophon Team in the Senate at the next election, will be bound on policies related to penalty rates and the car industry. The Nick Xenophon Team website on the assistance to the car industry states:

The automotive industry is such an industry, particularly for South Australia and Stirling Griff and Nick Xenophon are in furious agreement on this.

But in an *InDaily* article, titled 'Xenophon sidekick says he wouldn't support Holden handouts' on 20 October 2015, Mr Griff said:

"I would not be supporting giving automotive companies further subsidies."

"I do not find that the ideal way to go (but) I think Nick has a different view on that".

So is he bound to Nick Xenophon Team Incorporated policies or is he free to follow his own conscience?

These are critical questions in regards to penalty rates and car industry assistance. People could go into the polling booth thinking that they are voting for Nick Xenophon, independent senator, and find they get a representative from the Nick Xenophon Team Incorporated, voting according to the whim of their conscience rather than the stated policies of the Nick Xenophon Team party on these issues.

But apart from leadership and policies, the Nick Xenophon Team constitution gets downright weird. People should check out clause 33.1 of the rules, which canvasses the cessation of Senator Xenophon's own membership of the Nick Xenophon Team Party. How could you have a political party named after an individual who has resigned from the party? Given our recent experience with minor parties who hold the balance of power, this should raise real questions in the public's mind. But even more bizarrely clause 33.2 of the Nick Xenophon Team constitution canvasses the death or incapacity of Senator Xenophon. We are all mortal, but I do not think that anyone's death should be canvassed in the rules of a political party. It sounds like something out of a Woody Allen film.

These are critical public policy and organisational issues for any political party to answer. These rules apply to every political party. We all have to answer questions about our rules and our organisational wing. I encourage the public to peer behind the curtain and not just watch the show and the spectacle of political theatre.

Robertson Electorate: Peninsula Growth Statement

Mrs WICKS (Robertson) (19:44): The Peninsula region in my electorate of Robertson is a diverse area which over the last 100 years has grown from a service centre and holiday hotspot into a thriving hub of more than 30,000 homes and businesses. It takes in Woy Woy, Ettalong, Umina, Booker Bay, Ettalong Beach, Blackwall, Patonga and nearby suburbs. It is a very beautiful part of the Central Coast that is known by many around

Australia. Sadly, the Peninsula has been neglected by many governments—not least the former Labor government, which failed to meet the very real need for more jobs and better infrastructure in this very important part of my electorate.

Tonight I want to launch the first Peninsula Growth Statement to update families and businesses in a very important geographical area on the Central Coast about what this federal government has been doing. We have delivered on the commitment we made to Peninsula residents that we made in the coalition's positive growth plan for the Central Coast before the last election, and we are continuing to help build an even stronger region through further investments and community engagement.

It is quite timely because we are about to see the completion of one of the most significant civic redevelopments in the Peninsula in recent years—Woy Woy Oval. This fulfils a very important commitment of \$3.5 million from the Turnbull government to help realise the dream of sporting clubs, businesses and the local community to turn this run-down sports ground into the second largest stadium in my electorate on the Central Coast. Featuring a 600-seat grandstand, new club facilities and a kiosk, this will be a venue where sporting folklore will be written for decades to come, starting this season. The President of the Peninsula Chamber of Commerce, Matthew Wales, said this project has already created several hundred jobs and could act as a continuing catalyst for growth.

From Woy Woy Oval, if you head just a little way down Ocean Beach Road to Umina Beach and then turn right at McEvoy Avenue, you will find, at the foot of a mountain, McEvoy Oval. This is a stunning wide-open space used by a range of local community and sporting groups. But, sadly, its focal point at the moment is a run-down toilet block. So it is no wonder we have seen a tremendous response to a recent announcement of a grant of \$304,000 to knock down and help upgrade the facility. It will mean improved storage, a canteen and a club room in a vibrant and functional community hub in Umina Beach.

Along with these infrastructure investments, we have also delivered on our \$200,000 commitment for more CCTV cameras at Woy Woy, Umina and Ettalong Beach. The evidence is there, backed up by local businesses and police, that CCTV is a strong force against crime and antisocial behaviour.

Another issue that has evidence stacked up wherever you are on the Peninsula is the state of local roads. Our records show that in just the past two years more than 600 people from the Peninsula alone have directly contacted me about their concerns regarding local roads. Importantly, we are targeting the most dangerous intersections on these roads with \$500,000 committed to building new roundabouts in Umina Beach and Woy Woy as part of the Black Spot Program.

While local roads are primarily the role of Gosford City Council, the council has received almost \$2 million in 2015-16 as part of the federal government's Roads to Recovery program and has also invested funds from the Financial Assistance Grants. This includes \$245,000 towards upgrades to parts of Lone Pine Avenue in Umina Beach and Springwood Avenue in Ettalong Beach over the last year. This has built new kerb and gutters, drainage, road surfaces, bus shelters and footpaths. We have also committed \$675,000 to help upgrade the intersection of Woy Woy Road and Langford Drive and work has already started on the M1-M2 missing link, NorthConnex. Both of these projects are crucial for people on the Peninsula.

We want to see more opportunities for Peninsula residents to live and work locally, and to do this we need better technology. That is why I am pleased to be able to report on the fast rollout of the NBN. In coming weeks, more than 30,000 more homes and businesses on the Peninsula will be declared ready for service and be able to switch on to superfast broadband. This is set to be one of the largest activations done by the NBN and it will benefit families and businesses in more than 20 suburbs, including the entire Peninsula region.

There are many more funding commitments that we are delivering to the Peninsula, and I look forward to updating the House in due course.

Holt Electorate: Australia Day Awards

Mr BYRNE (Holt) (19:50): I rise this evening to talk about a group of exceptional people in my constituency who we collectively honoured at the 12th annual Holt Australia Day Awards at the Day of Nations celebrations in Hampton Park. We honoured 33 outstanding individuals and seven local organisations for their contributions to the Holt community. This event was attended by a large group of people. It was organised by Erica Maliki and Vanessa Gerdes, from the Hampton Park Networking Group, and supported by the City of Casey.

I am going to read into the record the names of those individuals and organisations who received an Australia Day award. They are: Suz Arnott, Senior Sergeant Phillip Byrne, Jennifer Davis, Francine Dishon, Wendi Emmerson, Elsie Hoare, Tina Jom, Ron Lamb, Raisa Lashkariov, William Logan, Kevin Manning, Shami and Charlotte Jane Marandawela, Chris Marsh, Ron and Val Marshall, Sultan Miakhal, Nerraj Nanda, Nivas Nivandhana, Daniel Phillips, Reverend David Powys, Tehana Ranatunga, Chantelle Riordan, Reverend Peter

Roberts, Nicole Ryan, Shabnam Safa, Tracey Scott, Shirley Smith, Judy Symons, Mark Titford, Doug Tucker, Kaushaliya Vaghela, Father Albert Yogarajah, Doveton North Cricket Club Committee, Islamic Education and Welfare Association of Dandenong, Lynbrook Residents Association, Meals on Wheels Cranbourne, Nanaksar Thaat Sikh Temple, National Servicemen's Association of Australia and Young Veterans RSL. That is quite a list of people and organisations.

Australia Day is a great day where we can recognise people who have made a contribution to our community in that often understated and quintessentially Australian way. They might not be in front of TV cameras but they are the glue that makes our community work and makes our community a great place to live. It is just wonderful to publicly recognise these people on our national day.

I will give you the flavour of some of the people who received the award. One was Nicole Ryan, who was the mastermind of the Narre-Cranbourne Relay for Life. Nicole, unfortunately, officially stepped down as the chairwoman last year. Just after Christmas about 12 years ago Nicole's father, Clive, was diagnosed with prostate cancer. In Nicole's words, her father just 'shut down'. With nowhere left to turn, Nicole rang the Cancer Council, who suggested they take part in the Relay for Life. Seeking to start up her own cancer fundraiser Nicole set the wheels in motion to run her own event and by 2012 the Narre-Cranbourne Relay for Life was established. Four years on, and with 15 people on the organising committee, the event has raised over \$300,000. This is an amazing achievement.

Also amongst the award recipients were the Young Veterans RSL. Young Veterans started when three mates and fellow veterans felt that there was a lack of social welfare groups providing activities for a very significant cohort of young veterans and ex-serving defence members across Australia. In conjunction with Dandenong RSL they set out to purchase three ex-Defence Land Rovers and drive them from the southernmost point of the Australian mainland, which is Wilson Promontory, to the northernmost point at the tip of Cape York. This is one of several activities that the Young Veterans organised throughout 2015 that raised funds and increased awareness of the contribution of our young veteran community. The Young Veterans engaged as many RSL sub-branches as possible along the way, and the feedback was absolutely sensational. They also visited schools, conducted presentations and set up catch-ups with the sub-branches about contemporary veteran issues as well as conducting a few other activities along the way.

Another worthy recipient is an outstanding young woman—Shabnam Safa. Twenty-one-year-old Shabnam was born in Afghanistan, raised as a refugee in Pakistan and migrated to Australia in 2009. She has a passion for martial arts—and has achieved quite a high level in her chosen field—and serving the community. She served as an Australia Day study tour recipient and was the 2012 Casey Youth Ambassador. She is an amazing individual. She started up her own foundation that assists migrants to integrate into the community.

There were so many people I was honoured to honour on that day. It just shows the flavour and the quality of the people who make up my great electorate and place in the world.

Infrastructure

Mr WILLIAMS (Hindmarsh) (19:54): Since coming to government the coalition has announced and implemented a number of job-creating policies that will help the nation. Today I want to speak on infrastructure. The coalition government has invested heavily in infrastructure—record investment; \$50 billion in an infrastructure program that is driving jobs and productivity throughout our great nation. Of this a record investment of more than \$2 billion is coming directly to South Australia. The Deputy Prime Minister on a recent visit to my electorate mentioned to industry stakeholders that a key reason for the record investment was to address the decline in mining and resources that was projected in a couple of years time. This is a classic economic stimulus program that has helped Australia's economy navigate the slowdown in China and transition from manufacturing.

Our policies and investment have worked, evidenced by over 300,000 jobs created in Australia last year—the highest number since the coalition was last in government in 2006. Unfortunately, South Australia has not experienced these green shoots, but we have projects that bring optimism. In South Australia there are a few projects that have benefited from this massive infrastructure spending, including the Torrens-to-Torrens section of South Road—something I have fought very hard for. It runs on the side of my electorate. Such investment benefits infrastructure companies like Bardavcol, who are building a section of the project.

In addition, there is the Darlington upgrade and the recently announced Northern Connector, which the federal government has committed \$788 million towards. Both are projects which are good for the state and together have over a billion dollars of federal funding. Both projects are more than just road projects, however.

I have held a number of meetings with Flinders University and have been impressed by their plans to develop the Tonsley precinct, which has a focus on industry and growing and providing for international students. This

forward thinking by Flinders University is what South Australia needs more of. The proposed rail link is something I am very interested to see progress as well.

The state government is involved in the projects on South Road and I look forward to seeing the infrastructure analysis of new sections that they have proposed for the rest of South Road, as I want to see South Road upgraded within a decade.

I have also spoken with several residents about the traffic problems, particularly at peak times, at the Marion Road and Cross Road intersection. This intersection is complex due to the Glenelg tram line in close proximity. The Glenelg tram is a great asset, taking people to and from work and from the city to our most popular beach and leading tourist destination in Glenelg. What makes this intersection a problem for commuters, however, is the tram line as it runs straight through the centre of one of the slowest sections of road in South Australia. The latest traffic survey from the RAA showed there is a section of Marion Road, which the tram is pretty well in the centre of, that will take you 6½ minutes to travel one kilometre. I am keen for this section of Marion Road to be upgraded and will continue to raise it with the relevant ministers, the state government, local residents and commuters.

Another project that will drive jobs and activity in South Australia is sealing the Strzelecki Track, which connects Lyndhurst to Innamincka. Sealing this stretch of road will unlock new activity in the Cooper Basin resource sector. It was discussed last week with the minister for energy and resources and with SACOME, our local industry body. The project is estimated at \$450 million and will open the area to the South Australian mining services company that currently cannot compete due to the lack of a sealed road.

When government finances are stretched, alternative funding mechanisms should be considered. Before I explore this further I want to be very clear that I am not proposing this as something to be adopted as party policy. I note with interest the heading in the Committee for Sydney's report of December 2015: 'It's time for innovative thinking to fund transport'. The report states:

If the community—and business—wants a liveable, productive city, we are going to have to pay for it ... Value capture ... will be an increasingly important item in the funding toolbox along with other 'beneficiaries pay' approaches.

The term 'value capture' refers to a family of public finance mechanisms that raise funds in proportion to the increase in land value associated with the new or improved public infrastructure. This point is reiterated in the Committee for Melbourne report. As the federal Minister for the Environment told a business chamber, 'Value capture is increasingly used internationally to ensure that projects go ahead, residents receive huge benefits, but some of the cost is offset through the uplift in value to beneficiaries.'

Two case studies were outlined in the Committee for Melbourne report. The Dallas Area Rapid Transit had over \$4 billion of development projects adjacent to railway lines. This project is an example of a transit-orientated development—something the South Australian government has looked at. Another example from the US is the Los Angeles 30/10 project, which accelerates the construction of 12 new transport projects that were scheduled to be built over a 30-year period but now will be completed in 10 years. In New South Wales we are looking at Badgerys Creek and having private developers upgrade entire railway stations. I look forward to watching this space and the development of this public policy area.

The SPEAKER: It being 8 pm, the debate is interrupted.

House adjourned at 20:00

NOTICES

Mr Truss: to present a Bill for an Act to amend the law in relation to transport security, and for related purposes.

Mr Robert: to present a Bill for an Act to amend the law relating to military rehabilitation and compensation, and for related purposes.

Mr Joyce: to present a Bill for an Act to amend the *Dairy Produce Act 1986*, and for related purposes.

Mr Robb: to present a Bill for an Act to amend the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, and for other purposes.

Ms Ley: to present a Bill for an Act to amend the law relating to aged care, and for related purposes.

Mr Porter: to present a Bill for an Act to amend the law in relation to the BSWAT payment scheme, and for related purposes.

Ms O'Dwyer: to present a Bill for an Act to amend the law in relation to financial products that relate to insurance, and for related purposes.

Mr Entsch: to move:

That this House:

(1) notes that:

(a) the Tibetan Plateau is:

- (i) the largest source of freshwater beyond the Arctic and Antarctic;
- (ii) a major driver of the global climate;
- (iii) the source of most of Asia's major rivers; and
- (iv) an area of great significance to the global environment; and

(b) traditional nomadic herding has provided Tibetans with resilient livelihoods and ensured the health of Tibetan grasslands, including maintaining biodiversity and soil carbon;

(2) expresses concern that:

(a) Tibetan nomads are leaving the grasslands and that their displacement will have harmful impacts on their livelihood and culture as well as on Tibet's fragile environment; and

(b) construction of large dams and water diversion projects in the headwater regions will impact the environment and the livelihood of millions of people in the region;

(3) notes China's many positive steps towards addressing the challenges of climate change, including reducing dependence on coal; and

(4) calls for acknowledgement of the:

(a) important role Tibetan nomads play in ensuring the health of Tibetan grasslands; and

(b) importance of Tibetans having a say over decisions that affect their land and livelihoods.

Mr Champion: to move:

That this House:

(1) acknowledges the:

(a) importance of the Australian food, beverage and grocery manufacturing sector for driving Australian employment, with the industry employing over 322,000 Australians in 2014-15;

(b) contribution that the Australian food, beverage and grocery manufacturing sector makes to the economy, including a turnover of \$118.8 billion worth of goods in 2013-14; and

(c) potential for growth of the Australian food, beverage and grocery manufacturing sector in overseas markets;

(2) congratulates the Australian Food and Grocery Council for its ongoing advocacy for Australian food and grocery manufacturing and jobs; and

(3) continues to show support for Australian manufacturing by buying and promoting Australian manufactured goods.

Wednesday, 10 February 2016

The DEPUTY SPEAKER (Ms Price) took the chair at 10:48.

CONSTITUENCY STATEMENTS

Lucas, Mr Dean

Mr GRAY (Brand) (10:48): I will read a statement prepared by the Lucas family:

The Lucas family have long been travellers. As parents we set an example of travel and exploration which we knew would educate our children and broaden their minds in ways nothing else would. Dean chose travel and a passion for surfing as his mission in life. He visited 67 countries, surfed in most of them even in Iceland. His younger sisters Kim and Michelle also hit the road with different aims and paths to adventure and knowledge. As a family we were able to meet up at different times and places to have valuable time together and share some amazing stories.

Dean aged 33 began his independent travels as a 17 year old heading to Indonesia with Adam Coleman who he had met at Mandurah High School, keen surfing mates.

They, along with other mates, enjoyed several Indonesian trips and road journeys before heading on their separate paths.

Many countries, friends and working experiences filled the next 10 years as Dean traversed the globe, influenced by different cultures and people, and in turn he left a path of influence and inspiration. (Many tributes have flowed in from around the world as testimony to 'Dean the quiet gentleman who showed them a different way to live')

Dean met Josie Cox in India in August 2012 and a bond was formed between two committed travellers. In November 2012 Dean met Josie again in Mexico and their relationship was sealed. While in Nicaragua, they met Adam and the link was formed to a construction job with GS Holdings in Edmonton Canada. After 2 years working summers for the same construction company Adam and Dean planned a road trip to Mexico as neither had surfed the isolated Baja Peninsula, despite being frequent visitors to the country. Dean and Adam were fluent Spanish speakers. This was to be their first trip together in over 10 years.

After an amazing Baja experience they caught a ferry to the mainland where they were only a day away from Adam being reunited with Andrea, his Mexican girlfriend, and Dean only days away from flying to London to be with Josie.

They never made it. While travelling on a toll road they were killed in what appears to be a robbery gone wrong. Unfortunately their fate was not determined and information was relayed to their families and friends nearly a week later.

Mexican authorities quickly arrested 3 suspects and are pursuing 2 others.

Support for our families by the Australian Department of Foreign Affairs, the Australian Federal Police and the West Australian Coroner's office was immediate, personal and professional. This was the start of amazing support which reached from Golden Bay and Rockingham in Western Australia to Los Angeles USA and Sayulita Mexico and continues to this day.

We are privileged as Australians to have these amazing people working for us.

Families, partners and friends of Dean and Adam met in Mexico and began the wait for answers and confirmation through forensic identification of the men.

The Mexican People, led by the surfing community's Janet Blazer in Mazatlan and Kalle Carranza in Sayulita, stepped in to make our time in Mexico as pleasant as possible under the tragic circumstances.

Free accommodation was arranged courtesy of some beautiful people. Our thanks go to Cheri, Patrick, Jensen and Wheeler Hasburgh, Storm and Courtney Richardson and the Felice family.

These friends kept us busy including us in surfing, football, dancing and some great dinners and fond celebrations of life and love.

Surfing community memorial paddle-outs were supported around the world from Golden Bay to Mexico, from Mazatlan to Sayulita to Cancun. We felt privileged to be a special part of the paddle-out at Sayulita where over 50 people paid tribute to Adam and Dean.

Their overwhelming sentiment to us was of apology and sadness that this had happened in their country.

We thank the Mexican people for their compassion and generosity. We feel for the Mexican people and the difficulties they face in an otherwise beautiful country.

In happier times we will return to explore beautiful Mexico, a wonderful country. We will eat amazing food, surf incredible waves and most of all thank some special friends for helping us through a very difficult time.

We want to thank the extended group of family, friends and strangers who have made this whole journey as easy as possible. From Virgin Airlines and their overwhelming compassion and support, to those strangers who helped financially, and to the friends who continue to cook us meals—THANK YOU

Wendy, Kevin, Kim and Michelle Lucas
and Josie Cox

Hinkler Electorate: Bruce Highway

Mr PITT (Hinkler) (10:51): One of the top five issues raised by constituents in my electorate of Hinkler is upgrades to the Bruce Highway and of course road safety. The Bruce Highway stretches some 1700 kilometres along the Queensland coast, with 89.7 kilometres of the highway running through the electorate of Hinkler from Torbanlea to Booyal.

It is a popular topic in the opinion pages of our local newspapers for Labor supporters to complain about Nationals MPs listing the Bruce Highway as a key priority at every election. One letter writer makes repeated false claims about the Liberal National Party 'never, ever delivering on the Bruce in Hinkler'.

You only have to look at the facts to see that they are clutching at straws. The coalition has committed \$6.7 billion over 10 years to fix the Bruce Highway. Since being elected to office in 2013, a number of major Bruce Highway upgrades—which make it safer for motorists travelling through my electorate—have been completed.

An \$8 million upgrade to three intersections near Childers was completed in July 2014. A \$4.5 million project to widen a four-kilometre stretch near Adies Road at Apple Tree Creek was also completed in July 2014. Six million dollars was spent on an overtaking lane north of Howard, which work was completed on in August 2014. The \$7.1 million widening of the highway for 2.2 kilometres near Wongi State Forest, south of Torbanlea, was completed in December 2015. And, just this month, work has started on a \$700,000 widening of a seven-kilometre stretch near Booyal. This work includes a wide centre-line treatment to provide greater separation between vehicles travelling in opposite directions, reducing the potential for head-on collisions. In the coming months, work will start to widen a two-and-a-half-kilometre stretch of the Bruce Highway near Little Pig Creek, north of Torbanlea.

There are other safety improvements scheduled for the Hinkler stretch of the Bruce Highway in 2016-17 financial year as well as significant work being done on sections north and south of my electorate which will directly benefit Hinkler motorists.

I find it amusing that they claim I have done nothing when, under the Coalition, \$26.3 million has been spent on what is 90 kilometres of road. Furthermore, the coalition government has doubled the Roads to Recovery funding to Hinkler councils, providing \$28.1 million between 2014 and 2019 to build better roads, support local jobs and the economy.

Councils also receive substantial federal funding each year to improve road black spots. Bundaberg Regional Council has received more than \$500,000 under the Black Spot Program this financial year with two of four improvements almost complete. Improvements on Hummock Road at both the Elliott Heads Road and Windermere Road intersections have been underway for some weeks and are nearing completion while work on the Burnett Heads Road and Mittleheusers Road intersection has begun.

Work will begin shortly on upgrading the Burnett Street and Targo Street intersection—a notorious black spot in Bundaberg—to make it safer for motorists. Motorists' safety, freight route reliability and emergency accessibility are essential for the people who live, work and run businesses in regional Queensland as well as the tourists and visitors that help boost our local economies.

Fowler Electorate: Lunar New Year

Mr HAYES (Fowler—Chief Opposition Whip) (10:55): My electorate recently celebrated the lunar new year with the Vietnamese Tet festival and many Chinese New Year celebrations. My Chinese and Vietnamese communities came together with many families and friends to welcome in the Year of the Monkey. By tradition, those born in the Year of the Monkey are believed to be caring, energetic, versatile, self-assured and sometimes cheeky.

On the weekend I, along with the Leader of the Opposition and many other parliamentary colleagues, attended the Vietnamese Tet festival in Fairfield Showground. It attracted many people over the weekend—about 20,000 people in all. It was a very good cultural event, catering very much to the Vietnamese community. I would particularly like to thank Dr Thang Ha, the President of the VCA New South Wales chapter, Tania Huynh, Davy Nguyen, Andie Lam, Sydney Nguyen, Tu Le and Thomas Dinh for making these events a reality and also welcoming the broader community to the event.

Last Sunday evening I also attended the Phuoc Hue Temple in Wetherill Park to take part in the midnight countdown to New Year. Representing the most multicultural community in this country, I have the opportunity of enjoying many cultural events—and these events are absolutely fabulous. The Phuoc Hue Temple has one of Australia's largest Vietnamese Buddhist congregations, with more than 40,000 people taking part in the celebrations each year. The temple was established in 1980 and has a long, respected tradition of spiritual leadership to Vietnamese Buddhists. Apart from it being a place of worship, the temple is also home to a resource

centre for cultural heritage and community education. I would like to thank the venerable monks and nuns for not only looking after the spiritual interests and needs of my Buddhist community, but for the work they do throughout the broader community, particularly the charitable works they undertake.

I would also like to take this opportunity to acknowledge the Australian Chinese Buddhist Society and specifically recognise my good friend and the chair of that society, James Chan OAM, the president, Vincent Kong, as well as Jensen Tran and Tony Trinh, who did a marvellous job for our Chinese community in celebrating the lunar New Year at the Mingyue Lay Temple in Bonnyrigg. They are all very successful businessmen in their own right. They volunteer their time, skills and energy to ensure that the needs of the Chinese community are met and their spiritual needs are catered for. I wish all residents of Fowler and the broader community a very prosperous and harmonious Year of the Monkey.

Northern Territory: Infrastructure
Solomon Electorate: Capital Grants Program
Bombing of Darwin

Mrs GRIGGS (Solomon) (10:58): It was great to have members of our local business community here in Canberra to showcase some of the Territory's capabilities in terms of delivering major projects. I would like to place on record my thanks to David Malone from the Master Builders Association, Steve Margetic from Sitzler, Mike Cull from the Halikos Group, Chris Giannikouris, also from Halikos Construction, and Mike Rinaudo from Laing O'Rourke. I would like to thank them for coming to help me sell the Territory's extensive local capabilities in terms of building major infrastructure projects. It is really important that we have locals involved in building our future infrastructure, and the bureaucrats here in Canberra are now under no illusion about the Territory's capabilities in terms of skills, experience and capability in delivering on major projects.

While I am talking about infrastructure, I would like to talk about the Capital Grants Program, which provides funding for non-government school communities to assist non-government primary and secondary schools to improve capital infrastructure where they otherwise may not have had access to sufficient capital resources. Just before Christmas I was fortunate enough to be able to ring St Johns Principal Lindsay Luck to advise that the federal government was going to contribute \$47,060 to their proposed project of \$72,400 to replace the roof and purlins in an undercover area and also the wellbeing adviser's office. I also phoned Loretta Graham, who is the principal of McKillop Catholic College in Palmerston, and advised her that we would be funding \$52,650 of her proposed \$81,000 project to build a covered walkway from block A to block C at the college.

On 19 February each year, Darwin stops to remember the 1942 bombings of our beautiful city. These events changed Darwin, and indeed the Top End, forever. We pause to pay our respects and to acknowledge our resilience and our tenacity as Territorians. It is expected that thousands of Territorians will again attend these commemorations to honour those who were killed and injured during these events. I would also like to place on record my thanks to the Darwin City Council, and in particular to Lord Mayor, Katrina Fong Lim, and her team, who each year host these important commemoration activities. This year the event will once again be held at the Darwin cenotaph; it starts at 9.30 am sharp. I am proud of the fact that, through my work in this place, I was able to get 19 February recognised nationally and that our story is finally being recognised as a crucial piece of Australian history.

Carr, Aunty Faye
Robinson, Mr John

Mr NEUMANN (Blair) (11:01): Today I want to acknowledge two residents of the Blair electorate, both of whom have made enormous contributions and were recognised by Ipswich and Somerset regional councils on Australia Day. First, I congratulate Aunty Faye Carr, who has been named the Ipswich City Council Citizen of the Year for 2016. Aunty Faye is a wonderful and giving person. She is known across Ipswich as a highly respected Indigenous elder and traditional custodian of the Yuggera people. Aunty Faye has dedicated her life to helping Indigenous people within the legal system and in local schools, such as Leichardt and Bundamba.

She ran a breakfast club for Indigenous schoolkids in Bundamba, and I have personally witnessed the wonderful work she and other respected women have done in that location. She organised community programs at the former Purga mission. For 14 years she worked with Indigenous victims and offenders at the Ipswich legal service. This is hard, thankless but necessary work. Her compassion and resilience has endured several personal tragedies, including the day, in 2007, when her own son was tragically taken in an act of terrible violence. For many, the pain of that loss and the ordeal that followed would have seen them retreat from public life, especially life at the coalface of a legal system—but not Aunty Faye. 'I just keep going', she said, and in Ipswich we are so grateful she did.

While illness may have forced her official retirement in recent years, it has not slowed her down at all. In fact, she is busier than ever. She continues to visit prisons, including the Gatton correctional centre, where she visits prisoners, and particularly Indigenous prisoners. She remains a positive and caring influence in the Ipswich community. On behalf of the people of Blair, I extend my congratulations to Aunty Faye on her most deserved recognition as Ipswich's Citizen of the Year 2016.

This year also saw in the Somerset region John Robinson from Kilcoy, in the northern part of the Blair electorate, recognised as the Somerset Citizen of the Year. John is a Vietnam veteran and president of the Kilcoy RSL—a branch he has served with distinction for many years. He is renowned for his energy, dedication and tenacity. He is an unfailing supporter of the community, and I doubt whether there is a committee in the Kilcoy region he has not been a member of. He certainly robustly presses his views to his local federal member whenever I see him.

He is very active in the local community. He has been involved in the Kilcoy and District Community Bank Project and the Kilcoy Cancer Support Group. He is particularly important in the Kilcoy region as an advocate for men's health issues, and has been involved in several notable local health campaigns and events. He expects nothing in return. Last year I honoured John as a worthy recipient of my 2015 Blair volunteer veterans award. This year I am so pleased to see that John has been recognised by the Somerset Regional Council as its citizen of the year. It is truly deserved.

BP Australia

Ms HENDERSON (Corangamite) (11:03): I rise today on behalf the people of Lorne, Wye River, Separation Creek and surrounding Otways communities in the Corangamite electorate, and the thousands of tourists who travel the Great Ocean Road every day. Over the past few weeks I have spoken out strongly against BP Australia, the operators of the Lorne petrol station. Without warning, and in breach of its lease agreement, which does not expire until 2019, it is closing down the Lorne service station. It has given just 30 days notice; it closes in five days' time. This is contemptible conduct. Local residents and tourists must have a local fuel supply. On Christmas Day the Lorne township was evacuated. We all know what happened and why in Separation Creek, where 160 homes were lost during that terrible bushfire. It is estimated that the Lorne businesses alone suffered losses of around \$30 million at the height of the summer holiday season.

Then, when fuel is so vital—still in the middle of summer—BP Australia says, 'We don't give a damn.' This is after selling contaminated fuel which has caused an estimated \$150,000 in damage to local vehicles. There has been no transparency, no honesty from BP, and this has been a terrible cover-up in itself. While BP is in a contractual dispute with the owner of the site, Noel Colliver, over substandard fuel storage tanks and lines which have contaminated fuel with water and sediment, BP has acted and continues to act like a corporate bully. It has shown no regard for the fact that people living in regional communities deserve local fuel—it is an essential service. The head lessee of the site, Riordan Fuels, is now trying to negotiate to take over the petrol station with fuel from Shell. Unbelievably, BP is now blocking Riordan Fuels from accessing the site, in contravention of its lease agreement. This means Riordan cannot inspect the infrastructure until after BP departs to take whatever action is required to guarantee the integrity of the fuel it sells and quickly reopen the service station.

I have taken this issue to Assistant Treasurer Kelly O'Dwyer, who has referred it as a matter of urgency to the Australian Competition and Consumer Commission. I am advised that the ACCC has expressed some preliminary concerns about BP's conduct and has agreed to conduct an immediate investigation as to whether any Competition and Consumer Act laws are present in terms of any breach of the law. I thank the Assistant Treasurer for her support. I will also be raising this matter with the new Small Business and Family Enterprise Ombudsman, Kate Carnell, who has wide-ranging powers to call documents and hold inquiries. As the town's local federal MP I will not stand by and watch BP Australia treat this community with utter contempt. This is the height of corporate thuggery, and I will continue to hold BP Australia and its Australasian president, Andy Holmes, to account.

Cambodia: Australian Aid

Ms CHESTERS (Bendigo) (11:07): The schoolchildren clapped as we arrived as part of the Save the Children delegation of parliamentarians on a visit to Cambodia to learn the importance of Australian aid. It was the warmest of welcomes from the schoolchildren. Their pride and joy at their primary school was their library. Funded by the Australian aid program at a cost of about US\$9,000, it is a modern white-and-red library and learning space. It was something that you would expect to see in an Australian school. The children took delight in showing us their interactive learning games on their Samsung tablets, and their favourite schoolbooks and learning resources.

The school also has a thriving garden-to-kitchen and music program. School attendance at this school is higher than at other schools in Cambodia, where school attendance is generally quite poor, particularly in the country's

regional schools. The schoolteachers attribute these programs—their library, music program and the garden-to-kitchen program—as contributing to the school's higher attendance rates. The importance of these programs was brought home to the delegation when we visited workplaces in the city. Many female garment and entertainment workers that we met said that they had had only had a few years of schooling, with many having left the school system after completing only one or two years of primary school. The exploitation of these women was rife in the country, according to many NGOs working with them—they had been encouraged or forced by their families to migrate from rural villages to the city to look for work. Rural farming is hard, with little reward, with many Cambodian farmers we met earning as little as 25c a day. This is the reason why Australian aid is so critical to this country.

Cambodia is one of the poorest nations in our region, and it relies heavily on Australia's support. Australian aid is giving some of Cambodia's poorest and most disadvantaged people the capacity to make positive change in their lives. The Liberal government has cut \$11 billion from the Australian aid program in just two budgets. Their first budget—the 'budget emergency'—was a mantra used to justify these massive cuts. However, let's call it what it is: a funding priority issue.

This government spent \$6 million on rebranding the Australian Border Force agency, including \$15,000 on plush puppy toys to rebrand their image. This government also spent over \$15,000 on a custom built bookshelf for the Attorney-General and a further \$13,000 on a library of his own. Compare that to what was spent on the primary school library in Cambodia—only \$9,000. It comes down to priorities, and this government has its priorities wrong with it comes to Australian aid.

Page Electorate: Australia Day Awards

Mr HOGAN (Page) (11:10): I would like to congratulate some of the Australia Day award winners in my electorate. I would like to start with the Clarence Valley Australia Day award nominees and winners. The winners were: Citizen of the Year, Leone Roberts; Young Citizen of the Year, Brendan Wren; Community Achievement, Grafton Jacaranda Committee, which consisted of Trevor Green, Helen Weatherstone, Helen Templeton, Steve Cansdell, Peg James, Scott Baker, Donna Hunt, Kristin Smith and Kelle Murphy; Community Achievement, Lower Clarence Scottish Association, which was led by Peter Smith; and Local Hero, Marea Buist from Yamba. We had a great night at the Yamba Golf Club to announce those award winners, and I congratulate them all.

I would also like to acknowledge the Lismore Australia Day award winners. Jodie McRae—who has raised an enormous amount of money for cancer equipment for people suffering from cancer in our community and is an inspiration in what she does—won the Citizen of the Year award. Thelma James won the Aboriginal Citizen of the Year award. Holley Somerville-Knott won the Young Citizen of the Year award. Ross McDougall won the Services to the Community award. Amber Gooley took out the award for Arts and Cultural. LightnUp Inc, which is led by Jillie Jackson, won the Services in the Community award. And congratulations to Keea Parrish, who won the Junior Sports person award.

I would like to thank and congratulate the Richmond Valley Australia Day award winners. The Citizen of the Year was a dead heat and was won by Stuart George and John Wright. Young Citizen of the Year was Macarthur Amey; Volunteer of the Year was Kevin Mason; Young Volunteer of the Year was Aidan Yourell; Sports person of the Year was netballer Deidre Coe; and Young Sports person of the Year went to all-rounder Jack Denson. Congratulations to all of you.

I would like to congratulate all the Ballina Australia Day Award winners, who live in the new boundaries of Page. Senior Citizen of the Year was Harold 'Bernie' Scanlan from Alstonville; the Young Citizen of the Year was Jasmine Crethar; Community Event of the Year went to Ina Le Bas and the committee for Alstonville's 150th birthday celebrations last year, which were fantastic; the Sports Award went to Riki Wood and Marc Bagatan; and the Arts Cultural Award went to Jamaika Smith.

I would also like to acknowledge the Australia Day award winners in the Coffs Harbour LGA, who are moving into the Page electorate. Helen Mitchener, from Emerald Beach, won the Coffs Harbour Citizen of the Year award, and Lindy Davis, from Lowanna, won the Sue Hunter Memorial Award. Congratulations to both of them.

Melbourne Ports Electorate: Transport Infrastructure

Mr DANBY (Melbourne Ports) (11:13): In Melbourne we have seen pictures of our Sydney Prime Minister crouching down outside the Melbourne Club prior to taking selfies of himself on trains and trams. But these selfies aside, we want someone to actually fund public transport, not just take pictures of himself. Just like his predecessor, the Prime Minister is refusing to give Victoria funding for its most vital and high-priority transport infrastructure project, Melbourne Metro. As I have said before, new show bag, same content.

Last Friday Anthony Albanese, someone who is knowledgeable and passionate about public transport, visited Melbourne Ports. He stood there with the candidates for Higgins and Goldstein at the Domain Interchange on St Kilda Road reaffirming that Melbourne Metro will be Labor's first priority for infrastructure in Victoria if we are elected at the forthcoming election. The Domain Interchange, currently a major tram interchange, will host a new train station as well as Melbourne Metro, part of a new increased capacity of the train network to link people from Melbourne Ports, Goldstein and the south-eastern suburbs—even Hotham—to hospitals and universities north of Victoria Parade.

The Melbourne City Loop underground is at full capacity at peak hour. There is no room for more trains. The trains are severely overcrowded—something you do not see in the Prime Minister's selfies. Some of the trains where 800 people can fit have 1,200 people on them now—Japanese-style; Tokyo-style.

There has been a 70 per cent increase in people catching trains in Victoria in the past decade, 40 per cent over the past five years. In today's *Herald-Sun*, an arrogant Sydney minister, Paul Fletcher, said that Infrastructure Australia needs to assess a business case for Melbourne Metro.

But on Infrastructure Australia's web page in 2012 they already had the business case. They assessed it. They found it had top priority in Victoria. In December 2013 it was Victoria's highest-rated project. The East West Link, by contrast, only earned 45 cents for a dollar of public expenditure.

The minister says that political games are not needed and that we can agree. An example of a political game might be then Prime Minister Tony Abbott saying that the government's investment in Victorian infrastructure could only fund East West Link. That was to help his mate, the then short-term Premier of Victoria.

But the point made by the Victorian Treasurer, Mr Pallas, is that only nine per cent of Commonwealth infrastructure money is coming to Victoria. By contrast, 36 per cent is going to New South Wales. The people of Victoria are being cheated by this current government. If you are sitting on a crowded tram in Toorak Road in Higgins, or if you are sitting in a crowded train on the Sandringham Line coming in from Goldstein, think of this arrogant Sydney minister and his arrogant government trying to deny people from Victoria the necessary money for the essential building of our public transport.

South Australia: Recreational Fishing

Mr WILLIAMS (Hindmarsh) (11:16): Fishing is an important part of the South Australian and also the Australian way of life, and recreational fishing is a strong economic driver, with more than 277,000 men, women and children engaging in recreational fishing in South Australia each year.

On top of this, South Australia is a destination for anglers, with large numbers of interstate and international visitors enjoying recreational fishing on our seas, rivers and estuaries. However, recreational anglers in South Australia are facing hefty cuts in bag and boat limits for popular fish species, such as our famous King George whiting, garfish and snapper, under South Australian state Labor government proposals.

New fisheries management measures have been plagued by Labor in South Australia and are currently open for consultation and feedback, creating an emotional debate in my state. I wish to raise a number of concerns, as I fear the proposed measures will mean that all the anglers in South Australia are big losers. Family friends, like the Bastian family, are one of many families in my state who have contacted me about this matter.

As part of the proposed changes, some of the species face bag limit cuts of up to one-third—a double whammy of a higher minimum size limit and maximum size limit, and the possibility of seasonal closure. The state government has a poor record in handling fisheries and marine issues. They bungled the recent changes announced for snapper season in boat limits and bag limits, and the handling of the marine parks matter was less than desirable.

While I understand that necessary measures need to be put in place to protect fish stocks for future generations, I am afraid that there will be impacts on local businesses and the South Australian tourism sector—in particular, those tourism-reliant businesses in Hindmarsh—if these changes are implemented in full. Hindmarsh borders the Gulf of Saint Vincent and has some of Adelaide's best metropolitan beaches. It is home to a major boat ramp in West Beach, and the Glenelg, Henley and Grange jetties are used by local fishermen and women for their angling.

Tourism is important in my electorate, and I am always interested in how we can promote our state—and this is part of the puzzle. I am fearful that the proposed changes will have an adverse impact on those businesses that benefit from the tourism dollars spent by people fishing, such as the local cafes, bakeries, coffee shops, petrol stations, boat service stations and mechanics et cetera—not to mention the award-winning West Beach Caravan Park where, for generations, families have spent their summer holidays, with many enjoying the fishing that the Gulf of St Vincent has to offer.

There are more than 18,000 tourism businesses in South Australia, most of which are small businesses employing fewer than five employees. We need to support these businesses, not make life more challenging and difficult. I am convinced that this will greatly impact on interstate and international arrivals—people coming from afar to enjoy the beaches. The state government must take a very serious consultative approach to this, rather than the announce-and-defend approach they are renowned for. I am confident that the people's views will be heard.

I also congratulate the South Australian Anglers' Association on their involvement in this important issue on behalf of the members. I encourage people to attend an event on 24 February at Glenelg Comfort Inn Haven Marina.

Richmond Electorate: Australia Day

Mrs ELLIOT (Richmond) (11:19): I rise to talk about Australia Day events in my electorate. Australia Day is a day of citizenship ceremonies and awards, and it is always great to welcome new families to the North Coast of New South Wales—which, of course, is the best address in Australia. It is also important on the day to recognise and to acknowledge the richness and wonderful cultural diversity that our new citizens bring. I was very honoured on the day to attend the citizenship ceremony and Australia Day awards ceremony in the Ballina Shire at Lennox Head. The 2016 Australia Day awards were presented by Mayor, David Wright, and guest speaker, Max Walker.

Firstly to the Citizen of the Year, Dawn Sword, who is a wonderful woman. Since arriving in Ballina, Dawn has been very generous with her time, spending endless hours in a variety of roles and fundraising initiatives for community groups, such as the East Ballina Lions Club. She is also involved with Meals on Wheels and the Lennox Head VIEW Club. She is always supporting and encouraging other volunteers, and she is a wonderful ambassador for the Ballina Shire community. Congratulations to Dawn and to all the other award winners from the Ballina Shire. After being named Citizen of the Year in front of the more than 500 people who attended the formal ceremony, Dawn said that she was 'speechless' and that she was 'truly proud to be a Ballina Shire citizen.' She said, 'What an honour. I am so thankful—and humbled—about this.' We also then had a wonderful speech by Max Walker. It was a very inspirational and funny speech, reflecting on his sporting life and also his personal life—it was very entertaining.

At the end of that ceremony, I was then very pleased to go to the Tweed Shire Australia Day ceremony. Fay Gleave was named Tweed Shire Citizen of the Year for her 42 years dedicated to volunteering—congratulations to her. Also, my good friend, Elizabeth Kirk, was named Tweed Shire Young Achiever in Community Service. Elizabeth does a great deal of work right across the community. Congratulations to her, and to all of those other Tweed Shire Australia Day award winners. There are so many volunteers who give so much of their time.

I would also like to reflect on the Byron Bay Australia Day awards. Congratulations to all the winners, and especially congratulations to the Citizen of the Year, Delta Kay. She was awarded the Citizen of the Year for Byron Bay for her leadership, dedication and commitment to raising awareness of Indigenous culture. Delta is an education officer with the Byron Bay National Parks and Wildlife Service, and her work in 2015 saw her Dolphin Dreaming program win gold at the state Indigenous tourism awards. Delta is a truly inspirational and outstanding leader within the Byron Bay community—congratulations to her on that fantastic award. Also to all the other award winners in Byron: congratulations. I would like to mention the Byron Bay Writers Festival, which was named Community Event of the Year. From its very humble beginnings in 1995, after 20 years it has become Australia's leading regional writers festival—so congratulations to them and to everyone else involved.

To all the award winners across all the shires: congratulations—particularly to those people who volunteer their time and who give so much to our community. To all those new citizens: welcome to all of you. As I said, you have chosen the North Coast of New South Wales, the most beautiful part of Australia to live in. We welcome you to our community.

Durack Electorate: Geraldton City Speedway

Ms PRICE (Durack) (11:22): I am delighted to speak today about the Geraldton City Speedway. The Geraldton City Speedway was established in 1964 by a group of Geraldton revheads, originally racing on a block of land they leased north of the Geraldton airport. The speedway remained there for two years, until the property owner leased out the land for cropping—when all of the community-minded members got together and contributed to purchase the eight-hectare block in Moonyoonooka, where the speedway remains today. Led by president Mike Doble and his dedicated team—which includes his wife Kim, who is the secretary of the club—the speedway has grown significantly over the last few years, attracting more spectators, members and sponsors. So much so that I am very proud to say that I am a sponsor of the Junior Sedans class this season, supporting young Mid West motoring enthusiasts with their passion.

Geraldton speedway's last meeting was a roaring success with over 2,000 people watching the largest field of sprint cars ever seen in Geraldton, with 29 drivers putting their pedal to the metal. The meeting was so successful

that it attracted international names, including world speedway grand prix champion, Tai Woffinden, who competed in his first competitive sprintcar meeting, as well as the four-time WA Open Sprintcar Champion. This is yet another example of the great quality events organised in Durack, attracting major stars to the Mid West. That is what I call innovation by a great grassroots Durack organisation. Geraldton speedway hosts a number of state titles from junior divisions to sprintcars, with the V8 Dirt Modified State Titles up for grabs on 27 February. It is expected that this will attract a number of interstate drivers, and the current national titleholder, which is a fantastic boon for this community-based organisation.

Before Christmas, the speedway held a round in tribute of a member who had lost his battle with depression, raising a fantastic \$2,600 toward men's mental health projects in the Mid West. Supported by hardworking mental health worker Glen Fleeton, the speedway teamed up with Mr Fleeton a couple of days before Christmas to hold a mental health stall on Marine Terrace in Geraldton providing people with information about who to talk to and where to go to get help to discuss men's mental health issues. I commend the work of Mr Fleeton and the speedway to the House. It is a fantastic community organisation that is supporting more than just people driving cars fast.

Ms HALL (Shortland—Opposition Whip) (11:25): On Thursday, 28 January, I held my annual Shortland awards, and I would like to share with the House the winners of the awards and some of the nominees. Codie Bone from Belmont South and Charli Vale were the joint winners of the under-17 years award. Codie has been delivering newsletters, working with senior citizens, attending concerts and things at Belmont Bowling Club and local nursing homes. She has cared for her five brothers and sisters since the death of her parents in 2015.

Charli Vale is an exceptional young woman, who is only in year 6. She has strong social conscience. Her grandmother died of ovarian cancer. Charli cut her hair short and donated her hair to the Princess Charlotte Alopecia Program and they made it into wigs for young children.

The winner of the youth of the year award—for youth 18 to 25—was Curtis Yates. He was nominated by the Charlestown Caring Group for his work with that group. Sailability nominated Barry Clarke. The Belmont Men's Shed nominated Tony Diabel. The Whiddon Group nominated Janice Widgrim. The winner was Col Mondy from Redhead for the work that he has done in the Redhead Sustainable Neighbourhood Group.

The emergency management winner was Michael Mottley for his service to surf lifesaving. He has been with Caves Beach Surf Life Saving Club and has done a phenomenal job in work there. The environment award was won by Brian Hilton. He was nominated by Lake Macquarie Landcare for his hard work in the Redhead area.

There was a health and disability service award and the nominees included Mandy Hartland, Jarrod Smith and Michele Taylor, from Charlestown Caring Group. The joint winners were the wonderful Carolyn Bear for the work that she has done in ovarian cancer and Rose Molloy, who has also done a lot of work in the area of ovarian cancer. The winner of the award for long term commitment to community service the winner was Maureen Adams for the work that she has done for Swansea Meals on Wheels.

The community group of the year award was won by Sailability. The volunteer of the year award was won by Mercia Buck. Mercia Bark is a phenomenal woman. She has brought arts to Lake Macquarie. She has been volunteering in the arts area for 33 years. She has organised hundreds of concerts and gives her time freely.

Congratulations to all the award winners. I ask leave to table the list and names of the people that I was unable to read out, because their contribution has been enormous too.

Leave granted.

Mrs McNAMARA (Dobell) (11:28): In 2001 Barbara and Ralph Harris placed nine hectares of their Glenning Valley property under a voluntary conservation agreement, a VCA, with the New South Wales National Parks and Wildlife Service. The VCA is in perpetuity on the land title, so it can never be developed and will remain as an environmental conservation of unique Australian bushland.

At the time, the VCA which Barbara and Ralph entered into was the first on the Central Coast and only the hundredth in New South Wales. The land upon which they placed the VCA is outstandingly beautiful Australian gully rainforest and open rainforest. They committed to regenerating the bushland and spent three years gradually eradicating lantana and other weed species. Now the land is so pristine it takes only one day per year to clear and maintain.

They are rightly very proud of what they have achieved and proud to have made a lasting contribution to the preservation of Australian bushland. Not only did they place their own land under a VCA they also worked with their neighbours and Wyong Shire Council to create a nature corridor along the ridge, which is maintained under its own conservation Landcare group. Through the restoration and conservation of the nature corridor there is preservation of flora and fauna.

Barbara and Ralph have welcomed many visitors over the years to their bushland. It has become an example of regeneration and preservation. TAFE groups from Sydney have taken day trips, WIRES has conducted training days and the community environmental networks land for wildlife groups have visited. At times, Barbara and Ralph have posted up to 70 people for the day.

When I visited Barbara and Ralph at Brushwood and took a walk through their magnificent preserved bushland I was impressed at their dedication and passion for seeing the land maintained for future generations. As they pointed out to me, so often we hear about what governments are doing in environmental regeneration and conservation, but private citizens like them deserve equal recognition. There are many people like Barbara and Ralph who are special landowners who voluntarily place a VCA on their land and are committed conservationists. They recognise that the land they hold is special and contains unique native vegetation and wildlife habitats that need to be preserved and protected from any threat of eradication or neglect. It is imperative that governments at all levels continue to support those who have land held under a VCA, to ensure that they can continue the work that they do voluntarily because of their love for our native bushland. I thank Barbara and Ralph Harris for taking me through Brushwood and sharing their passionate love for environmental conversation.

Scullin Electorate: Volunteers

Mr GILES (Scullin) (11:31): Perhaps the greatest privilege that I have experienced in my short time in public life has been the ability to appreciate how communities are built and how they are sustained—that is, through the work of volunteers, people who give selflessly of themselves to ensure the places they live in thrive and to offer their peers every opportunity to participate fully in society. In this regard, over the summer break I took the opportunity to recognise the hard work and selfless dedication of some volunteers in the Scullin electorate for the work they have done for their communities over the previous year.

As was with local volunteers, I also took the opportunity at Thomastown Library to recognise the service of some who had contributed to society further away. I was able to honour in the place where they live the work of Donna Pascoe, who spent six months working to support health care outcomes in Tonga, and Ted Allen, a Vietnam veteran. It was a great privilege to hear from Donna and Ted, and share with them and their families, how their service had shaped them and contributed to so many others.

It was also a great honour to pay tribute to the volunteers for the work they have done to enrich and improve the communities of Melbourne's north and share their stories. A number of people who do work for the fantastic Whittlesea Community Connections were recognised by their peers for their outstanding contributions: Rose Harrison, Vicki-Anne Selvaggio, Victoria Mira and Paul Wilson. William McClelland was nominated from the Lalor and Thomastown Combined Pensioners and Superannuants Association for a long period of selfless dedication. Similarly, Dolma Alabakis of the Greek Orthodox Community of Whittlesea Women's Group, a group that has done so much to bring older Greek women together to share culture and maintain community. Sadha Ranasinghe and Sean O'Brien were recognised for their work in the Whittlesea council Broadband for Seniors Program, a program that has done so much to bridge the digital divide among our senior citizens. Marilyn Madden was recognised for her work at Norris Bank Tennis Club and assisting with the elderly more generally within the community. Many others were recognised and their work paid tribute to, including Trish Mackin, Vince O'Grady, Sandra O'Grady, Nessie Sayer, Damien Apolone, Jason Prasad and Neil and Jenny Delaney.

It was a great opportunity to share with these great people and their families and friends and celebrate the work that they have done, not asking for anything in return. It was tremendous to have this work recognised by their peers, the people who nominated them in recognition of work that they had seen. To all of these people I say thank you for your wonderful work. I take this opportunity to acknowledge more generally all the volunteers who work to make the communities I represent so vibrant and successful.

Forde Electorate: Logan City

Mr VAN MANEN (Forde) (11:34): With Queensland's local government elections coming up on 19 March, I would like to take this opportunity to farewell Logan mayor Pam Parker, who has decided to hang up her mayoral robes. While Pam and I have not always seen eye to eye, we have shared one common goal, and that is proving to the rest of Australia and the world what a tremendous place Logan is to live. When people have put our city down, Pam Parker has been a fierce advocate for our city, defending it and its amazing people, and I commend her for her wonderful efforts.

The city of Logan has so many wonderful traits. Every day, I meet outstanding people from Logan who are achieving great things. The community is one that is caring and compassionate towards those in need. When our city faced the most devastating house fire in Australia, when 11 people, sadly, lost their lives, the Logan community came together like never before to offer financial and emotional support. When homes in Logan were threatened by flooding during one of Queensland's worst ever floods in 2011, friends, neighbours and volunteers

spent hours sandbagging homes, putting up tarps and setting up evacuation centres. When the events of 2011 in Douglas Street hit our community, our community hit back by launching Logan's City of Choice Leadership Team, a team of leaders who are working together to improve the image of our city and the outcomes for our young people.

I have met so many outstanding people who champion Logan. We have resourceful and innovative people who have started successful businesses and who provide employment and training opportunities to the many young people in our community, we have compassionate people who have started charities that provide much-needed support to those who have fallen on hard times and we have everyday heroes who go above and beyond to help others.

Time and again, our city has risen above the negative stereotypes and shown the rest of Australia what a caring and compassionate community Logan is. I hope that, after the local government elections have rolled around, we have a new mayor and councillors who are just as passionate about promoting all the positives about the great city of Logan. Once again, I would like to thank Mayor Pam Parker for her services to our community, and I wish her every success and an enjoyable retirement.

Aged Care

Mr MITCHELL (McEwen—Second Deputy Speaker) (11:37): I rise to speak about the Turnbull government's cuts to aged care as set out in the MYEFO released in December, only a couple of months ago. Today, Alzheimer's Australia Vic released its latest dementia prevalence research, commissioned from NATSEM at the University of Canberra. NATSEM's modelling shows that my electorate of McEwen is expected to be rated No. 2 for dementia prevalence out of the top 10 federal electorates, from 2050. That is a 754 per cent increase in the prevalence of dementia in my electorate.

Without even glimpsing the real world, the Turnbull government wants to cut aged-care provider and workforce funding by hundreds of millions of dollars. Obviously, my Liberal colleagues have not kept up with the data. Perhaps they do not know that many of them will need the support of the aged-care sector in the future. As we are all well aware, health care tends to be more complex as we age. The impacts of long-term chronic disease and illness become more apparent.

Apparently, half of all Australians believe that dementia is a normal part of ageing and do not know that it is the second leading cause of death in Australia, after heart disease. Looking at the characteristics of our population, most Australians, and almost everyone in my electorate, will be impacted either by a diagnosis or by caring for a loved one or knowing someone who has dementia.

In thinking about the dementia prevalence data released today, it is little wonder that the original dementia and severe behaviour supplement that Labor introduced in 2013 was oversubscribed. But in 2014 the short-sighted response of the Abbott-Turnbull government, instead of recognising and addressing the growing prevalence of dementia in our community, was to immediately cut the supplement and replace it with Severe Behaviour Response Teams at a cost equal to the amount spent under Labor. Unfortunately, as evidence shows, these teams are not responding properly or quickly enough to severe cases of dementia. Within 12 months, the budget estimates for aged care were once again exceeded.

And what has been this government's response? There might be a different leader, but let us be clear: all the policies are the same. It is all about cuts. The Turnbull government's response has been to announce cuts of \$472 million to aged-care providers and \$595 million to aged-care workforce funding in the first year of economic review. These cuts not only cause great uncertainty for aged-care providers but can jeopardise—

A division having been called in the House of Representatives—

Sitting suspended from 11:40 to 11:53

Longman Electorate: Dale Street Flood Levee

WYATT ROY (Longman—Assistant Minister for Innovation) (11:52): The completion of the Dale Street flood levee is a very exciting and significant milestone for our community. As locals know, Dale Street has often been a street of tragedy. Almost every time it rains, the houses in Dale Street flood. In 2011, our community saw terrible floods. In more recent years we saw another bout of flooding that tragically took life in our community. While in this case not lives were lost in Dale Street, once again homes were inundated, impacting horribly on the residents.

I am very proud to say that, under the former state LNP government, I came together with the then state member for Morayfield, Darren Grimwade, and local councillor Peter Flannery to delivered a pretty innovative funding solution. Traditionally, the Commonwealth government does not fund flood levees. But, after knocking on just about every single door in this building and after going to just about every single minister to see how we

could fit this square peg in that round hole, I sat down with the Prime Minister and we found an innovative funding solution to ensure that the Commonwealth could contribute a third of the funds. The former state LNP government, through the efforts of then local member Darren Grimwade, also put a third of the funds on the table, and the Moreton Bay Regional Council, through local councillor Peter Flannery, contributed the remaining third. We have been able to build this flood levee and officially open it this week, and it will fundamentally change the lives of locals in that community.

Just to give you one example: I met Kelly, a local resident, who was absolutely ecstatic when we opened the levee. I asked, 'What does this mean for you?' She told me the story of how Riley, her six-year-old son, would always get scared when it was raining and he was often quite stressed. However, now he is completely relieved. He loves the new flood levee, because there is a huge green space that he can run around and play on. It also means that Kelly has been able to build a bedroom for Riley downstairs—of course you could not put anything downstairs if you knew when it rained it was going to flood again. Little Riley now has his own bedroom, which is incredibly exciting. He does not have to stress and he has got a great park that he can play in.

I think this shows what can happen when the three levels of government come together and are prepared to do what it takes to find a solution that improve the lives of locals in our community. I am incredibly proud to say that I played a small part in the building of the Dower Street flood levee.

Intelligence Committees

Mr BYRNE (Holt) (11:56): I was not going to speak but I am now apparently. Whilst I have the opportunity to be on my feet, I want to talk about the trip that I have recently returned from in the United States, particularly in light of the US Director of National Intelligence James Clapper's evidence in front of, I think, the House of Representatives or Senate committee in the US Congress regarding threat level. I thought it was appropriate, given that I have been asked to speak without much notice about that.

Something from my visit that is absolutely critical for Australians to understand is the very close intelligence relationship that exists between our Australian intelligence community and the US intelligence committee. When I travelled to New York and Washington, I had a series of meetings with the FBI in New York, the NYPD in New York, the CIA, ODNI, Homeland Security and the FBI in Washington, and the Congressional oversight committee, which is the house permanent select committee, the homeland security committee and the Department of State—I had several briefings from the state department with respect to intelligence and foreign relations, shall we say.

Whilst being absolutely heartened by the very close relationship that exists in our intelligence community, one thing I gleaned—and it is something that has been germinating for some period time and flagged by former Senator John Faulkner—is the need for our oversight committees to have more remit and reach over our intelligence services.

One of the great checks and balances of the US Congressional system is that they have very powerful committees. The house permanent select committee is a large committee that has oversight over organisations like the CIA, the FBI, ODNI, and key to that is that they have access to operational information. They can subpoena directors of intelligence agencies, if they do not turn up. They can have access to a lot of information, and I think that operates as an essential check and balance against the power of the executive.

We have a wonderful committee. The Parliamentary Joint Committee on Intelligence and Security is very well served by both sides of parliament as a bipartisan committee, but I think it is time—notwithstanding some of the incremental changes that have been made in this modern age when we have people leaking information like Snowden—for the public to be reassured and for the intelligence agencies to be protected. What we need is this committee to evolve with modern times to be given powers that the public want and deserve; make sure that we oversight our intelligence agencies properly; and offer the intelligence agencies the protection they need.

Northern Suburbs Railway

Mr GOODENOUGH (Moore) (11:59): I make the strong case in the parliament for the extension of the Northern Suburbs metropolitan railway 14 kilometres northwards from Butler to Yanchep. I fully support the efforts of my colleague the member for Pearce in advancing this cause together for the greater region which spans several electorates.

The cost of the railway extension, including a station and rolling stock, is estimated at \$360 million. The Public Transport Authority of Western Australia has already completed a business case which highlights both the importance and the value of extending the railway to Yanchep. The cost-benefit analysis clearly demonstrates that, on merit, the railway extension should be Western Australia's highest-priority major public transport project.

The Yanchep Beach Joint Venture is seeking guidance and assistance from the Commonwealth government to elevate the 14-kilometre rail extension to Yanchep onto the national infrastructure agenda. Since 2002, successive federal governments have also accredited the Yanchep development with Major Project Facilitation status. To demonstrate their strong financial commitment, Yanchep Beach Joint Venture is offering to enter into negotiations over a land contribution worth up to \$100 million, to facilitate the railway extension with governments at all levels. Alignment of the railway track is already secured through a reservation in metropolitan regional scheme. My electorate of Moore is located in the suburban north-west corridor of Perth, with the city of Joondalup as its main regional centre. The greater area represents a primary metropolitan growth region, forecast to continue growing for many decades into the future. Therefore, efficient transport systems, especially public transport in the form of the extension of the Northern Suburbs Railway, are vital to the future development of the corridor as a whole.

Perth is predominantly a linear city with the majority of commercial activity focused around the central business district. Traffic congestion in particular is getting worse as transport infrastructure struggles to keep pace with the growth in the suburban population of Perth. The solution is to adequately plan for the future growth of the area to the north of Joondalup. Located 53 kilometres north of the Perth CBD, the localities of Yanchep and Two Rocks consist of in excess of 5,500 hectares of greenfield residential, commercial and industrial land which, when developed, will meet Perth's land supply needs for decades and will create over 50,000 local jobs. The Western Australian state government has designated Yanchep as a strategic metropolitan centre in its strategic plan for Perth and Peel titled, *Directions 2031 and beyond*.

The DEPUTY SPEAKER (Mrs Wicks): In accordance with standing order 193, the time for members' constituency statements has concluded.

MINISTERIAL STATEMENTS

Trans-Pacific Partnership Agreement

Debate resumed on the motion:

That the House take note of the document.

Ms MacTIERNAN (Perth) (12:02): Can I thank the member for Rankin for allowing me to precede him in this debate—

An honourable member interjecting—

Ms MacTIERNAN: He is very much a gentleman! I am very keen to make a brief contribution on this, but there is a great deal more to be said about this agreement in the coming months. I start off by recognising that opening up international trade in a general sense is a good thing. I believe that more commerce between nations can lead to those in poverty being raised up. I do acknowledge that. And it can, of course, establish great mutual interest in peace and stability. I accept that. I also accept that Australia is a trading nation and that there is a clear benefit to our producers from reducing tariffs and other trade barriers. The Minister for Trade has set out at considerable length the benefits that are contained in the TPP, and we welcome those benefits. But we are not getting from the minister a clear-eyed assessment of the net benefit—the cost-benefit. What we see is a great deal of spruiking about the swings but virtually a denial of the roundabouts. Of course, we go through a pro-forma process. We have a document that is called the National Interest Analysis. But this is a document that has been prepared by DFAT, the organisation that has been overseeing the actual negotiation of the agreement. As someone put it, is like getting them to mark their own homework!

Reading through that document, it is a very shallow document. As one of my staff commented, it appears to be more like a set of ministerial talking points rather than a detailed analysis of those things that we could benefit from and those things that will reduce our benefit. I think we need to be very honest and transparent about the good bits and the bad bits, because without that we cannot get to that critical point of making an assessment of whether there is a net benefit in entering into this agreement.

One of the things I have spoken on for a number of these trade agreements is the asymmetry of the labour mobility provisions. In this agreement, that is contained in chapter 12. I think the first noteworthy point to make is that the US has opted out of this chapter altogether. The US has a very clear-eyed position about this, that it does not confuse immigration issues with trade issues and that it does not enter into arrangements about labour market mobility generally in its trade agreements. So the US has opted out altogether.

We have then established a series of side letters with those countries that want to participate with Australia in labour market mobility. We note, for example, Singapore—we have no side letter with Singapore. We have a side letter with Canada, and I have to say that as far as I can see there does seem to be reasonable symmetry with Canada so that the same sorts of people will be allowed into Canada as are allowed into Australia. So I do not

have a problem with that. But when I look at Brunei, Malaysia, Vietnam, Mexico and Japan I think there is a very real case that there is asymmetry.

Fundamentally, we have a very misleading descriptor here. If you look at the chapter, it talks about the mobility of businesspersons. Now, when we go back into the annex and we go through the fine detail of the definition of that we see that 'businessperson' is a very broadly-defined category. Indeed, it includes any person with a trade or technical skill who can be employed by an existing Australian employer in Australia. So, fundamentally, it appears from what we can see that anyone who is on the list of eligibility for a 457 visa is eligible to come in from Brunei, Malaysia, Vietnam, Mexico or Japan without—and we believe this is a critical point—labour market testing. There is nothing in those side letters that requires labour market testing.

The other provisions of the 457 visa are included—the provisions about the payment of wages—but the provision in relation to labour market testing does not exist. The only side letter where it appears to be discussed is with Canada, and that is appropriate in the Canadian system because there is a degree of symmetry there in those provisions. We get what we give in the deal with the Canadians, as far as I can see.

So I think these are very real concerns. We need some great clarification from the government about the position of these tradespersons—trade- and technically-skilled people—about whether there will be labour market testing. I think that needs to be entrenched, somehow or other, in our legislative framework.

The other provision I want to raise is for the ISDS. I am sure that the member for Fremantle, who will speak on this issue, will go into this at some length. But I just want to make this statement: we need to look at this in a very rigorous way. I understand the reasons for why ISDSs were set up and what they were designed to protect. But, in reality, we have created an extra-judicial system. We have created a system where our rules—our sovereignty—are being overseen not by an international court but by a private arbitration system that is largely exercised by people who have a commercial interest and who have as their commercial clients the very companies that are seeking to take states on and to sue states over the legislative protections that they may seek for their people. Be it environmental policy, intellectual property or labour market rules that might be being legislated, these can be challenged by these large corporations. These cases are not heard by an international court; they are heard by private arbitrators who, in their day-to-day work, are the very people who represent those large corporations in other fora.

Justice French has made a very powerful argument against these. He said these arbitral tribunals set up under ISDS provisions are not courts, nor are they required to act like courts, and yet their decisions may include awards that significantly impact upon national economies and upon regulatory systems within nation-states. This is a very real issue that we must address not only for this agreement but also more generally. I believe we should be moving towards an international court if we are going to have these ISDS provisions. Again, thank you to the member for Rankin; I look forward to us having a very serious debate on this topic over the next few months.

Mr HUTCHINSON (Lyons) (12:11): I always enjoy the contributions by the member for Perth, and I am disappointed that she left 1½ minutes on the clock.

The Trans-Pacific Partnership Agreement was finally signed on 4 February this year in New Zealand. Australia was represented by Minister Andrew Robb, who has been the deliverer of so much good news for my electorate of Lyons and certainly the state of Tasmania in respect of the trifecta of trade agreements that have been negotiated since the coalition came to government in 2013. The KAFTA and the Japanese economic partnership agreement, and more recently the China-Australia Free Trade Agreement, have delivered enormous benefits to businesses in my state. It is very much in line with the absolute culture and focus that this government has on generating growth, creating opportunities, and for businesses to invest and, ultimately, employ, in our case, more Tasmanians.

We are, in our state, quite mature in the way that we view foreign investment more broadly—notwithstanding some of the issues that the member for Perth raised. I acknowledge her concerns, and these are issues that need to be clarified. But in large part, I sometimes misrepresented it in the way of a scare campaign. As I said, in my state, Tasmanians have been very mature about these sorts of issues in recent times. There are many practical benefits to come to my state as a result of that, and I will highlight a few of those in a minute.

This is a culmination of many years' work. This is a culmination that included work by previous governments, including previous Labor governments. The work that has been concluded by Minister Robb did demand a certain level of resolve. They have delivered what is a modern agreement. There are obvious benefits in tariff removals in respect of the commodities that Australia more broadly, but certainly my state, is obviously able to supply, and this is clear to most people. The tariff removals allow better access to those markets; therefore, they create additional competition and they create confidence for businesses to invest in their own businesses and employ more Tasmanians. But they also have unlocked the potential that really stands there for this country as a

developed First World country. More than 70 per cent of the Australian economy is driven by the services sector, and yet a relatively small part of our exports are made up of services—somewhere in the vicinity of 15 per cent.

The opportunity that these agreements present for our services sector to deliver high quality services in a whole range of areas is quite tantalising, particularly in the Asia-Pacific region and, in the case of the Trans-Pacific Partnership Agreement, more broadly. There are opportunities for small and medium businesses as well, and there has been a real emphasis within this agreement to make sure that small and medium enterprises see and capitalise on those opportunities.

The procurement of government services in the trans-pacific partnership countries presents enormous opportunities for many Australian businesses that have the skills and capacity—for example, particularly in my own state, for those businesses that are providing environmental approval processes and those sorts of things. These are things that a developed, modern country like Australia, which has very stringent regulations around these spaces, has. These are the sorts of things that are going to be in very high demand in the countries that have signed up to the Trans-Pacific Partnership Agreement.

There is still a lot of work to go. In each of those countries local politics will come into play in terms of seeing this agreement ultimately ratified and brought into law in those individual jurisdictions. For the record, those 12 countries are: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico New Zealand, Peru, Singapore, the United States and Vietnam. Last year I had the opportunity to travel to Vietnam, and it was interesting to see in the English printed newspapers the interest that country had in the Trans-Pacific Partnership Agreement. Over the course of the week and a half that I was there, I noted numerous articles that referred to the negotiations that were going on at that time.

We already have the Japan-Australia Economic Partnership Agreement, so one might reasonably ask the question: what are the benefits for Australia—and Japan for that matter—in respect of the Trans-Pacific Partnership Agreement? In respect of Australia, there are additional concessions for dairy exports that have been made in terms of access to that market, specifically in relation to manufactured dairy products, and that is a really good thing for Tasmania.

Over 98 per cent of the dairy product that is produced in Tasmania is processed locally, mainly up on the north-west coast. Tasmania is nearly the second largest producer of milk in the country. It is not quite there yet, but I think within two years we will probably overtake New South Wales as the second largest dairy producer. I have been made aware of plans and opportunities in my own electorate for expanded capacity in that area that will provide opportunities. So whether it is cheese, milk powder or other value-added products, those opportunities are very broad and wide.

In respect of agriculture more broadly the obvious beneficiaries for my state, in addition to dairy, are beef; wine exports, where there are significant reductions or elimination of tariffs into Mexico and Canada, Peru, Malaysia and also Vietnam; and seafood, notwithstanding the issues that we have at the moment with the POMS disease that has come down from New South Wales and is now, unfortunately, impacting on oysters in the Tasmanian jurisdiction. I spoke last night to Craig Lockwood from St Helens, and it is a real concern to them. But I am sure they will work through that, and they are developing resistance within those breeding stocks as we speak.

The elimination of many tariffs will benefit consumers in terms of the costs of goods that are available in this country. When I look at these things, I try to be aware of the concerns that are raised. I do not have an issue with those concerns being raised and debated—for example, by the member for Perth and others. That is right and proper, and it is what this place is ultimately about.

But from Australia's perspective—and I will bring it back to my local patch in Tasmania, to my electorate—ultimately it is about backing our own strengths. It is about focusing on those things for which our country has a competitive advantage. This agreement, overwhelmingly, provides the opportunity for our country to be able to capitalise on those things that we do comparatively better than similar countries which produce those sorts of goods.

I welcome this. I congratulate the minister. I also congratulate, particularly, the departmental staff who over many years have worked extremely hard to be able to deliver a modern agreement that will serve our nation very well into the future. It will provide opportunities for so many businesses. I guess that my ask of those businesses and those innovative people who I know are all over the electorate of Lyons is to seek out the opportunities. See this as an opportunity to have a much bigger market than the one that is on the doorstep. We are a small country by population size, we are big country by geographic size but we are perfectly located in the Asian region in order to take advantage of the growing middle class there, that has a high demand for the quality goods and services that Australia is able to produce.

Dr CHALMERS (Rankin) (12:21): I welcome the tabling of the text and the National Interest Analysis for the Trans-Pacific Partnership. I thought I might begin where the member for Lyons finished by acknowledging all the work that gets done for this agreement and more broadly across all of the agreements—work done by our terrific officials at the Department of Foreign Affairs and Trade and other agencies. These are the people who really put their backs into these agreements; they work around the clock. I have had the pleasure of working with some of them in other roles in this building and I do think that we should acknowledge and celebrate that we have among the best diplomatic and trade staff in the world. They do the best job for whoever the government is, and so we celebrate their role in this.

As the member for Lyons also noted, the negotiation for this agreement began under Labor in 2010. The work that we are talking about now began with Minister Crean, then came ministers Emerson and Marles before Minister Robb took over in 2013. So we should also mark—as the minister did in the chamber the other day and as the shadow minister for foreign affairs did—the work of all four ministers when it comes to this agreement that we are discussing today.

The whole country has a stake in us getting our trade agreements right. At a time when growth is sluggish—there is not a lot of growth to go around in the global economy and, indeed, in our own economy—we do need to find new markets and new opportunities for our businesses. We do need to seek out every single chance that our businesses can get to prosper and to employ more Australians.

This is an important step—the tabling of the text and the National Interest Analysis is an important step, as was the ceremony in New Zealand earlier in the week. But this is not the final step. I think that anyone who follows American politics, for example—as my colleague here, the member for Bruce, does—would understand that there is a long way to go in each of the 12 countries when it comes to agreeing to the terms of this deal. There is a lot of processed to be followed, whether that be in the US, via the Congress, or in each of the other countries and, indeed, here as well.

It is a very complex document—many thousands of pages—and the opportunity for us here in this place and, indeed, for people right around the country, is to have input into this conversation through the Joint Standing Committee on Treaties. That process begins soon, and that is a very important one for people to get the opportunity to have their say. We will follow that process very closely, because we do think that is the best way to hold these agreements up to the light, to understand everybody's points of view and to come to a well-considered view at the end of the day.

The objectives of the TPP are well known. They are largely shared, I think it is fair to say. It is a huge agreement, covering those 12 countries in the region. They are 12 very important countries; a combination of well-established economies as well as emerging economies, including, for example, Vietnam. They collectively cover something like 40 per cent of global GDP. Something like a third of our goods and services exports went to these countries in 2014.

As the shadow minister for foreign affairs said when she responded formally to the minister's statement—the first one to respond on our behalf—we do recognise that there are potential benefits. We do however have some fairly substantial concerns as well, which the member for Perth ran through and no doubt the member for Wills will run through as well when he gives his contribution. But we do as a baseline recognise that there are potential benefits in the TPP and also in other agreements of its kind. From a personal point of view, I am a big believer in trade's capacity to create jobs and opportunities. I do think it is worth noting in this agreement that we are talking about the elimination of something like 98 per cent of tariffs on our goods and also some substantial access for our services.

When we talk about these deals, the goods aspect is fairly easy to understand and quite often the side of the equation that is talked. But, as far as I am concerned, services are the hope in our economy and we do need to be seeking more markets and more opportunities for our service providers in our economy. In this particular deal, in terms of services, we are talking about professional services, financial services, education, telecommunications, health, hospitality, tourism and government procurement. When you think about the businesses in our economy, those are really crucial ones for us. We need to see them succeed if we are to create the jobs of the future—the jobs that people who are graduating from school and university now can fill and prosper in. Those categories of jobs are really the ones that we will need to lean very heavily on.

It is true that one of the main gaps in this debate is over the economic benefits of the TPP and, indeed, the other deals that have been signed by the government. It is our view—it is certainly my view—that the government would do themselves a real favour if they committed to actually modelling in a robust and defensible way, and perhaps an independent way, the claims that are made at the beginning of these negotiations and then at the final

stage, so that people can come to a rational view of the various trade-offs and various opportunities that are central to this kind of debate.

I was involved in a very good committee that dealt with some of these issues. The committee recommended that these deals be modelled. Otherwise, we are relying on other bodies—American bodies like the US Department of Agriculture and the Peterson Institute and that World Bank material that came out not so long ago which talked about the benefits for the various countries in the region. We do think that the claimed benefits should be modelled in a way that is robust, defensible and credible, so that we can weigh up the costs and opportunities of these deals. There are some positive additions or inclusions in the deal. These are things around logging, fisheries and biodiversity. There is a chapter labour standards. It is not without its faults but it does deal with issues like the minimum wage and the ability to organise and there are also some points about inclusive development.

But as I said before and as the member for Perth said—and the member for Wills will say and no doubt the member for Fremantle will say—our concerns here are not insignificant. We do have some concerns with this deal. We think the JSCOT process, because it will let us hold up to the light some of the things that we are concerned about. The ISDS of course is a major concern for this side of the House. So that will be a feature of our investigation. There is also the issue of pharmaceuticals. We want to make sure that the cost of medicine is not forced up. There is a whole range of complex issues at play there which I do not have time to go into. Also, as the member for Perth said, there are labour mobility issues.

These issues will be central to the committee process and to the public input of people who are invited here and come here to give their views. Those factors will no doubt be really central to other people's concerns. On that note I do want to thank the various organisations around the country that email us and provide their views to us. No doubt everybody here today has an inbox full of emails about the TPP from both sides—heavily weighted on one side, of course—but I wanted to thank everyone who does take the time to feed in those views.

This deal is not without its critics. I have already said that I think there are substantial upsides that we need to consider, but also those not insignificant concerns that we have. For our part, on our side of the House we do want good trade agreements. We consider them on balance. We understand that you cannot get everything you want when you are talking about 12 important countries in our regions, so we consider them on balance and we come to a considered view. We take the time to hold them up against the claims that are made by the government to make sure that those claims are real and that they can be robustly identified. Then we vote for what is best for Australia as a whole, but really for the workers and the businesses that make up the Australian economy.

Ms PARKE (Fremantle) (12:30): Earlier this week I spoke in this place about a petition received by the cross-party group on the TPP from GetUp! and SumOfUs that had been signed by more than 305,000 Australians who say 'no' to the TPP. The parliamentary group also received a letter addressed to members of parliament from the Australian Fair Trade & Investment Network, or AFTINET, on behalf of 59 community organisations representing two million Australians. I seek leave to table the letter and the list of signatories.

Leave granted.

Ms PARKE: The concerns expressed in the letter appropriately sum up the major reasons why this parliament should be supporting the call for independent assessments of the text prior to the agreement being ratified. Those calls are that there should be an independent assessment of TPP economic costs and benefits as offered by the Productivity Commission, including costs and risks to government of ISDS and an extension of medicine and copyright monopolies; as well as an independent health, environment and human rights and labour rights assessment for the TPP.

It seems that the outrageously predatory behaviour on the part of tobacco companies in not respecting the laws and courts of sovereign nations and the public outcry over this behaviour has at least led to ISDS cases against tobacco regulation potentially being excluded under the terms of the TPP text. However, the other issue where the trade minister claims to have had a big win in TPP negotiations relates to the issue of market exclusivity for biologics. Under the relevant agreement in the TPP:

There would be market exclusivity for biologics provided through one of two options: at least eight years of data protection or at least five years of data protection and other measures to deliver a comparable outcome in the market.

As Dr Debra Gleeson of the School of Psychology and Public Health at La Trobe University has written about this:

The provisions relating to biologics are problematic and ambiguous. They appear to commit countries to providing either eight years of clinical trial data protection or five years of clinical trial data protection along with other measures to deliver comparable outcomes. While the Australian government has said that the regime for biologics in Australia will not change, the language leaves room for continued pressure by the United States to ensure that TPP countries prevent biosimilars from

entering the market for eight years. The definition of biologics is very broad and likely to limit countries' flexibility in determining the scope of the obligation. A review by the TPP Commission of both the length and scope of protection after 10 years provides a further mechanism for US pressure to expand and extend monopolies on expensive biologics.

So, rather than actually having achieved a protection for the five-year exclusivity period as claimed by the trade minister, it seems that that is not at all what the agreement does. It gives a very broad opening for companies to insist on eight years of data protection or five years of data protection and other measures to deliver a comparable outcome in the market. Undoubtedly this will ultimately impact in the cost of medicines going up.

For me, with the TPP the major issue is the investment chapter and investor state dispute settlement clauses because that is a chapter that magnifies the negative consequences and impacts of the other chapters. I have spoken about ISDS in this place before. I have noted the fact that foreign companies will have the power under the agreement to sue Australia in a private international tribunal for any laws, policies or court decisions that may impact upon their profits. With the exception potentially now of tobacco control, the trade minister has at various times described expressions of concern about ISDS as 'hysterical fear mongering'. But I would have to ask if the trade minister considers the Chief Justice of the High Court of Australia, the Productivity Commission, Nobel Prize winner Professor Joseph Stiglitz, or the UN special rapporteur on trade to be hysterical in warning against the inclusion of ISDS clauses in trade agreements?

And let's remember that these international tribunals hearing ISDS cases are not made up of independent judges but of corporate lawyers who can be acting for a multinational corporation one day and sitting on an arbitration panel the next. They do not apply any precedent and their decisions are not appealable, as Costa Rica has discovered to its detriment. Costa Rica was successfully sued for trying to protect endangered turtles even though there was supposed to be a carve out from environmental regulation.

Peru was sued by US led mining company Renco when a Peruvian court ordered Renco to clean up its lead pollution. This was another example of an environmental carve out that was ignored by the foreign investor and by the tribunal. Remember, if the tribunal ignores the very clear exemptions in the agreement, there is no appeal from the decision of the tribunal and so there is nothing you can do about it in any event.

We know that Egypt is being sued for raising the minimum wage. Germany is being sued for its decision to phase out nuclear power after Fukushima. El Salvador is being sued for refusing to issue a gold mining licence due to serious community health and environmental concerns. Canada is being sued for Quebec having put a moratorium on fracking pending an environmental review. Canada is being sued for a Canadian Supreme Court decision ruling two of Eli Lilly's medicine patents invalid.

In what I see as a supreme irony, given President Obama's vigorous championing of the TPP, just two months after the Obama administration rejected Trans Canada's bid to build the dangerous Keystone XL tar sands pipeline—a landmark victory for the movement to keep fossil fuels in the ground—the Canadian corporation announced it would retaliate by suing the United States under ISDS provisions in NAFTA, which is a TPP-like trade deal. This bodes extremely ill for government attempts to regulate or even make decisions for the benefit of the environment. As an arbitrator from Spain, Juan Fernandez Armesto, observed:

When I wake up at night and think about arbitration, it never ceases to amaze me that sovereign states have agreed to investment arbitration at all. Three private individuals are entrusted with the power to review, without any restrictions or appeal procedure, all actions of the government, all decisions of the courts and all laws and regulations emanating from parliament.

Finally, I note that, according a comprehensive economic analysis by the World Bank, Australia stands to gain almost nothing from the TPP deal. The World Bank study shows that the TPP would boost Australia's economy by just 0.7 per cent by the year 2030 with the annual increase in growth being less than one half of one-tenth of one per cent. I think this analysis points to the reason behind the government's refusal to have any independent analysis and assessment of the TPP, because they are not sure that it will actually be shown to have any positive impact.

It does beg the bigger question of why a government would want to do this to its own people? To enter into an agreement that will bind its own hands, and the hands of governments into the future, to legislate and make policy in the public interest. It seems to me a fundamental breach of the public trust that holders of public office owe to the nation and the community at large.

I urge all concerned people to make submissions to the committees, including the treaties committee, that are looking into this matter and to take the opportunity now to call for the government to have independent assessments carried out. It is a very reasonable request and there does not seem to be any rational, reasonable reason that one would not have done that when one has the time. With other countries still needing to go through their processes for ratification, we should do the same.

Mr KELVIN THOMSON (Wills) (12:40): An economist and an ecologist are blown by a gust a wind off the top of a skyscraper and they are plummeting earthward. The ecologist is panicking, but the economist is resolutely calm. 'Why are you so calm?' asks the ecologist. 'Because demand will create a parachute' is the reply. Like the falling economist in the joke, we have not hit the ground and we may feel that we are doing fine, but if we were one of the hundreds of thousands of refugees who have left Africa and the Middle East in the past 12 months to embark on a perilous voyage across the Mediterranean, then the world would feel rather different.

For the past 30 years Australia has been undergoing an experiment and we have not been alone, many other countries have travelled the same path—free market liberalism. Its hallmarks have been globalisation, privatisation, deregulation, free movement of goods and free movement of people. Its advocates said it would strengthen the economy and make us 'more resilient to external shocks.' But far from making our economy more diverse and resilient, we have become narrow and vulnerable. We have much higher levels of unemployment than we did 30 years ago, we have much higher levels of youth unemployment, we have much worse long-term unemployment and we have serious problems of underemployment. We have much larger foreign debt and much larger budget deficits. The distribution of wealth between rich and poor is becoming less equal, and the social problems generated by frustrated ambition, drugs, crime, mental health problems and homelessness are on the rise too.

But the people who have dug us into this hole want us to keep digging. The Trans-Pacific Partnership is but the latest example. The Trans-Pacific Partnership contains investor state dispute settlement provisions, which allow foreign corporations to sue Australian governments in tribunals which have no independent judiciary, no precedents and no appeals. It commits to deliver up to three years' additional monopoly for biologic medicines, which will cost the PBS hundreds of millions of dollars each year. It locks in strong rights for copyright holders, but contains only weak labour rights and environmental standards which are unenforceable. It removes labour market testing for temporary migrant workers from five TPP countries, continuing the white-anting of labour market testing that we have seen with the Korea and China free trade deals—and this a recipe for more 7-Eleven-type rip-offs of students and other migrant workers.

When trade deals are signed, there is always much fanfare and triumphalism about how good they are going to be. For example, in 2004 John Howard said that the US trade free trade agreement would 'add enormous long-term benefits to the Australian economy.' But a decade later, the ANU academic, Shiro Armstrong, studied the agreement and concluded that all it had really done was to divert some trade from some other countries. Given all this, there should be an independent assessment of all the costs and all the benefits of the TPP before the parliament votes on it. That assessment should be carried out by the Productivity Commission. Bodies such as the ACCC, the Harper Competition Policy Review and public health experts and the like support this view.

I return to the question of labour market testing and the provisions of the TPP in this respect. Three months after releasing the TPP text, no Turnbull government minister has yet admitted publicly that it has, once again, negotiated away Australia's sovereign right to regulate key temporary visa programs in crucial areas. Australia has committed not to apply labour market testing or caps in the entire 457 visa program for all citizens of Canada, Peru, Malaysia, Brunei, Vietnam and Mexico—when El Chapo escapes again, you know where he will be making a beeline for—and for all foreign nationals who are employees of businesses in Canada, Peru and Mexico who transfer to an Australian branch of that business. On top of that, Australia has also made a standing offer to do the same for the three other TPP countries without a total 457 labour market testing exemption—that is to say: the USA, Peru and Singapore—if they provide access to limited categories of Australian businesspeople down the track.

The China free trade agreement concession not to apply labour market testing to installers and servicers of machinery and equipment on 400 visas has also been extended to eight TPP countries—Brunei Darussalam, Chile, Japan, New Zealand, Peru, Canada, Malaysia and Mexico.

The Australian Fair Trade and Investment Network has forwarded to members of parliament a letter signed by 59 community organisations representing millions of Australians who are gravely concerned about the Trans-Pacific Partnership text. They say that the TPP:

- allows foreign corporations to sue governments over changes to domestic law in unfair international tribunals which have no independent judiciary, no precedents and no appeals. Cases against tobacco regulation can be excluded, but 'safeguards' for other health, environment, labour rights and public interest regulation are ineffective and will not prevent future cases. Governments could be sued for taking action against climate change, undermining the Paris climate agreement.
- locks in stronger monopoly rights for pharmaceutical companies which will lead to higher prices for medicines. Australia's law on costly biologic medicines will not change immediately. But there is a commitment to deliver up to 3 years of additional monopoly for biologic medicines, which will cost the PBS hundreds of millions of dollars a year for each year of delay in availability of cheaper medicines.

- locks in strong enforceable rights for copyright holders, which are mostly global corporations, which could prevent future governments from protecting consumer rights.
- contains only weak labour rights and environmental standards which are not enforceable, and will not protect the rights of increased numbers of temporary migrant workers.
- removes labour market testing for temporary migrant workers from 5 TPP countries. This will expose more of these workers to exploitation as seen in 7-Eleven stores and other industries without testing if Australian workers are available.

Many independent commentators have argued that the TPP reduces democratic rights for claimed economic benefits which will not be delivered. A recent World Bank study of the TPP reported in the Sydney Morning Herald shows negligible economic benefits for Australia, because it already has free trade agreements with the US and Japan, and all but three of the other TPP countries.

The letter also notes:

There is also strong opposition to the TPP in the U.S. Congress from both sides of politics, with demands from conservatives to change the text to gain even more rights for pharmaceutical and tobacco companies. It would be foolish for the Australian Parliament to endorse the TPP when it is unlikely to be passed by the U.S. Congress in 2016.

As well as those 59 organisations, I note specific concerns being expressed by the Tertiary Education Union, which has undertaken an analysis of the implications of the TPP with specific attention to its impacts on education and educational services in Australia. They point out that chapter 9, the investment chapter, has the effect of locking in and intensifying pressures of commercialisation and privatisation. They say:

This means, a for-profit VET provider owned from overseas could demand compensation from the Australian government if they changed laws which meant that they could not enrol domestic students or could not access public subsidies where those requirements would mean a loss of investment.

I think that those are very serious and legitimate concerns.

It is noteworthy that there is strong resistance to the TPP in the US itself, including from both Democrat presidential contenders. I see this as one element of a quite conspicuous uprising against the big end of town agenda, which includes the free movement of goods and the free movement of people. You can see clear strands of this in US politics in its support for the insurgents Donald Trump and Bernie Sanders. You can see it in the UK in the support for Jeremy Corbyn at one end of the spectrum and UKIP at the other. You can see it in the rise of populist antimigration, anti-European union parties in Europe.

I think corporate interests need to realise that continually pushing and fundamentally greedy globalist corporate agenda in opposition to the more democratic concept of nation states protecting the interests of their responsive citizens will generate nationalist pushback. To simply try to brush this aside as racist and xenophobic, as we saw in the debate over the China FTA, is a poor substitute for genuinely having regard to the impact of trade agreements on the capacity of citizens to democratically determine what kind of country and what kind of world they want to live in.

Debate adjourned.

Federation Chamber adjourned at 12:50

QUESTIONS IN WRITING**Department of Education and Training: Departmental Staff Redundancies****(Question No. 1125 - Amended)**

Mr Conroy asked the Minister representing the Minister for Education and training, in writing, on 17 August 2015:

In respect of departmental staff (a) how many redundancies were made in 2014–15, and (b) what is the total cost of payments associated with these redundancies.

Mr Hartsuyker: The answer to the honourable member's question is as follows:

(a) Between 1 July 2014 and prior to Machinery of Government (MoG) changes on 23 December 2014, seven non SES employees separated from the Department of Education via voluntary redundancies. Between 24 December 2014 and 30 June 2015, 135 non SES employees separated from the Department of Education and Training via voluntary redundancies.

(b) The total redundancy cost associated with these redundancies is \$10,805,450.00.

Department of Defence: Departmental Staff Training**(Question No. 1285)**

Mr Conroy asked the Minister representing the Minister for Defence, in writing, on Monday, 17 August 2015:

- (a) what sum was spent on training for departmental staff,
- (b) on what date(s), and at what location(s), did the training occur, and
- (c) what outcomes were achieved.

Ms Julie Bishop: The Minister for Defence has provided the following answer to the honourable member's question:

(a) The amount spent on training for Defence Australian Public Service employees was \$47.758 million.

(b) Some training occurs on almost every working day throughout the year in all states and territories and overseas. Employees undertake a large amount of their training on-line by e-learning, which is accessible nationally. They generally have the opportunity to choose the appropriate times and places for undertaking that training.

(c) Training outcomes achieved include:

- (i) Departmental compliance with legislated or otherwise mandated training requirements;
- (ii) Support for implementation of reforms arising from audits, inquiries and reviews of Defence;
- (iii) Development of Defence leaders;
- (iv) Delivery of professional and technical skills required for job performance; and
- (v) Development of common administrative and management skills.

Department of Defence: Ministerial Staff Lost and Stolen Equipment**(Question No. 1620)**

Mr Conroy asked the Minister representing the Minister for Defence, in writing, on 12 October 2015:

In 2014-15, what sum was spent on replacing lost, stolen or misplaced equipment of Ministerial staff in the office of the then Assistant Minister for Defence, and what goods were replaced.

Ms Julie Bishop: The Minister for Defence has provided the following answer to the honourable member's question:

Please refer to House of Representatives Question on Notice number 1210.

Department of Defence: Ministerial Staff Training**(Question No. 1632)**

Mr Conroy asked the Minister representing the Minister for Defence, in writing, on 12 October 2015:

In 2014-15 in the office of the then Assistant Minister for Defence, (a) what sum was spent on training for Ministerial staff, (b) on what date(s), and at what location(s), did the training occur, and (c) what outcomes were achieved.

Ms Julie Bishop: The Minister for Defence has provided the following answer to the honourable member's question:

Please refer to House of Representatives Question on Notice 1314.

Department of Education and Training: Costs associated with change of scope**(Question No. 1680)**

Mr Conroy asked the Minister for Vocational Education and Skills, in writing, on 15 October 2015:

In respect of his appointment on 21 September 2015, will the department provide an itemised account of all associated costs, including (a) signage, (b) stationery, including business cards and letterheads, (c) web design and IT services, (d) vehicular signage and painting, and (e) marketing materials, including logos, pamphlets, and audio-visual materials such as DVDs.

Mr Hartsuyker: The answer to the honourable member's question is as follows:

As at 15 October 2015, no costs were incurred for signage and stationery by the department. Letterheads are made available online through the department's intranet and letters are only printed as needed.

As at 15 October 2015, no costs were incurred for web design by the department. In regards to IT services the Minister was already supported by the Shared Services Centre (SSC). The SSC manages the IT network and equipment on behalf of the Department of Employment and Department of Education. The Minister transitioned from the Assistant Minister for Employment with no additional fitouts costs for Parliament House, Electorate Office or Commonwealth Parliamentary Offices as they were already fitted out with IT network and equipment supplied by the SSC. One additional smartphone was issued to the minister's office at a cost of \$1,260.

As at 15 October 2015, no costs were incurred for vehicular signage, painting, marketing materials, including logos, pamphlets, and audio-visual materials such as DVDs.

Department of Defence: Taxi Service Expenditure 2014-15

(Question No. 1789)

Mr Conroy asked the Minister representing the Minister for Defence, in writing, on 10 November 2015:

Can the Minister provide an itemised account of departmental and agency taxi service expenditure for 2014-15.

Ms Julie Bishop: The Minister for Defence has provided the following answer to the honourable member's question:

Defence taxi service expenditure for 2014-15 was \$14,026,624.89. This expenditure includes all car hires with a driver included, which totaled 234,745 transactions for 2014-15.

An itemised list of taxi expenditure for financial year 2014-15 is provided via CD submitted with this response.

Department of Defence: Global Roaming Ministerial Staff Costs

(Question No. 1912 and 1914)

Mr Conroy asked the Minister representing the Minister for Defence, and the Minister for Defence Materiel and Science on 10 November 2015:

In respect of global roaming costs for Ministerial staff on information and communications technology devices since 8 September 2013, and can the Minister provide an itemised list of costs incurred, including but not limited to

- (a) date of use,
- (b) call or data type,
- (c) location of use,
- (d) length or size of the call or download, and
- (e) cost per call or data download.

Ms Julie Bishop: The answer to the honourable member's question is as follows:

(a)-(e) Please see Table A for detailed information.

TABLE A: Itemised List of Costs and Usage Details – Global Roaming Usage by Ministerial Staff

NB: Data is provided for months where data exists; those months with nil usage are not displayed.

2013:

Call or Data Type	Sep 13	Oct 13	Nov 13	Dec 13	TOTAL
International Roaming Data	-	-	\$108.80	\$1.16	\$109.96
International Roaming Data Pack	-	-	-	-	-
International Roaming SMS	-	-	\$55.50	\$26.25	\$81.75
International Roaming Voice	-	-	\$575.59	\$39.95	\$615.54
GRAND TOTAL	-	-	\$739.89	\$67.36	\$807.25
Call or Data Type	Sep 13	Oct 13	Nov 13	Dec 13	TOTAL
International Roaming in KB	-	-	-	22,327	22,327
International Roaming Data Pack	-	-	-	-	-
Total No. of International	-	-	74	46	120
Roaming SMS	-	-	-	-	-
International Roaming Voice in	-	-	15,040	15,133	30,173
Seconds	-	-	-	-	-
Location of Usage	-	-	Airline	Fiji	-

						Fiji Turkey UAE USA		New Caledonia New Zealand		
2014:										
Call or Date Type	Jan 14	Mar 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Dec 14	TOTAL
International Roaming Data	\$61.32	\$6.63	\$11.57	\$10.07	\$5.51	\$21.47	\$53.33	\$91.33	\$27.49	\$288.72
International Roaming Data Pack	-	-	-	-	-	-	-	-	-	-
International Roaming SMS	\$47.25	\$242.25	\$188.25	\$117.75	-	-	\$90.00	\$69.00	\$12.00	\$766.50
International Roaming Voice	\$132.38	\$82.95	\$30.00	\$164.00	-	\$4.50	\$557.00	\$623.50	\$95.50	\$1,689.83
GRAND TOTAL	\$240.95	\$331.83	\$229.82	\$291.82	\$5.51	\$25.97	\$700.33	\$783.83	\$134.99	\$2,745.05
Call or Data Type	Jan 14	Mar 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Dec 14	TOTAL
International Roaming in KB	20,973	2,318	4,046	3,483	1,882	7,330	16,153	31,168	9,362	96,715
International Roaming Data Pack	-	-	-	-	-	-	-	-	-	-
Total No. of International Roaming SMS	63	323	251	157	-	-	120	92	16	1,022
International Roaming Voice in Seconds	6,265	2,459	1,733	4,333	-	300	12,233	19,579	3,496	50,398
Location of Usage	Fiji New Caledonia New Zealand	Indonesia	Malaysia Singapore	Japan Malaysia Singapore	Indonesia	Belgium Singapore UAE	Afghanistan Iraq New Zealand UAE UK USA	Hong Kong Japan New Zealand Singapore South Korea USA	France New Zealand PNG UK	
2015:										
Call or Date Type	Jan 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	TOTAL
International Roaming Data	\$0.31	\$1,168.89	\$263.07	\$1,666.38	\$1,027.94	-	-	-	-	\$4,126.59
International Roaming Data Pack	-	-	\$29.00	\$1,639.00	\$1,554.25	\$1,879.26	\$2,194.00	\$1,874.00	\$1,714.00	\$10,883.51
International Roaming SMS	-	\$130.50	\$12.00	\$62.25	-	\$24.75	\$87.75	-	-	\$317.25
International Roaming Voice	\$1.50	\$162.50	\$491.00	\$589.50	\$158.50	\$161.00	\$1,059.50	-	-	\$2,623.50

GRAND TOTAL	\$1.81	\$1,461.89	\$795.07	\$3,957.13	\$2,740.69	\$2,065.01	\$3,341.25	\$1,874.00	\$1,714.00	\$17,950.85
Call or Data Type	Jan 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	TOTAL
International Roaming in KB	103	965,887	567,642	1,051,925	381,118	290,092	1,284,950	-	-	4,541,717
International Roaming Data Pack	-	-	-	-	-	-	-	-	-	-
Total No. of International Roaming SMS	-	174	16	83	-	33	117	-	-	423
International Roaming Voice in Seconds	3	4,476	13,984	15,139	5,301	4,543	32,043	-	-	75,489
Location of Usage	France New Zealand	Belgium Fiji France Germany Iraq PNG UAE UK USA	Airline Fiji Greece Malaysia PNG Singapore Turkey UAE USA	Airline Belgium Italy Japan Malaysia Singapore Singapore UAE USA	Belgium France Malaysia Singapore Spain UAE USA	India	India Japan New Zealand			

Adult Migrant English Program

(Question No. 2074)

Ms Rowland asked the Minister representing the Minister for Education and Training, in writing, on 23 November 2015:

What sum did it cost to have ACIL Allen Consulting evaluate the Adult Migrant English Program?

Mr Hartsuyker: The answer to the honourable member's question is as follows:

Procurement for this activity included an evaluation of the Adult Migrant English Program, an evaluation of the Skills for Education and Employment programme and a third report on the strategic alignment between the two programmes.

The three elements were not tendered for or costed separately. The total contract came to \$500,504 (GST inclusive).