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the Senate and committee hearings are available at

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SITTING DAYS—2013

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

Governor-General
Her Excellency the Hon. Quentin Bryce AC, CVO

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Parry
Temporary Chairs of Committees—Senators Cory Bernardi, Thomas Mark Bishop, Suzanne Kay Boyce, Sean Edwards, David Julian Fawcett, Mark Lionel Furner, Alexander McEachian Gallacher, Scott Ludlam, Gavin Mark Marshall, Anne Sowerby Ruston, Dean Anthony Smith, Ursula Mary Stephens, Glenn Sterle and Peter Stuart Whish-Wilson
Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC
Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash
Leader of the Australian Labor Party—Senator the Hon Penny Wong
Deputy Leader of the Australian Labor Party—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Chief Government Whip—Senator Helen Kroger
Deputy Government Whips—Senators Christopher John Back and David Christopher Bushby
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
**Members of the Senate**

<table>
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<th>State or Territory</th>
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<th>Party</th>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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</table>

(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.

(2) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.

(3) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.

(4) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.

(5) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.

(6) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice C. Evans, resigned 12.4.13), pursuant to section 15 of the Constitution.

(7) Casual vacancy to be filled (vice B. Joyce, resigned 8.8.13), pursuant to section 15 of the Constitution.

(8) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice M. Thistlethwaite, resigned 9.8.13), pursuant to section 15 of the Constitution.

(9) Chosen by the Parliament of Victoria to fill a casual vacancy (vice D. Feeney, resigned 12.8.13), pursuant to section 15 of the Constitution.

(10) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr, resigned 24.10.13), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

**Heads of Parliamentary Departments**
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
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<thead>
<tr>
<th>Title</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>Senator the Hon Michaelia Cash</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Josh Frydenberg MP</td>
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<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Alan Tudge MP</td>
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<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
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<tr>
<td><strong>(Deputy Prime Minister)</strong></td>
<td>The Hon Jamie Briggs MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>The Hon Brett Mason</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td><strong>Assistant Minister for Employment</strong></td>
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<tr>
<td><strong>(Deputy Leader of the House)</strong></td>
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<tr>
<td><strong>Attorney-General</strong></td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td><strong>(Vice-President of the Executive Council)</strong></td>
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<tr>
<td><strong>(Deputy Leader of the Government in the Senate)</strong></td>
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<td><strong>Minister for Small Business</strong></td>
<td>The Hon Bruce Billson MP</td>
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<td>The Hon Malcolm Turnbull MP</td>
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<td>The Hon Paul Fletcher MP</td>
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<tr>
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Thursday, 5 December 2013

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 09:30, read prayers and made an acknowledgement of country.

BILLS

Poker Machine Harm Reduction (S1 Bets and Other Measures) Bill 2012 [2013]

Second Reading

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

Senator XENOPHON (South Australia) (09:31): It is very timely to debate the Poker Machine Harm Reduction (S1 Bets and Other Measures) Bill 2012 [2013] today, a bill that I and my colleagues Senator Di Natale and Senator Madigan introduced, because the issues at the heart of this bill will not go away, despite the attempts of the former government to sideline this issue and despite the attempts of the current government to bury this issue. They will not go away for reasons that will become apparent. There are literally many hundreds of thousands of Australians in this country today who are suffering because of addiction to poker machines.

Given that the government have begun the process of dismantling the national gambling regulator and repealing the previous government's reforms, this bill is particularly timely. Let me make this quite clear: when the former government's legislation on gambling reform was put up, I did not support the then government's legislation because I did not believe it went far enough. Also, I did not want to be seen to be sanctioning a fundamental broken promise on their part, because the Gillard government actually reneged, in a deeply cynical way, on the written agreement that it had struck with Andrew Wilkie, the member for Denison. I did not want to be party to that very cynical manoeuvring on the part of the former government. I must emphasise that Mr Wilkie, the member for Denison, acted in good faith.

The current government have made it quite clear that there is no chance of a better scheme or any other scheme at all being put in place. They want to dismantle the minimalist gambling reforms. Under those circumstances, I do not want to be party to making a situation much worse but also endorsing what the current government are planning to do and that is to move away from the concept of federal regulation of the gambling industry. The last best hope to deal with this industry, to deal with the damage caused by poker machines, is through a national approach. There is no doubt that, under the Constitution, there is power to deal with these issues in a way that is effective—using the corporations power, taxation power and banking and telecommunications powers. That is the best way of doing it.

The fight for gambling reform has been long and hard and this government's most recent moves indicate that the battle is far from over. The 2010 Productivity Commission report into problem gambling highlighted in harsh detail how much damage it causes to our community and how attempts at state based regulation had failed. I do not understand why this government cannot see that the states, who are happy to milk the pokies cash cow to fill their coffers, simply cannot be left in charge of regulation. It is truly a case of Dracula minding the blood bank and it is ordinary Australians who are getting sucked dry. Gambling losses have gone from over $7 billion to $19 billion over a couple of decades, well outstripping the rate of
inflation, with poker machines devouring about $13 billion of that. The No. 1 jackpot junkies in Australia are the state governments, who reap over $5 billion a year in gambling taxes year in, year out.

About 250,000 adults in Australia are estimated to have experienced significant harms from gambling in the last 12 months. Based on the available evidence, the Productivity Commission has found that there are between 80,000 and 160,000 Australian adults suffering significant problems from their gambling, with a further 230,000 to 350,000 experiencing moderate risks that make them vulnerable to a full-blown gambling addiction. In other words, there is a significant cohort of people who, if they have not been hooked on poker machines, are well on the way to going down that path. We are dealing with a dangerous product. Let us put this in perspective. It is not some moralistic argument; it is about people being harmed. It is about consumer protection and the ethics of state governments drawing so much of their money from harm from gambling addiction.

Up to 85 per cent of Australians who have a gambling problem have a problem because of poker machines. For each one of these problem gamblers, on average, another seven people are affected—family, friends and work mates. Problem gamblers account for about a third of overall gambling expenditure in Australia—that is, in the billions of dollars. We are talking about $5 billion coming from problem gamblers, with over 40 per cent of poker machine losses coming from problem gamblers. In other words, about $5 billion a year spent on poker machines comes from people who are hooked on poker machines. Those problem gamblers are more likely to gamble on poker machines than gamble by any other form, although a swing towards online sports betting is emerging.

Last year I was very happy to do a press conference with the then opposition leader Tony Abbott, now Prime Minister, in relation to online gambling. I sincerely welcome Mr Abbott's commitment to tackling online gambling and the impact it can have on individuals, particularly younger people in our community. So the laudable intentions of the coalition in relation to online gambling expressed last year represent a real contrast with what the government is now planning to do on poker machine addiction.

Poker machine addiction leads to higher crime levels and suicide. The access to and intensity of machines makes them more addictive than other forms of gambling and lives are torn apart across the country every day because of gambling addiction. Senators Di Natale and Madigan would well know of the research undertaken out of Victoria, and you have some outstanding researchers there, such as Dr Charles Livingstone, who have pointed to the links between the level of crime and problem gambling. Studies have been done by agencies in Victoria and staggering statistics have emerged, such as that something like one in five people presenting to hospital emergency departments after attempting suicide were there because of gambling addiction. These are staggering figures.

The Productivity Commission conducted two inquiries into gambling: the first in 1999 and the second in 2010. The 1999 report concluded that the states should improve their regulation dramatically to address problem gambling. It was in that 1999 report where we saw for the first time how bad the problem was. It was spelt out in a way that was irrefutable. It was an incredibly thorough report, as was the 2010 report. For the first time we had a body of evidence—the gold standard of research that showed how serious a problem it was. We are the No. 1 problem gamblers in the world for per capita gambling losses. The 2010 report
found the states had not followed through and that the problem had continued to rise. It is proof that the states cannot be trusted to regulate these dangerous products. I implore this government to consider the evidence before it and to make the effort to understand the huge impact poker machines have on our community.

This is not an ideological issue. This is not about the left of politics and the right of politics; there is a broad cross-section of individuals who are concerned about this. This defies any ideology. This is about giving a damn about your community and about individuals who are hurt by gambling addiction. The previous government was scared off reform by the vested interests of the poker machine lobby. I fear that this government has fallen prey to the same scare tactics.

_Senator Di Natale interjecting—_

_Senator XENOPHON:_ Senator Di Natale says they are worse and no doubt he can expand on that. I cannot understand how the government can expect the states to regulate effectively when they have no history of doing so.

The aim of this bill is to implement one of the key findings of the 2010 Productivity Commission report to create meaningful, effective poker machine reform. Currently, gamblers can lose up to $1,200 an hour when poker machines are played at their maximum intensity. The commission recommended that maximum bets be reduced to $1 per spin, which would reduce the maximum hourly losses to something like $120 per hour—still a significant amount but also a significant reduction in what is possible now. This step is in line with the commission's findings that problem gamblers are far more likely to be the ones playing machines at their maximum rates than recreational gamblers. In fact, the research shows that something like 88 per cent of recreational gamblers and 80 per cent of gamblers overall do not bet more than $1 per spin anyway. Where is the inconvenience to the recreational gambler with such a sensible, considered reform as set out by the Productivity Commission? This measure will not impact recreational gamblers but instead will help problem gamblers to reduce their spending and allow for earlier intervention.

At the end of last year, the then outgoing Chairman of the Productivity Commission, Gary Banks, who was involved in both gambling inquiries, reiterated the commission's views on $1 bets as stated at the dangerous consumptions forum at Deakin University on 29 May last year. He made it clear that $1 bets satisfied 'good public policy' because it 'predominantly targeted the problem gamblers without having too much collateral effect on the average recreational gambler'. Further, Mr Banks said it should be implemented without a trial. I repeat that: it should be implemented without a trial. In other words, this is something we need to do now. There should be no more excuses from either the coalition or the opposition in relation to this.

I note that the previous government dismissed the idea of $1 bets due to the cost of implementation. At the time, then Minister Macklin stated it would be in the order of $1.5 billion. I remember quite clearly the work that Senator Di Natale did in questioning that. He can elaborate on this, but the information that Senator Di Natale got was basically back-of-the-envelope stuff—a grotty, torn envelope—because none of the figures seemed to make any sense. The previous government accepted whatever the industry said. How objective or evidence based is it for a piece of important public policy when you just take what the vested interests of the industry tell you?
The then government never admitted where the figures came from. They refused to release their modelling or any further information, although documents I requested under FOI indicated that this figure likely came from the industry. Interestingly, not long after then Minister Macklin made this announcement Victoria reduced its maximum bet limit from $10 to $5, without spending billions of dollars.

I hope he does not mind me saying this, but I spoke with my good friend and fellow campaigner on this issue, the Reverend Tim Costello, just last night. His fear is that states, now emboldened by what this government is doing, are now actually rolling back reforms and, as I understand it, Queensland is looking at a return to $10 maximum bets from $5 maximum bets. That is the consequence of the federal government's measures.

The real cost of implementation would be less than $350 million over a number of years, which pales into insignificance when you consider the Productivity Commission's estimates of the cost of problem gambling. I think that Senators Di Natale and Madigan would agree that it is a pretty minimal figure. This bill also contains provisions to limit the amount of jackpots to $500 and the amount of money that can be loaded onto a machine at any one time to $20. These measures are also in line with Productivity Commission recommendations. The reason poker machines are so addictive is the volatility. It is because of that random reinforcement. If you make the machines less volatile they are less addictive, and having a smaller jackpot is crucial to that. When you consider that the fruit machines in the United Kingdom have much lower jackpots than $500, this is not an unreasonable course to take.

The bill also provides for regulations to be made relating to machine spin rates. This will allow governments to further reduce the intensity of machines by slowing the rate of play. This measure is particularly important, given that Australia has some of the highest intensity machines in the world. The commission also pointed out that intensity is a significant contributor to addiction. I also note that this bill was originally introduced in 2012, and as such the commencement provisions need to be amended if the bill is to progress.

The reforms contained in this bill are a better alternative to the ones that are currently in place. Voluntary precommitment, central to the previous government's reforms, is simply not as effective as the measures in this bill. Problem gambling is an addiction. It is not as simple as a matter of choice or willpower. It is also incredibly offensive to suggest that problem gamblers could stop if they wanted to or that it is about choice. I cannot think of anyone who would choose to lose everything they have or who would not want to stop if they could. Just a few days ago I saw—and I will be very careful not to identify this family—the children of a woman who took her life recently in the most horrible of circumstances because of her gambling addiction. That family deserves answers. That family and every other family who is at risk of problem gambling deserve a real solution—and a real solution is contained in this bill.

People who suffer from poker machine addiction, or those at risk of suffering from it, need to have meaningful and effective measures in place to help them control their gambling. In the most basic sense, the problem with voluntary precommitment is that, no matter how many loss limits a gambler sets or how much the system restricts their activity, there is nothing to stop them pulling their precommitment card out of the machine and continuing to play outside the system. It might, theoretically, help some gamblers—but not the ones who really need the help. However, I believe that having voluntary precommitment in place is at least a sign that
more needs to be done and symbolic of the need for federal regulation. But it will not help the majority.

Three years ago a study into precommitment that was prepared for the Nova Scotia Gaming Foundation in Canada reported that voluntary schemes consistently and miserably failed because they relied on the willpower of players—that is, players had to have the willpower not to keep playing outside the system when they reached their limit. Further, the study found that high-risk players were less likely to take up precommitment options and would continue to play unless they were locked out of the system completely when they reached their limit.

I know some people are arguing that we should not be forcing people to set limits and then shutting them out of what is ostensibly meant to be a form of entertainment. So I ask: in what other form of so-called entertainment can you lose $1,200 an hour? Rather, this so-called entertainment has been one of the biggest drivers of crime apart from illicit drug use, a significant cause of suicide, a significant cause of family breakdown and a significant cause of depression and other mental illnesses.

We need to make machines less addictive. We need to implement the provisions of this bill. And that is what this bill intends to do—a bill supported by my colleagues Senator Di Natale and Senator Madigan. We all come from different political perspectives, but we all understand the need for real action on this, because the community has been let down by the major parties in relation to this. We need also to consider the study commissioned by the Victorian Department of Justice in 2009, which found that more than 12,000 Victorians contemplate suicide every year because of their poker machine addiction. The study also found that 6,000 Victorians contemplate breaking the law because of their addiction. Translate that figure across the country and you are talking about tens of thousands of Australians who are either contemplating suicide or contemplating breaking the law.

There is an enormous amount of evidence about the harm these machines cause. This is a dangerous product. Another six-month study at a major Victorian hospital found that one in five suicidal patients was a problem gambler. I will not quote all the evidence; there is too much, both from Australia and from overseas. This issue has been a political football for too long, and the ones who are getting kicked around are the most vulnerable in our society. I note that this is an issue that Senator Di Natale and his party will not give up on and that Senator Madigan and his party will not give up on. We cannot give up, because the cost is too high for too many people. This is the beginning of a new battle, and it is one we cannot afford to lose.

Senator WILLIAMS (New South Wales) (09:48): I rise to speak on the Poker Machine Harm Reduction ($1 Bets and Other Measures) Bill 2012 [2013], and I point out that the purpose of the bill is to reduce the harm caused by problem gambling by regulating the operations of poker machines through limiting the rate of loss of players. The bill aims to put in place machine capability by 1 January 2013; a $20 load-up limit for gaming machines, both in terms of accepting banknotes and in terms of accepting additional credits where the credits are already $20 or more, by 1 January 2017 for larger venues and by 1 January 2019 for smaller venues; and a $1 maximum bet limit per spin on gaming machines and limited linked jackpots and machine jackpots greater than $500.
This bill did go to the Parliamentary Joint Select Committee on Gambling Reform, and the committee recommended that the bill not be passed. With respect to Senators Di Natale, Xenophon and Madigan, I share their concern. In the country town I live in, Inverell, some years back a lady had an addiction to poker machines. She did do the wrong thing, and she ended up going to jail because of that addiction. It is a very serious problem. Coming from a family of bookmakers—my grandfather was a bookmaker and had betting shops back in the early 1900s in South Australia, and my late father, Reg Williams, was a bookmaker—I have seen firsthand the problem of gambling. But I will start by saying that the coalition government do not support this bill. We are committed to supporting problem gamblers, but it is a fact that most people do gamble responsibly. The majority should not be penalised by draconian laws because a minority have a gambling issue.

The Abbott-Truss government is not blind to these problems, and our policy is to assist problem gamblers with counselling, support services and voluntary precommitment. This is vastly different to the approach of the Labor-Greens alliance, which was supported by the Independents. They bludgeoned the clubs and hotels industry into submission, never listening to the stakeholders but instead imposing harsh laws. I know the clubs in the New England electorate were ropeable, and they let the then Independent member for New England, Tony Windsor, know in no uncertain manner what they thought of the proposals. It was one of his more memorable parting gifts—but more about that later.

We are talking about an industry that employs over 150,000 people throughout Australia and provides entertainment, sponsorship and donations for many millions of Australians. That is why we must be aware of the ramifications of this legislation. In addressing this legislation I would like to specifically address a couple of points. To introduce a $1 bet would mean enormous cost to the industry and the clubs. It is important to note that less than one per cent of gaming machines are set up to allow $1 bets. To change all this would be a massive cost, with design, development and approval of software. That could cost as much as $6,000 per machine. I think here of the little clubs that are the heart of their small country communities. They simply cannot afford this. Many are battling now to remain viable.

If we look at the nationwide cost, it will exceed $1 billion. It would probably be closer to $1.5 billion and maybe more. By my estimate, over half the poker machines in Australia are too old to have the new software installed, so they would need to be replaced at an estimated cost of $25,000 a machine. So we are looking at a $1-billion to $1.5-billion cost to our clubs. And, as I said, in many towns the club is the heart of the community.

I will turn now to precommitment versus $1 bets. Precommitment technology can be connected to a gaming machine without it being a costly exercise. The cost of precommitment upgrades is about $2,000 per machine. Compare that to the projected cost of converting machines to implement low-intensity features of about $6,000, to the cost of replacing a machine of $25,000. Voluntary precommitment provides personal choice, and it is left in the hands of the consumer to choose what they want to do.

Registered clubs have been the whipping boys in this whole debate. They were not listened to by those in the previous government, but the coalition listened in opposition and is listening now in government. I have spoken with club boards in many areas, and all are very concerned that they could be forced into a situation that would see them go to the wall. People should not underestimate the borderline viability of the smaller clubs in rural and regional areas—
and that is simply a fact. The clubs do it tough, battling to survive, especially in smaller communities.

I will give you another example: Inverell RSM Club—a magnificent club in the town where I live. It does so much good for the community. It estimated, back in 2011, that it would be out of pocket $1 million to bring machines up to scratch. I will quote from their statement: 'This would change the way the club operates and have a big effect on the way we distribute funds back into the community with scholarships, donations and sponsorships.' This is a club that gives over $50,000 in donations and sponsorships plus in-kind support.

**Senator Di Natale:** To the Liberal Party!

**Senator WILLIAMS:** As to that interjection by Senator Di Natale, I will check with Jacko Ross, the President of the Inverell RSM Club, and I will ask that very question: how much money has the Inverell RSM Club donated to the Liberal Party?

**Senator Di Natale:** How much does the industry donate to the Liberal Party?

**Senator WILLIAMS:** So I will put that question to them, and I will know exactly how much.

*Senator Di Natale interjecting—*

**Senator WILLIAMS:** Well, perhaps we should go to Mr Wotif. Let us talk about donations and go to Wotif and the $1.6 billion donation to the Greens. You are holier-than-thou, but the biggest donation to any political party in the history of Australia went to who? To the Greens. 'Thank you, Mr Graeme Wood; just give us the cheque for $1.6 billion.' And now we get an accusation that the Inverell RSM Club is donating to the Liberal Party. I find that very amazing. In Inverell they do not even have a Liberal Party branch. We did not have a Liberal Party candidate last election; we had a National Party candidate by the name of Mr Barnaby Joyce—you may have heard of him, Senator Di Natale. That is outrageous—we are trying to be serious here about a very serious issue, and you are making a fool of yourself.

**Senator Di Natale:** And the industry donates to the Liberal Party. You know that. You're compromised, mate; you're hopelessly compromised.

*Senator Ryan interjecting—*

**Senator WILLIAMS:** So, as I said, the Inverell RSM Club donated more than—

**The ACTING DEPUTY PRESIDENT (Senator Boyce):** Senator Williams, just ignore the interjections—

**Senator WILLIAMS:** That is why I am going on speaking.

**The ACTING DEPUTY PRESIDENT:** and can I suggest that the interjections cease—

*Senator Di Natale interjecting—*

**Senator WILLIAMS:** I met with clubs at Port Macquarie. I had a good meeting with the board members from Port Macquarie Panthers and Club Taree. Back in 2011, the Wauchope RSL estimated that it would cost $1.59 million to change their arrangements with their poker machines. For Port Macquarie Panthers—a magnificent club in Port Macquarie, a beautiful part of Australia—it would cost $3.82 million for mandatory precommitment changes. These clubs do not have a bottomless pit of money, so something has to give. Will it be their
sponsorship of the local junior sports teams, their subsidisation of cheap meals for our elderly or their scholarships for our gifted students? It is so easy to just attack the clubs over an issue.

I wonder if we are going to see a bill come to this chamber to put a maximum of $1 on bets at TABs and racecourses. There are plenty of gamblers who have a serious gambling problem who bet on racehorses, dogs, the trots—you name it, I have seen it. So are we going to put a $1 maximum on those bets as well?

What are the measures that the government is taking? We will repeal the functions of the national gambling regulator. All states and territories already have their own. We do not have to duplicate in this place; there is already too much duplication between governments in Australia, at a huge cost. Measures on ATMs, including cash withdrawal limits, are being removed to allow states to regulate. States like Victoria are already doing this at a state level.

I will give you an example: the Gravesend Hotel is in a small community east of Moree. It has the only ATM in town. A station worker, a worker on a property, might go in and say, 'I want to withdraw $300.' Because they have a couple of poker machines in the pub, he cannot. But what is wrong? It is his money. Are we such a big-stick operation here in Canberra that we are going to say: 'No; you've gone into an ATM—the only one in the town, by the way—and you can only take $250 out'? Is that fair? What are we doing here?

The mandatory precommitment trial in the ACT will not commence under the legislation just being passed through the House of Representatives. The government is committed to pursuing venue based voluntary precommitment in the future. It will come in. Under the current laws, passed by the previous government, clubs had to go to all the cost of the precommitment and link the machines up to all the other clubs around the area at a huge cost—and then the patrons did not have to use it! It is just like having a law where every car manufactured in or imported into Australia must have seat belts but you do not have to wear them. That is the case with the previous Labor government's Andrew-Wilkie-style proposal, which would simply have done absolutely nothing except made things more costly.

The government is committed to pursuing venue based voluntary precommitment in the future by allowing the change of machines to do it, which will reduce, enormously, the cost to the clubs. The deadline for venues with greater than 20 machines needing to have voluntary precommitment enabled by 2018 has been removed. I share the concerns of many in this place. I have seen firsthand people with gambling problems. But by putting huge costs onto our clubs and threatening the viability of such clubs whereby they may have to close down, jobs will be gone from the towns. A place for community meetings will be removed. In Port Macquarie many, many elderly people go to the clubs in summertime, not to play poker machines, not to gamble in any way whatsoever, but because it is hot and they cannot afford air conditioning in their houses, and the club is air conditioned and pleasant. We do not want to make it hard for those people.

We want to help those people who have a serious gambling problem. Shutting down the clubs is not on, as I said, especially for the smaller clubs in the rural and regional areas that are the heart of the town. The big stick approach should be given away. People in this country are sick of being told from Canberra what they can do and what they cannot do. People are able to make their own decisions. We need to counsel and assist those with gambling problems. We want to help those people with gambling problems, but threatening the viability
of the clubs is not the answer. It is too expensive and too costly. I am glad to be part of the coalition government that will not support this bill.

Senator DI NATALE (Victoria) (10:02): I thought I would be standing up today and giving a speech to argue the case for $1 bet limits, but it seems that, on the back of the legislation introduced by the government to repeal the very modest reforms around poker machines introduced in the last parliament, we are not just fighting for what is the appropriate response to limiting harm from poker machines but fighting a rearguard action against some of the most modest reforms we have seen anywhere in the country. What we need to understand is that this is an issue that affects the lives of Australians from small communities to big cities, but it is mostly the vulnerable, the poorest people, who are most affected.

I am not going to go into great length and recite the stats around problem gambling. Most people know the information. We lose $19 billion a year on gambling and $12 billion of that comes from the pokies. Senator Williams suggested that we put regulations on the TAB. If the TAB were the biggest source of problem gambling, then we might think about that. It is the pokies that are the issue. The vast bulk of people who get into problems with gambling are people who have a problem with the pokies. Of the $12 billion that is lost, $5 billion of it comes from problem gamblers. Forty per cent of the revenue that gets put into those machines comes from the people who can least afford it. That is the reality.

The numbers, in a sense, disguise what the real issues are, which are the stories about the way this affects people's lives. Most people know, or know of, somebody who has been affected by the pokies. I spoke to a colleague recently who had an employee that embezzled money because they got into trouble with the pokies, and then that employee embezzled money from his clients. I have very close working associates whose families have got into huge trouble with the pokies and they have refused, or have been too embarrassed, to come clean about the issue for fear of the shame associated with their addiction. This is an issue that affects the lives of people. It tears families apart and kids go hungry at night. That is the impact that problem gambling with poker machines has on people's lives.

The question is—and it is a legitimate question: what is the role of the state in regulating an activity that is a legitimate source of entertainment for many people but also produces significant harms? I keep hearing the nanny-state argument. It is one of the most fraudulent arguments used, usually by the people on the other side. I have never heard anybody complain about the nanny state when an ambulance comes and picks them up because they have had a heart attack and takes them to hospital to begin treatment. You do not hear too many people complaining about the nanny state then, or when the emergency services do great work in the face of a catastrophe. You very rarely hear people complaining about the nanny state in those circumstances. The question is: what is the role of the state in regulating an activity that is a legitimate entertainment but has the potential to cause serious harm, and in this case does cause serious harm?

We saw leadership from the coalition on an issue just like this in the wake of the Port Arthur massacre. People have a legitimate right to own guns. Guns serve an important purpose for many people in the community, but they also have the potential for real harm. We saw leadership from former Prime Minister John Howard, who introduced some really important reforms around gun control. He got the right balance around the legitimate rights of the individual and also ensured the government stepped in to minimise harm.
We get the balance wrong when it comes to things like alcohol and illicit drugs, and we have absolutely got the balance wrong when it comes to the question of poker machines. The Productivity Commission made it very clear: if you want to reduce harm from pokies you introduce $1 bet limits. It is pretty simple—you put $1 into a machine, maximum, per spin. It still means you can lose hundreds of dollars in an hour, but you do not lose the thousands of dollars that people can lose in a night's entertainment.

We have machines in this country that are not like machines anywhere else in the world. They are the assault weapons of the gambling world. They are the semiautomatic rifles of the gambling world. Our high-intensity machines in Australia are like no other. All this reform seeks to do is to bring our machines in line with the machines in other places. Individuals who do not have a problem and want to gamble legitimately can still do that. This is about the problem gamblers who bet huge amounts of money and lose thousands of dollars in an hour. The ordinary punter will not be affected by this reform. That is the beauty of $1 bet limits: the ordinary punter can continue to gamble; mum and dad can catch the bus down to the local club, get their parma and pot of beer, put some money into the pokies and not be affected. It is the problem gambler that this measure targets. The reason the industry do not like it is that they have a business model that is premised on 40 per cent of their income coming from problem gamblers. That is why the industry fights so very hard against it.

The issue before the parliament at this moment is about $1 bet limits, but the issue before the Senate in the coming weeks will be whether we support some of the most modest reforms that were introduced during the last parliament: limits on ATMs so that people cannot keep going to the ATM and withdrawing large amounts of cash—again, something that problem gamblers do, and the ordinary punter is not affected—and making the machines mandatory precommitment-ready so that every machine that comes out of a factory, at practically no cost to the industry, will have mandatory precommitment technology so that at some point a government with some courage might actually introduce that—again, a simple, modest reform that is very hard to argue against. And yet what did we see in the lower house yesterday? We saw the government introduce legislation that would repeal these modest reforms.

I find it staggering that a minister who wears his Christianity on his sleeve as a badge of honour would introduce legislation that affects some of the poorest and some of the most vulnerable people in our community and still allows ordinary punters to continue to bet on the pokies. This is a purely political act. It is a political act because they recognise that, within the Labor Party, there is division on this issue. I know there are many good people inside the Labor Party who are fighting the good fight. I know that there are many people who want to see the reforms, as modest as they were, that were introduced in the last parliament protected, but I also know the clout of the pokies industry. I know the clout of the clubs who deliberately target individual members of parliament and will use against them their support of a reform that protects vulnerable people but might reduce some of the revenue of some clubs. I know how brutal they can be. I also know that courage is in very short supply in this place.

What we are now seeing is not growing support for $1 bet limits, which the Productivity Commission has recommended is the most sensible way of addressing this issue; what we are now seeing is backsliding on the modest reforms from the last parliament. That backsliding means that, for the first time, where the Commonwealth had entered the space of poker
machine regulation, we are going to vacate the space. It is going to make it almost impossible for a future government to decide to tackle this issue down the track.

The idea that this somehow would send the clubs industry broke is a nonsense. There are no poker machines in Western Australian clubs. They have a thriving clubs industry in that state. Their participation in sport is just as good, if not better, as other states. They do not have poker machines; they do not prey on the most vulnerable people in their clubs. So that is a nonsense. It is a furphy and it is what you would expect from the vested interests that make their money at the hands of some of the most vulnerable.

We are here to talk about $1 bet limits, but I do want to raise the issue of the legislation that was introduced into the parliament yesterday. Not only was the legislation introduced to try and unwind some of the modest action that we achieved in the last parliament but it was introduced under the cloak of secrecy. It was rushed through as part of an omnibus bill, cobbled together with all sorts of other pieces of social services legislation, with the hope that it would avoid the scrutiny of both the lower house and the Senate. This is a pattern that is emerging from this government—a government that promised open, honest, accountable government with no surprises in its first few weeks is introducing legislation, hoping to slide it through, that would unwind what was one of the most important issues of the last parliament. That bill deserves scrutiny and members in this place deserve to have the opportunity to debate and interrogate why on earth we would be giving this free kick to the pokies industry and unwinding reforms that ensure that some of the most vulnerable people in our community cannot go to an ATM and keep withdrawing large amounts of cash but can at some point in the future set a bet limit so that when they go into a club they can determine from the very start how much they are prepared to lose. And yet here we are looking at repealing that modest legislation.

We will not let that happen without a fight. We are going to mobilise those voices in the community. People like the InterChurch Gambling Taskforce are representing the various churches and understand that real Christianity is about protecting the most vulnerable people. It is not about ensuring that rent seekers and vested interests get what they want, using their might and their force to intimidate politicians who do not have the courage to stand up to them. That is what this debate is about, and we are ready for the fight. As Senator Xenophon said, we are ready for the fight. We expect that, the Commonwealth government having for the first time entered the space of regulation of poker machines, we will not vacate the space. It is an important precedent that was set last year. Granted, it was modest and the reforms were nowhere near where they needed to be, but at least we have the Australian parliament talking about what we can do to protect our most vulnerable Australians.

We know that the common-sense answer is dollar bet limits. They will not affect ordinary punters, who will continue to gamble in the same way they always have, but problem gamblers will not lose thousands of dollars in an hour. While we would like to see that reform, which was backed by evidence and by the Productivity Commission—who said, 'This does not need a trial; this can go ahead immediately; we know it will work'—I am realistic enough to understand that that is a long way off. But what I do want to see is that those modest reforms, which were introduced through the hard work of many good people in this parliament, are protected and that we stand up against Minister Andrews, who is using this as
a wedge issue to try to exploit the division within the Labor Party—and it is true that there is division.

The opposition leader cannot hide from this issue. He will face scrutiny, and he will need to make a stand. Does he stand with the industry and with a business model that makes money off the backs of problem gamblers, or does he stand with the community, who overwhelmingly support reform in this space? It is time for Mr Shorten and Mr Abbott to take a stand, and I hope that they side with the community.

Senator MADIGAN (Victoria) (10:16): I would like to speak briefly about the Poker Machine Harm Reduction ($1 Bets and Other Measures) Bill. I believe this bill will limit the impact poker machines have on our communities and the most vulnerable in them.

Many people may not understand or be aware of the full extent of poker machines across the country. Since the first poker machines were legalised in New South Wales in 1956, Australians have had an unfortunate sick relationship with these money-guzzling machines. In 1999 the Australian Productivity Commission reported that Australia had nearly 180,000 poker machines, with more than half of these in New South Wales. On a per capita basis, Australia has roughly five times as many gaming machines as the United States. In the fiscal year 2002-03, revenue from gaming machines in pubs and clubs accounted for more than half of the $4 billion in gaming revenue collected by states.

Madam Acting Deputy President, you may be thinking that this bill is about finances, but ultimately it is about people. These machines, found in pubs and clubs in all states excluding Western Australia, have a disastrous effect on many people's lives. They affect not only the persons gambling but also their family, friends and extended community. Men and women across the country are tricked into gambling in these machines. These machines offer the false promise of a fair go and the possibility of a jackpot. People are tricked into putting in just a bit more money because the next line will win.

The problem gambling website of Victoria spells out the real mechanics of poker machine gambling under the heading 'The poker machine is the winner'. The facts speak for themselves. I quote:

- Pokies are not designed to provide you with extra income. They are designed to make profit for others.
- Like other forms of entertainment, you pay to play the pokies. The more you play, the more you pay...
- The machine is never "due" to payout. You can never predict how each play will end.

I believe that as a parliament we must take some responsibility and take more steps to protect our most vulnerable citizens. As with any addiction, breaking a gambling addiction is extremely difficult. As a parliament we can take some steps to shatter the false allure of a pokies jackpot win and give our constituents tools they can use so they have a fighting chance.

This bill will make $1 the maximum bet on a poker machine. It will make the highest denomination a machine can accept $20. Jackpots will be capped at $500. The time frame for the full transition to these measures will be within five years. These measures may seem excessive to some; for others they may not be enough. But, when we realise that 40 per cent
of gaming machine revenue comes from problem gamblers, I think this bill is certainly a good start.

This bill really should not face any objection within this chamber. Gambling addiction is an unfortunate, devastating reality for so many in Australia. My office, along with the offices of many in this chamber, receives calls from people needing help. It is tragic to think that children of problem gamblers are two to four times more likely to go down the same path as their parents.

It is important to remember that pokies have an impact on all aspects of our society. They impact on people individually, on their personal relationships and on a community level. Health effects range from mental health problems, through to drug and alcohol abuse, through to depression and suicide. Families find they are not able to pay the bills, buy food or meet medical costs. These stresses in a family environment can lead to the breakdown of marriages and relationships within the family.

Prevention is better than cure. Healthcare professionals can only do so much. They cannot wave a magic wand, bring a family back together or make an old job again available. Poker machines are addictive. If they were not, they would not be so effective. This bill and this issue will not go away. New forms of gambling are constantly being pushed at Australians. These include online gambling companies targeting Australians but not being based in Australia, making legislating a nightmare. Earlier we heard about the philanthropy of the clubs. The question is: is this philanthropy based on the misery of others?

Senator MOORE (Queensland) (10:21): Senator Madigan, your words could not be truer.

This issue is not going to go away, and I believe that the discussion that we will have in this chamber today will come back many times because this is one thing that we all agree on. I think that every speaker who has taken part in the debate so far has reinforced the knowledge that the issue of people who have serious problems with gambling, whose relationships, whose lives and whose security are all threatened by their addiction to gambling, is an acknowledged fact in our country.

Work has been done over a number of years by strong activists and people who have gone out of their way to fight in sometimes very unpopular battles to raise these issues; we owe them a great debt of thanks. Their legacy means that we, not just as legislators but as members of the community, need to ensure that there is a commitment to working within our system—and always within our system—to come up with some solutions and options where we can make the balance about which we speak so often in this chamber, for the right and effective role of legislation and regulation as opposed to individual citizens' rights and the ability of business to make what they need to have as an effective profit.

To the three senators who have co-sponsored this bill now over two parliaments: it is always damning when someone gets up and says, 'I deeply applaud the work you've done,' and, 'We acknowledge that your issues are important,' and, 'We agree with the core issue.' That is often the prelude to being told, 'We are not supporting your bill,' and in fact that is indeed true. So the opposition is not supporting this bill in the same way that we did not support it last time that it came for discussion and consideration.

There are a number of reasons for this. The number one reason is that I think there needs to be a lot more work done before we go down the options that are put forward in this bill. A lot
of the debate this morning has focused on the one-dollar bets, and of course I will talk about that as well. But with the other elements in the bill, whilst there has been increased scrutiny and research in this area there still remains a lot of debate about what the best responses are to the acknowledged issue of gambling. Senator Madigan raised the fact that there is a range of gambling curses in our country, and that is very true. Looking particularly at the issue of poker machines, there is no clear evidence that people only go to poker machines. With the issues around gambling in our country now there is a range of different options for people to choose from if they wish to get whatever the buzz is that they receive from gambling—there are a number of different ways that they can get that. Poker machines are but one, but I do agree that for access, and through some of the data that we have, they are a particular scourge in our community.

I am never a person to use statistics too often but today I will, from the wonderful Productivity Commission report that I think all of the people who are sitting in the chamber today have read. I would hope that many more people than just the number who are here today are aware of that Productivity Commission report. It is a very large document, but I think it was an important point in the research and acknowledgement of this issue that that Productivity Commission inquiry was actually set up. It was recommended by our previous Senate committee. Senator Boyce was on that committee, as were Senator Xenophon and Senator Siewert, so there are at least a few of us in the room who have read the report—and I know that Senator Madigan has as well.

One of the clear recommendations of our original committee, which I think was in 2010—correct me if I am wrong—was that there should be an independent review by the Productivity Commission into the issues of online gambling in our country. The then Treasurer agreed and put that forward, and the body of work that came out of the commission I think is now like a base document that people can turn to when they are considering the issues. They can read this report and see the issues that are raised in there.

I know that the recommendations in the bill before us were discussed by the Productivity Commission. At the beginning they established a snapshot of the issue in our country. The Productivity Commission report was published in 2010 but I think it is still very timely. What we always need to do with these things is keep upgrading our data; but it gave us an idea, an estimation, of the prevalence of problem gambling in our community. At that time, through the data they had and the research information they had, they said that there were between 80,000 and 160,000—which is a pretty big margin of error—Australian adults suffering severe problems from their gambling. At that time that was calculated to be about 0.5 to one per cent of adults.

In addition there were between 230,000 and 350,000 people at moderate risk, who experienced lower levels of harm. We know that people who are in that group have the potential, if there is not intervention or support, to then have a more serious problem. Then there is the wider concern that if there is not the acknowledgement of the issue and some joint effort to see what responses can be made, these figures could grow. What had happened, and what was said at the time, was that there was insufficient education in our community to make people aware that this was an issue and, probably more importantly, that this was an issue which could impact on you or your family. If you did not know that this was around you would not be able to identify that you may be one of the people who has the potential to do
harm to yourself and to your whole network of friends and community by falling into the severe aspects of problem gambling.

Because we are particularly talking in this debate around the issues of online gambling, another point was that about four per cent of adults play gaming machines weekly or more often. Around 15 per cent of this group would be classified as problem gamblers, with around an additional 15 per cent experiencing moderate risk. Given that basis, it was estimated that problem gamblers account for around 40 per cent of total gaming machine spending—the average of a range of estimates is as high as 60 and most conservatively as low as 20. Moderate-risk gamblers account for a further significant share.

So within that there is an agreed acceptance that a large number of people in our community have been identified, often by others, or have self-identified, and this is an issue for them. Always, when you are talking about statistics, the important element is then to translate our mindset, which has become so focused on numbers, to the people involved in this. In their contributions, Senator Xenophon, Senator Di Natale, Senator Madigan and Senator Williams all pointed out the personal impact and the fact that this is not just an argument about numbers.

Going from the acceptance that there is an issue, we move to the bill that we have before us. On the issue of $1 bets, there is some sort of instinctive reaction that, if you could only bet $1 at a time, you would be more likely not to have an accumulated impact of the problem. However, that is one element. You cannot jump from that kind of instinctive response to any proven evidence, to any kind of absolute knowledge that that is the first response that should happen. Too often over the last 18 months, when we have talked about this issue, it has become almost a litany that, if we had $1 bets, there would be no problem and, if we could only achieve this simple thing, we would have a result. I always am concerned when a single kind of response becomes somehow sanctified: 'If only we did that, there would be no problem.' I have a kind of reactive instinctive response: if something is seemingly so simple, why then do we put so much importance on it?

We then had, through the Productivity Commission, and through the Joint Select Committee on Gambling Reform which was set up by Minister Macklin, more consultation and consideration of a range of issues. We had significant evidence from the industry and from various people about the potential impact and the potential cost if we just said, 'Okay, we'll move through all these machines and make them all $1 bets.' To begin with, we had people from our community who said: 'We don't want that. We actually are part of the wider community. Whilst we acknowledge that there are people who have problems, we do not believe that our freedom, our personal choice, our ability to go and gamble, should be legislated from on high and restricted so that the only way we are able to use online machines is if we can only bet $1 at a time. We are adults, we understand what we are doing and it is our right to be able to have options in what we choose to do with our money and our time.' So it was not just industry—although I am going to go on and talk about the industry impact.

I think there has been some kind of battleline drawn up to say that this battle is exclusively between those of us who care about people who are damaged by problem gambling, and the industry whoever they are—this large industry who have, allegedly, according to the people on the other side of the battleline, no concern, no awareness and no knowledge about the impact that their business could have on people who have an illness. And I put it out there that
we are talking about people with an illness. The people who are damaged by the issues around gambling have an illness—an addiction that causes them not to be able to have control.

We had a range of submissions to our inquiry, and I know the Productivity Commission did to theirs, from people in the community who said—and I know that there are people who feel very strongly about this—that there is no role for government in stepping into any form of prohibition. Whilst $1 bets is not a full prohibition, it means that people do not have the options that they think they should have in an area of personal entertainment where they receive significant pleasure. There was that group of people who raised their concerns, and there was the industry.

I know the senators who have put forward this bill relied very strongly on the Productivity Commission report, and I think that is fair; that is a great knowledge base. However, when you read the Productivity Commission report, after they make the point that a $1 bet system would be an option to respond to people who have problems, they then go into an extensive chapter about what the cost would be to actually implement that form of limitation. They say—and I apologise, I am going to throw some figures around—that there are approximately 200,000 EGMs, or electronic gaming machines, in 5,700 venues across Australia. They go on to say—this is around page 19.4 of the report—that gaming venues operate a mix of machines of different ages, manufacturers, game parameters and upgrade capabilities. Their advice suggests that the larger venues—and in the debates that we have, people have a bit of a concentration on the larger venues as opposed to the kinds of clubs that Senator Williams was referring to in small country towns—typically have higher volumes of gaming activity and tend to replace their machines more regularly and therefore, on average, have relatively newer machines compared with smaller venues. The Productivity Commission go on to say that there is a cost to the clubs and the venues in upgrading and changing their machines. So they have a bit of a schedule going.

On one of our Senate committees we had the privilege to go and visit one of the larger distributors of these machines—they are not made in Australia—to see how the machines worked. It was interesting that, for all five or six of us there from the committee, it seemed to be the first time we had actually played these machines, so maybe we were not a true cross-section of our community. We were quite transfixed at just seeing how the machines worked and the complex mechanisms that set them up.

The industry's argument around the institution of a $1 bet regime is that to adjust machines is an extraordinarily expensive proposition. To take an existing machine, no matter whether you are in a larger or smaller venue, and engineer a change is a very difficult thing. The idea would be that, as machines turn over, you would upgrade the machines. We talked about this in our committee. If you were going to impose any kind of limitation—$1 bets or any other kind of limitation—you would do that at the time of turnover. That gets back to what I said about how often machines are turned over.

We had evidence that some venues had the same machines for many years, that they did not upgrade because they could not afford to. The licence they had, the turnover they had in their business did not allow them the freedom to turn over like the big operators could. There were estimates of what the cost would be, and again there was a wide range of what that cost could be. There was a significant impost on the industry if you would turn that over. In the same Productivity Commission report it said—and I will put these figures on record because
of my natural inclination to put figures on record—that the cost of implementing a $1 maximum bet limit would be in excess of $3 billion to the people working in that industry.

We know that it is a very profitable industry; there is no doubt about that. We have had the philanthropy argument many times about what percentage of income the industry put out to community areas and there have been, I think, some exaggerated claims of the largesse and generosity of some clubs. If you talk to some, you would think that the only reason they exist is to help the local community. Well, we know that is not true. The people who are there are working in a business. They have every right to be in a business, but they need to balance those kinds of exaggerated statements with a true examination of their books. This gets back to one of the core aspects of arguments of this type. What has happened over many years is that people have gone into their battle positions and get overly emotive, I believe, and exaggerate their claims to try and get the attention of the wide number of people in our community for whom this is not such a big issue—if it does not impact on you, you do not really listen to it. So we have had claims and counterclaims all around the place. The one thing that we do know is that there is a problem. What we need to identify is the best response.

One of the other issues raised by the Productivity Commission was the fact that this has for a long time been a state issue and if we do not get the states on board in terms of coming up with a solution then nothing is going to change. So necessarily we need to have the engagement of COAG. We saw amazing pressure being brought out by various people during the previous debates around this issue in the last parliament. It identified that, whilst there is an element of common ground about acknowledging a problem, there was a wide range of concerns about how we actually make that step towards effectively responding to the problem. We need to ensure that at least all the people who are involved in this process should be together so that we can come up with a solution that engages everybody. We know we will not come up with a solution that pleases everybody—I think that is patently obvious. But what we need to do is see that. If people are putting forward significant issues for change and we have seen it, unless we engage the people who have different views around this we will not be able to come up with the solution.

We are not supporting this bill, because though the simple things that are in it are important and are probably or possibly the best way to respond, we do not believe that at this stage there is sufficient evidence to say that we need to have the change put in at the cost it would cause. I seek leave to continue my remarks on the basis that this debate will go on.

Leave granted; debate adjourned.

**Fair Trade (Australian Standards) Bill 2013**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator MADIGAN** (Victoria) (10:41): I am very pleased to bring forth the first of a series of fair trade bills before the Senate for debate. As senators are probably aware, the second free trade bill, the Free Trade (Workers' Rights) Bill, is currently before the Defence, Foreign Affairs and Trade Committee. The Fair Trade (Intellectual Property and Patent
Protection) Bill and the Fair Trade (Biosecurity and Food Standards) Bill will follow in the coming months.

The basic intention of each of these bills is to look at our trade arrangements and the trade agreements we sign up to from a different perspective. Instead of placing so much of the onus of responsibility on Australian industry, Australian organisations and already overworked and underresourced Australian departments, we need to look at the responsibilities that should be placed squarely on the shoulders of our trading partners. As a small example, the Fair Trade (Worker's Rights) Bill simply states that when making trade agreements with other countries Australia should insist that the products we are getting are manufactured or grown in those countries by workers who receive basic workers' rights. We should not be trading with people who make their money from the blood, sweat and lives of oppressed workers. It is a simple suggestion and one that any Australian would agree with but which trade negotiators seem to overlook on too many occasions. Supporting the rights of workers, whether here or overseas, is supporting basic human rights. In so doing we are helping to improve the lives of people overseas and acknowledging the contribution our own manufacturers make to Australian workers and the Australian economy. Of course we cannot expect poorer countries to provide the same hard-won benefits and rights that are enjoyed by Australian workers, but there are International Labour Standards that are set out at varying levels depending on the economic status of each country and we should do our best to uphold those standards whenever possible. And what better time than when we are negotiating a trade agreement.

In its own way this bill, the Fair Trade (Australian Standards) Bill, hopes to do something similar by putting the onus back onto overseas companies to be more vigilant about their exports and in a small way helping Australian manufacturers to be that little bit more competitive in our own market. None of these fair trade bills is the complete answer to our manufacturing woes or to the imbalance in our trade arrangements, but I hope they will each take a small step on the road to improvement.

As every person here knows, I am passionate about Australian manufacturing and farming and anything that harms our manufacturers' and our farmers' future. Anything that can be done to ensure our trade agreements are more like a level playing field and less like a ski slope with us at the bottom is a step in the right direction. I hope this bill, simple though it is, will make a small step towards that goal.

In my opinion, one of the most damaging influences on Australian manufacturing and farming is ever-growing, unfettered and uncontrolled free trade agreements. Despite the rhetoric from both sides of politics and the big end of town that FTAs are great for the economy, I doubt you would get too many average Australians who share that level of enthusiasm, at least not in the way these FTAs seem so often to be heavily weighted in the favour of our trade partners. Do not get me wrong; trade is good. On that score, Australians would agree that we need to trade to survive, just as the rest of the world does. But in saying that trade is good, we cannot automatically assume all trade is good, fair or beneficial to our economy and to the Australian people as a whole.

I have been told countless times that FTAs are sacrosanct, they are the domain of the executive and they are never to be sullied by the rough handling of lowly parliamentarians, despite us representing the concerns of our constituents. As many of you would know, I am not one to worry about a bit of rough handling and, quite frankly, I think most of the trade
agreements we have signed up to could do with a little less political rhetoric and a bit more rough handling by people and parliamentarians alike.

This bill is aimed at the rapidly increasing level of imported products that do not conform to Australian standards. Australian standards exist for every Australian industry, and in every one of those industries I could give you countless examples of product imported into this country that consistently fails to meet Australian standards and yet is allowed to access the marketplace and the worksite. Unfortunately, we often hear about these products after devastating results to life and limb of workers, consumers and companies as well as to the viability of our local industry and the economy itself.

I could tell you about the Australian companies who are going to the wall simply because we do not adequately enforce Australian standards on imported products and materials. Companies like Molnar Hoists in South Australia, who produce a superior hoist, are struggling to survive against a flood of substandard Chinese car hoists that have a nasty habit of collapsing without warning. Lives are at risk, profit is at risk and standards are not met, but the hoists still come into our country.

But instead of telling you about one company after another or one industry after another, let us simply take a look at one industry. There is one industry that exists around the country in every community and involves countless numbers of Australians every day, whether directly or indirectly. Let us use that as a litmus test for enforcing Australian standards on imported goods. The Australian building and construction industry is well known to many senators. In fact, I believe there has been a considerable debate about that industry of late and I am sure there will be plenty more. But for now, we are not looking at that side of it; we are looking at Australian standards and how they are or are not enforced in the building industry. We are looking at the impact inadequate enforcement of standards has on the workers, builders, homeowners, investors and general consumers who are part of that industry.

In the last month, the Australian Industry Group released its comprehensive report entitled The quest for a level playing field: the non-conforming building product dilemma. The report revealed widespread use of nonconforming products across the building and construction sector. Ninety-two per cent of companies that responded to their nationwide survey reported nonconforming products in their supply chain. I will repeat that: 92 per cent of the responding building and construction sector companies reported the use of nonconforming products in the construction industry. That figure alone ought to send shivers down the spine of every occupational health and safety officer in this country.

The results of this report prompted Ai Group Chief Executive, Innes Willox, to comment that:

This raises important questions about quality and safety and it poses serious commercial challenges for the businesses that do play by the rules.

The report also found that almost 45 per cent of those companies surveyed in the steel, electrical, glass, aluminium and engineered wood sectors reported lost revenue, reduced margins and lower employment numbers due to nonconforming products. Most of these products do not meet regulatory Australian or industry standards. Others are not fit for their intended purposes, are not of acceptable quality, contain false or misleading claims or are straight-out counterfeit products.
The Ai Group report findings are backed up by a Customs and Border Protection report stating that in 2008 to 2009 the Australian industry suffered reduced revenue, reduced sales volume, price undercutting, price suppression, reduced profits and profitability, reduced production volume, reduced employment, deteriorating returns on investment and reduced attractiveness to reinvest, with imports from Chile, China, Brazil and Malaysia being a significant contributing factor.

Prior to the September election, the Australian Forest Products Association surveyed the ALP, the coalition and the Greens on matters of concern to the timber and forestry industry. While there were plenty of stock standard election made answers, a few stood out. The question was asked:

Do you support strengthening measures to avoid import of substandard quality forest products?

The coalition answered that they support:

… the enforcement of measures to avoid importation of sub-standard forest products. If necessary, we will also consider the strengthening of these measures. It is important that materials used in the Australian construction industry meet Australian Standards.

In October last year, the then opposition spokesperson Ms Sophie Mirabella stated in parliament that the coalition would:

…ensure that imported products better comply with the mandatory…standards imposed on locally made goods.

I am glad that the now government felt that way in opposition. I look forward to them doing all they can to fulfil those desires now that they are in government. I hope that supporting this bill and its small effort towards improving the situation related to nonconforming products is on their list of things to do, not only for the economic benefit it brings to Australian manufacturers and businesses but also because of the significant costs imposed on Australian workers and families due to injury and death caused by the widespread use of nonconforming products.

Naturally we would assume that any government, whether the current government or the previous ALP government, would want to guarantee that the appropriate bodies were given adequate powers and resources to ensure these measures were enforced. However, according to Mr Willox, Chief Executive of the Ai Group:

… there is significant confusion among companies about how to identify non-conforming products and who to report them to.

He states quite bluntly:

Non-conforming products are allowed onto the market due to inadequate surveillance, audit checks, testing, verification and enforcement.

This seems to be backed up by the Engineered Wood Products Association of Australasia, who in 2010 cautioned Australian timber importers against imported timber products. The association had completed laboratory tests on Chinese structural LVL beams entering our markets and found they failed the Australian standards on bond, grade type, formaldehyde emissions and preservative penetration. The government's own National Industrial Chemicals Notification and Assessment Scheme stipulated that only low-formaldehyde-emitting pressed wood products should be used, as required by the Australian standards for formaldehyde emission limits.
Recently, plywood and veneer wardrobe and joinery items imported from China and installed in a multi-unit building project in northern New South Wales were condemned after the department of housing found emission levels had, in their words ‘soared through the roof’ and that the health and safety of occupants was at risk.

The President of the Furnishing Industry Association of Australia, Mr Fred White, said he was not surprised at these outcomes if imported Chinese products were used. He said that he had advised project builders:

If they install imported materials that fail Australian Standards for emissions and safety then they have to cop it sweet if these products cause an illness or a death, and that this could go as high as a Royal Commission.

I would hope we could avoid anything like a royal commission by simply enforcing the standards now in place.

Mr Simon Dorries, General Manager of the Engineered Wood Products Association of Australasia, stated that:

... the bottom line is that this imported product is threatening the lives of builders and homeowners and we fear some has already been installed.

But of equal concern to Mr Dorries is that:

Standards Australia does not licence or police the use of Australian Standard numbers on products.

And in a statement I find to be utterly damming of our current controls, he stated:

Any manufacturer in any country can brand an Australian Standard without any testing or checks by anyone.

I know many of you will say; 'We have Customs, the ACCC or Standards Australia to oversee these problems. Surely they can handle it.' I have put a number of questions to the ACCC over successive Senate estimates and, quite frankly, the answers have raised serious concerns.

In late 2011 and early 2012, allegations were made to the ACCC that a specified trader had sold plywood of a certain grade which allegedly did not meet the requirements of that grade. Following approaches from the ACCC, the trader ceased the sale of the plywood in question and conducted an internal investigation. In the ACCC’s own words, the trader under investigation was the one who investigated the allegations against themselves. Following this, the trader provided the ACCC with certification of the products, which indicated that the products met the grading requirements. Despite this, the trader withdrew the products from sale and regraded the plywood.

The outcome was that the trader who was selling the allegedly substandard products found, after self-investigation, that there was no problem with the product but that despite there being no problems they had withdrawn the products from sale and regraded the plywood. Self-regulation can be a wonderful thing if you are the beneficiary of it.

The ACCC said it was satisfied with this outcome in the circumstances and closed its 'investigation', if you could call it that. I would like to thank the ACCC for providing us with the solution to the increasing crime rate! Simply have the suspects investigate the allegations and before you know it we can close the jails and disband the police force! How much confidence can we have in the Australian standards of these or any other products entering this country if the agency charged with ensuring these standards are met simply hands all responsibility on to the allegedly irresponsible party?
However, it does not stop there. The ACCC has taken the word of the trader that the products are fine and accepts that, despite having no apparent reason to do so, he will withdraw the product from the market and do a regrade of the suspect plywood. But did the ACCC issue a public statement about the investigation, or about the regraded plywood, or about the withdrawal of a product from the market? No, they did not. So what happens to the product that is already out there? What happens to the product that was sold under an F14 stress grade that should actually have been, at best, an F8 stress grade? Basically, absolutely nothing.

And what happens to the builder or homeowner who purchased and used this product in good faith? We can only hope and pray that nothing happens. But for those of us who have worked in manufacturing, in the building industry, in metal fabrication industry and many others, we know what happens in far too many of these cases where a nonconforming product finds its way onto the job: workers are injured or killed, consumers are put at risk, production is lost, profits decrease and it all ends up in a law suit.

Before people think I am on an ACCC-bashing exercise, I must state that I do not believe the ACCC deliberately intend to let these products enter the marketplace. Frankly, no-one can examine everything that comes into this country; that would be a physical impossibility. In fact, I doubt the ACCC or Standards Australia have ever been adequately resourced. Nevertheless, even though I do understand how it comes about, that does not mean I approve of the way these investigations are handled.

In the end, though, the buck must stop with the government, whether this or the previous one. Consistently Australian governments have failed to ensure Australian standards are being met and Australian industry and consumers being are protected from substandard imported products that have taken everything from Australian jobs to Australian lives. This government has said it ‘will consider the strengthening of these measures’. Now we have an opportunity to take a different approach to this and other problems associated with imports. The Prime Minister has already stated that he is giving top priority to the completion of a free trade agreement with China and with numerous other countries through the Trans-Pacific Partnership. So now is a good time to start toughening up our stance when it comes to Australian standards.

Simply put, every trade agreement signed between Australia and any other nation or nations should put the responsibility for conformity with Australian standards back on to the exporting company. While we cannot expect that every product exported to Australia will meet Australian standards, the exporter must ensure and guarantee that their product will not be used or onsold until it meets with the appropriate Australian standards.

At present any product brought in may be expected to meet Australian standards before being used but all the onus is on the importer and far too many times importers fail to bring these products up to standard. They fold up, move on and the consumer is left with no recourse to recover damages. In the meantime the original exporter simply supplies their product to another importer and the cycle continues.

By insisting the exporter guarantee their product meets Australian standards before sale or use they will be more inclined to verify that the importer is reputable and unlikely to cause them loss. As well, should an exporter fail to guarantee their product they would be in breach of our trade agreement and can be refused permission to trade until they comply with that
requirement. Local manufacturers and suppliers, as well as reputable importers, would benefit from a decrease in the amount of non-conforming product on the market and an increase in the integrity of their competition.

As I said at the start, this bill is not the whole answer but I believe it goes a small way towards improving the situation. I urge senators to support it.

Senator EDWARDS (South Australia) (11:01): I rise to speak on the Fair Trade (Australian Standards) Bill presented to this chamber by Senator Madigan and I acknowledge his work and endeavours to ensure that the integrity of everything coming to this country is maintained to a standard which we expect in our business community and, indeed, the broader community.

I will address a number of things Senator Madigan raised. I too have an aspiration to ensure that the people from whom we import goods enjoy a reasonable workplace and a fair day's pay for a fair day's work. But to sanction them would be to prejudice them and I fear we have to try to find a balance in there that would give them the opportunity to rise above their Third World status and ensure that we can provide them with trading opportunities which would change their fate more in accordance to what we aspire for them.

Free trade agreements in the context of the society in which we live are good things. I know from my background—the wine industry—that we aspire and seek a speedy resolution as to the trading agreements with the Trans-Pacific Partnership. These are going on and will provide us access to those Asian markets from which we have been denied. We have been shown by our cross-Tasman partners in New Zealand the benefits of free trade agreements with those big trading nations. I would say they are probably flogging us in that particular area—but not only with the wine industry; from where I come from we have just seen a resumption of trade in kangaroo meat to Russia. That also was a sensitive negotiation but an essential one.

The providores of game meats in South Australia are looking for opportunities to send game to all parts of the world, and free trade agreements are good for that. There is even a dearth of camel meat around the world and Australia has some opportunity in that respect which would be ably assisted by free trade agreements being concluded as quickly as possible. Senator Madigan spoke of the South Australian firm that builds car hoists and that, indeed, is an issue which they will have to face from the point of view of innovation. I also take him to that icon of Australian backyards: the Hills hoist. Mr Acting Deputy President Gallacher, as a South Australian you would be well aware that the Hills hoist has had to reinvent itself somewhat. That business's manufacturing is largely domiciled in China and it is now an importer of products of that icon. Therefore, innovation is essential to remain relevant in the marketplace of a global nature.

The other thing that this bill implies is that we have some influence on regulation by governments in other countries when their regulations do not apply to their industrial sector. I understand the sentiment, Senator Madigan, and I think it is a noble one but I know from my dealings prior to coming to this place that trying to impose our level of regulation on other countries meets somewhat with bemusement. But I agree the aspiration should be there.

In short, I know and understand the problem you are looking to address but this bill in every respect sends the wrong message to the world and right now it is a blunt instrument. I
hope that the work that both you and I continue to do in the foreign affairs, defence and trade committee—more particularly, with trade—in the inquiries that we have coming up means that we can address the issues which you are looking to essentially set in stone here. This bill—‘A Bill for an Act to provide for certain minimum standards for products imported into Australia under a trade agreement’—I contend is probably an unnecessary burden on the current series of Australian trade negotiations.

All Australians benefit from trade. An increase in trade creates more Australian jobs and delivers more opportunities for Australian businesses. Australia has a two-way trade in goods and services and that trade was worth $616 billion in 2012. It is a vital component of Australia’s economic prosperity. Last week it was mentioned that within five years the Asia-Pacific region would be the world’s largest producer and consumer of goods and services. By 2030, the figure of 500 million people now located in the region’s middle class is expected to grow and reach a staggering 3.2 billion souls. Exporting to Asia is a highly competitive environment and the opportunities will not just fall into our lap. We need to do all we can to support our developing and thriving international trade industry, not only in the Asia-Pacific region but worldwide. We need to be innovative and we need to be responsive to emerging needs. However, the bill does not best place us to be at the forefront of facing current trade challenges.

We have many success stories of Australian businesses, something we should celebrate and continue to maintain. Especially with so many hindering factors contributing to trade negotiations—cultural and language barriers, different regulatory systems and ways of doing business combined with the problem of accessing finance and finding distribution channels—we do not need further red tape making way for unnecessary barriers that hinder Australia’s economic prosperity. If we talk about free trade agreements, they should be recognised for what they are. They are agreements about making international trade easier and more efficient while preserving the ability to regulate domestically. This bill certainly does not do that.

Across the globe, there is an expanding network of free trade agreements and they play an important role in supporting global trade liberalisation. Through engaging in free trade agreements Australia enters into legally binding commitments to liberalise access to other markets for goods and services and further address issues such as intellectual property rights, government procurement and competition policy. Of course, such agreements fit within the boundaries set by the World Trade Organization to support global trade liberalisation. Free trade agreements help Australian exporters access new markets and expand trade in existing markets.

However, this bill would require Australia to provide less favourable treatment to goods imported from free trade agreement partners than the treatment given to the goods from the other countries. This would have a huge effect on the Australian economy as Australia currently has seven free trade agreements in force. These are with New Zealand; Singapore; Thailand; the US; Chile and the Association of South-East Asian Nations, ASEAN—and that is with New Zealand and Malaysia. These countries covered by these free trade agreements account for 28 per cent of Australia’s total trade.

Australia is also currently engaged in nine free trade negotiations. There are five bilateral free trade agreement negotiations—with China, Japan, Korea, India and Indonesia—and four plurilateral free trade negotiations with the Trans-Pacific Partnership Agreement, the Gulf
Cooperation Council, the Pacific Trade and Economic Agreement, and the Regional Comprehensive Economic Partnership Agreement. You must admit that is a very busy space. I know that the Abbott coalition government has given this the priority it deserves after six years of its collecting cobwebs.

The countries covered by these negotiations account for a further 45 per cent of Australia's trade. The last thing Australian business needs is an unnecessary roadblock to trade negotiations. It is vital we continue to take into account those rules established by the World Trade Organization to ensure that we do not face issues arising from political and protectionist pressures in other countries. We must ensure that internationally agreed standards are encouraged, that products from complying countries are not discriminated against and that unnecessary barriers to trade do not develop. Furthermore, we must ensure that importers are not exposed to legal burdens in their own jurisdiction. I spoke about that earlier. Rather, the current status quo should remain and be maintained to ensure that the onus is placed on the importer operating within Australia.

The Abbott government agenda is clear. It is an agenda to promote and assist strong trade negotiation mechanisms. The Minister for Trade and Investment, the Hon. Andrew Robb, is participating in the ninth Ministerial Conference of the World Trade Organization right now in Bali and he is continuing this with advanced high-level Trans-Pacific Partnership negotiations in Singapore. These are very important meetings for Australians.

The 38th Cairns Group Ministerial Meeting in Bali is a coalition of 19 agricultural exporting countries committed to agricultural trade reform, including the elimination of trade distorting subsidies and tariffs. Those are the types of negotiations that Senator Madigan should be encouraged by. Minister Robb will have those at the forefront of his thinking and negotiations on behalf of Australian agricultural industries. Agriculture is a key contributor to the Australian economy.

The Cairns conference supports the growth and advancement of Australia's agricultural trade policy interests and provides a means to influence policy reform. It will consider a package of reforms around agriculture, including components relevant to developing countries, as well as trade facilitation, which has the potential to reduce total trade costs for exporters.

Minister Robb and the coalition are committed to resolving trade issues and market access throughout the Asia region. The Trans-Pacific Partnership is the most comprehensive free trade agreement currently under negotiation and involves 12 countries responsible for 40 per cent of global GDP, and all trade policy must be developed to support growth through trade. Policy must provide and support opportunity for Australian businesses and exporters, including farmers, manufacturers and service providers. Minister Robb has stated that the government is committed to:

...a very ambitious trade and investment agenda and while these areas of policy are indeed international, they are also of course intrinsically linked to our domestic economic fortunes in terms of supporting sustainable growth, businesses, both large and small and most importantly jobs.

That is very different to the rhetoric we heard during those six chaotic years of the previous government around free trade agreements, our trading partners and our export opportunities in general.
As I conclude, trade is vital to our national interest and economic prosperity. While I understand the sentiment behind Senator Madigan's bill, it does not advance the interests of Australian consumers or the economy at large. The increasing burden of red tape as a result of poor Labor policy is placing Australian business and our trade sector in a vulnerable position. Regulators must understand that the cost on business of meeting the ever-increasing red tape burden is crippling and singularly the biggest issue I hear at the business forums I attend around this country.

Those on this side of the chamber are working hard to ensure that Australian businesses and the trade sector at large are not hindered through more unnecessary and problematic regulation. Australia has an established regulatory regime to manage product standards and product safety, and any new legislation should only sit in support of helping our economy grow and prosper so that we can remain strong players in an international trade market. This bill has the effect of obliging Australia to adopt import requirements that will place further unnecessary obstacles in front of potential trade opportunities.

Senator LUDWIG (Queensland) (11:17): I rise to speak on the Fair Trade (Australian Standards) Bill 2013. What struck my interest with this was to go back and look at where this journey on trade started for me. It started some years ago now, though sometimes it feels like yesterday, with the work of the Joint Standing Committee on Treaties, where significant debates occurred about free trade agreements and trade liberalisation, and there was a particular focus on the World Trade Organization. Not everyone will recall this but there were significant debates then about trade, culminating in a range of protests and the like that centred around 2001. I do not want to go to that specifically; I want to take the Senate to the Treaties Committee report entitled Who's afraid of the WTO? In essence, it set out the framework that we have continued on with. Looking across the table, I recognise some senators who may have been in that committee at that time.

That reports says that Australia is a medium-sized economy and our dependence on exports has meant that successive Australian governments have embraced trade liberalisation as a means of securing export trade. In the inquiry, the committee considered how effectively Australia is using the multilateral trading system and asked if we could do better. The report examined the multilateral trading system managed by the WTO and brought out some differing views—differing views on the impact of globalisation and the benefits and costs of trade reform. An understanding of these issues is vital to encouraging and informing debate amongst all Australians about trade policy. The report also examined specific issues, including Australia's interaction with the WTO, challenges for the future operation of the WTO and a range of other matters.

It is not my intention to restate that report, but it does highlight that over that whole period from 2001 we have continued to have a focus on why we trade, why we progress multilateral trade and why we advocate Australia as an open market economy. I went on to look for more committee reports in this area to see how we are progressing as parliamentarians in making that case. Unfortunately, there is a dearth of committee reports in this area. I think it is an area where the Treaties Committee or another committee—and far be it for me to suggest more work—could examine some of these issues. Senator Madigan has referred his bill to a committee, but the broader aspects of why we continue to have an open-market economy,
why we continue to progress global trade and why we continue to press for particular areas could be referred.

The most recent work is in two parts. The first part culminated in then Minister Emerson presenting the government's trade policy statement. That statement, in shorthand, ultimately came in part from the Productivity Commission's report on bilateral and regional trade agreements in November 2010. I encourage those with an interest to go back to that Productivity Commission report and the Labor government's trade policy statement for the basis of where trade policy stands. It was and continues to be a defining moment in how to advocate in this area.

The new trade strategy progressed by then Minister Emerson embraced five principles. First, ongoing trade related economic reform should be pursued without waiting for other countries to reform their trade policies. Second, there should be no discrimination in trade negotiations. Third, foreign policy considerations should not override trade policy. Fourth, there should be transparency in free trade negotiations. Fifth, trade policy and wider economic reform should be seamlessly executed. Countries applying these principles champion ongoing multilateral trade liberalisation as a preferred vehicle for non-discriminatory trade between nations.

If we fast-forward a fraction to look at Senator Madigan's Fair Trade (Australian Standards) Bill 2013, it has the essence of many issues we have grappled with since 2001. It does not encompass all of them, but in his opening remarks Senator Madigan mentioned four types of fair trade bills he was progressing to deal with Australian standards, workers' rights and the International Labour Organization conventions on employment. They all touch on multilateral trade and trade liberalisation in an global economy. The bill's key objective, as outlined in the explanatory memorandum, is higher standards for imported goods by restricting the terms under which the Commonwealth can enter into trade agreements relating to compliance with domestic and foreign product standards. The bill seeks ultimately to impose certain obligations on foreign corporations with respect to the importation of goods. It also seeks to impose certain obligations on domestic corporations with respect to the export of goods.

Senator Madigan, in my view—and I do not seek to put words in Senator Madigan's mouth—seems to be seeking to address concerns about the quality of imported goods that have been introduced into the Australian market. While I share Senator Madigan's concerns about the reliability and safety of goods, I am not convinced that trade policy is the mechanism to enforce appropriate standards. That is why I took some time to go back to some fundamental documents that have progressed and continue to underpin trade from parliament's perspective: the Productivity Commission's report, the World Trade Organization, the Joint Standing Committee on Treaties, all of which have spoken about trade.

Debate on the bill presents a timely opportunity to outline Labor's approach to trade, including with respect to upcoming trade negotiations. Labor recognises that reducing barriers to trade can boost our economic growth, create more competitive industries and give consumers access to a wider range of goods and services at lower prices. The pursuit of these objectives drives Labor's support for a more open global trading system. Labor's achievements in office included the establishment of the Cairns Group, as a vehicle to
promote our interests in multilateral trade negotiations, and the Asia-Pacific cooperation forum, to strengthen our economic and political ties within the region. The former Labor government placed the Asian century at the centre of the national debate. We included the national food plan, which focussed on our immediate neighbours. We opposed protectionist responses to the global financial crisis, both at home and abroad. Labor had an ambitious agenda for trade and will maintain this position in opposition.

Our assessment of the government's trade performance will be informed by clear-sighted assessment of our national interest. As I understand, next week trade ministers will meet in Singapore to continue negotiations on the Trans-Pacific Partnership agreement, the TPP. Twelve countries accounting for 40 per cent of the global GDP are party to the Trans-Pacific Partnership talks. Potential benefits for Australia include market access for our goods and services to countries with which we do not have an existing free trade agreement. Real regulatory reform and lower behind border trade barriers will be key issues. The TPP could also be an important stepping stone to closer economic engagement across the Asia-Pacific region.

The test for the government in the TPP, and in all other trade negotiations, is in ensuring Australia's national interest is not traded away. It would not be in the national interest for Australia to sign up to the TPP if it undermined the integrity of the Pharmaceutical Benefits Scheme or affected the ability of Australians to access affordable medicine, nor would it be the national interest for the government to sign up to the TPP if it mandated a radical shift in the legal balance between creators and users of protected works. Because the outcomes of trade negotiations can have both far-reaching and long-lasting consequences, the government should not readily sign up to a TPP deal that constrains the ability of future governments to make laws on social, environmental and economic matters where those laws treat domestic and foreign businesses equally. The risk that the Productivity Commission, as I mentioned earlier, identified previously in 2010 from investor-state dispute settlement clauses cannot be ignored either in the pursuit of an announceable from next week’s ministerial meeting.

There is a national interest in the government providing the transparency that enables Australia to understand what trade agreements mean, what benefits they bring and what compromises we are being asked to make, and the TPP is no exception. Labor believes the full text of any TPP should be released well before it is signed. This is the commitment that the United States trade representatives have given to Congress, and the Australian parliament and people are entitled to no less. That is what the Senate demanded earlier this week when it ordered the production of the final text well before signing.

The outcome of the TPP talks will be an early demonstration of whether the government can achieve trade reform without trading off our national interest. With the approaching self-imposed deadline for concluding FTA negotiations with China, it will not be the only test in this government’s first year in office. It is worth looking again at the issues that have been difficult to include in bilateral trade agreements such as some of the issues that Senator Madigan touches upon.

We do have a strong desire to progress agricultural trade. If you look around the Asia-Pacific region and the world, the ability of our agricultural products to meet markets is being constrained by high tariff barriers in other countries. We have one of the best agricultural products. It is both clean and green, is of exceptional quality and would meet all of Senator
Madigan's criteria. What we have not been able to do from the overseas perspective is to get them to include those products in their negotiations on bilateral free trade agreements, more specifically FTAs, and progress them to the benefit of our agricultural sector. It is a task that this new government, I suspect, will have to take up the challenge to try to achieve. All of that will not be easy given the many disparate economies not only in our close region but further too.

If you look at what we have done, Australian governments have entered into a range of bilateral and regional agreements and have done that typically seeking to reduce trade barriers. Of course, trying to include the broad issues that Senator Madigan raises is no mean feat in those negotiations. I do understand that we do have within the Department of Agriculture a strong biosecurity focus. It is one area where many hours are spent ensuring that our borders are secure from foreign incursions of disease, pests and weeds. To date, from recollection, its record has been exemplary. In trying to achieve outcomes across industry as well, we do have domestic standards that we require and we do have strong compliance frameworks in place in our regulatory framework. All of that is, in my mind, where the focus should be.

If we want to talk about how we progress trade agreements, I think there is ultimately great opportunity for this parliament to revisit how we can continue to have outcomes. I note that in July 2011 there was an inquiry into Australia's trade and investment relations with Asia, the Pacific and Latin America. Again, it did not focus on the issues more specifically that Senator Madigan raised but it did—as you see if you have an opportunity of going to that specific document—outline quite easily not only some of the challenges that are before us but ultimately the benefits. It is about where Australia is keen for APEC to intensify work on regulatory form, competition policy and regional economic integration through structural reforms at the border—for example, in Customs, procedures, standards, conformance and business mobility across the border by improving supply chain connectivity; and behind the border by reducing regulatory burden and squeezing the transaction costs. These are the rub areas where more work needs to be done to ensure that the outcomes that Senator Madigan seeks are achieved rather than perhaps the way you are seeking to achieve it.

As the report says, Australia is working with Singapore, Hong Kong, China and other APEC members on a framework on supply chain connectivity to identify choke points that impede trade logistics in the Asia-Pacific region and to assess measures currently in place to ameliorate some of those issues. (Time expired)

Senator WHISH-WILSON (Tasmania) (11:37): The Greens are very sympathetic with the details of the Fair Trade (Australian Standards) Bill 2013 proposed by Senator Madigan. We have not yet made a decision as to whether we will support the bill, and we would certainly be interested in a referral to an inquiry to further explore the issues around the bill—or, as Senator Ludwig suggested, possibly even a larger inquiry into areas surrounding free trade in general, in light of the significant activity in free trade deals that we are currently experiencing particularly with the recent change in government.

I want to start at the beginning where it is really simple with this concept of free trade. We heard Senator Edwards talk about why free trade is good and certainly, according to the high-profile statements being made by the Abbott government in the media, free trade agreements are something that they are hoping to hang their hat on as a significant achievement in their
term of government in the next three years, and they will be pushing through free trade deals and negotiating as many as they can as quickly as they can—with the assumption, and it is a flawed assumption, that free trade deals are always good.

I used to teach this theory to first-year economics students, and I have got to say that free trade is real and it does exist, but it only exists in textbooks. It is a good process to learn when you are looking at two countries negotiating with each other to see how they could perhaps integrate their economics systems—the assumption that perhaps one country might have a specialisation in an area and that they could sell a product at a competitive advantage to another country and vice versa. The theory tells you that both countries would be better off under a simple free trade arrangement. As Senator Ludwig mentioned in his speech, our free trade deals are a lot more complex than that. More fundamentally, the assumption that free trade deals are always good is also wrong because the theoretical assumption underpinning it is that the comparative advantage leads to a greater level of wealth—what we call aggregate wealth for all countries involved in a free trade bloc. But what theory does not tell us—and this is essentially what we are arguing in the chamber today around the issues with free trade, fair trade or trade in general—is how that wealth is distributed in any nation.

I turn back to the theory again. If I were speaking to students about this, I would say, 'In theory, the sectors that gain from free trade would quite simply compensate those sectors that do not gain from free trade.' Of course, the criticism that is often levelled at economists is: the world in economics is based on simple assumptions. The way I see free trade, and trade deals in general, is perhaps not the way the majority of Australian people see it. When they watch TV and they see our leaders at big conventions, wearing colourful shirts and doing the right thing by the nation, I have no doubt that the front end of these free trade deals—as with a lot of international cooperation—is done by government; but what is behind trade and trade activity is corporations. It is business activity, it is investment, it is production, it is the search for profits. That is what drives our economy.

I have no doubt that the negotiators at DFAT, for example, with current free trade deals, are all good people doing fantastic jobs in what they see as the national interest. But you really need to strip that back to its more simple foundations. It is the interests of Australian corporations, and not just Australian corporations but multinational corporations. This is the last time I will mention that I have taught something, but I can tell you, having taught international finance: it is very difficult sometimes to work out where multinational or transnational corporations are actually domiciled. But that is what the world has become. There is no doubt that global integration of our economies, in the last 30 years especially, has led to a concentration of business activity and wealth in a small number of very large companies right across all sorts of different industries and sectors. So when we think about a free trade deal like the Trans-Pacific Partnership or the RCEP deal or even simple unilateral, bilateral or multilateral deals, it is the special interests—that employ people, that produce—that are driving these deals. It is the special interests that are behind these. And they are corporations.

I think what we really need to look at is whether the interests of these corporations are also in the interests of our nation, the general public and, of course, the Australian voters. The Greens have long been very strong and fierce advocates for fair trade. There is a fundamental difference in theory and in practice between fair trade and free trade. Let us just look at what
is in the national accounts—our current account and our financial account. That is where trade and investment activity is buried. That is where we go every quarter when we want to look at the activity to do with exports, imports and direct foreign investment. That is all good stuff, but that is all measured in monetary terms. When we think of fair trade, we think of those things external to purely monetary measurements. We think of the impacts on existing industries—for example, workplace standards and fair work standards. We think about the environmental aspects of trade and production and whether we are creating any externalities in the products that we may be trading in. Exporting coal to the world is one really good example where we are exporting an externality—probably the biggest externality that has ever factored into our modern economic system. It has been there since the beginning: the creation of the gases that lead to global warming. These are issues, and we could think of a lot of other examples where trade and business production activity do not necessarily reflect these externalities, and it is exactly the same in trade deals.

So the idea of having stronger standards in general is certainly something that our party supports. Of course, across the chamber the most common argument we will get against that is increased cost of doing business and putting imposts on companies and businesses that may lead to the erosion of profits and ultimately to lower employment and the reduction of other activities. But there are also benefits in putting better standards in place—for example, certification schemes on a whole range of products.

I was very pleased earlier in the year that the Senate unanimously passed a motion following the very tragic Rana Plaza collapse in Bangladesh, where 1,200 people were buried alive while working in a factory with appalling labour conditions and safety standards. We later learned, following an expose by Four Corners and significant international attention on the rag trade coming out of a country like Bangladesh—and it is not just Bangladesh—about the conditions that workers in foreign countries were subjected to to produce what are essentially throwaway goods for us—the $5, $10, $15 and $20 garments that we take our kids to buy down in the local shop. There is a price to be paid for having cheap garments in this country made in appalling conditions in foreign countries, and that price of course is the misery and death of human beings.

So what can we do about this? Obviously there is a lot we can do by letting Australian consumers know so that they can make a choice between buying goods that are produced unethically under appalling conditions and buying goods from those companies that do the right thing. I respect that it may cost a little bit more to put in place a certification program that simply has a label or a tag on a product made in a country like Bangladesh that says that that particular item of clothing has conformed to minimum standards and those standards have somehow been verified. This has actually developed from voluntary schemes around the world, and I really think it is something this country needs to face up to.

I understand the focus of Senator Madigan's bill is on import standards, which I will get to in a minute. We need to be very careful about what we import into this country, not just in terms of ethical considerations but also with agriculture: standards around quarantine, MRLs and the conditions under which food has been brought into this country. When I speak to people in the agricultural sector—farmers in Tassie—it is fascinating. Being an economist, I had always assumed that low prices mean low inflation and low interest rates, maximise economic growth and are good for the economy. But I really wonder sometimes whether we
should look at the concept of fair prices for products that are produced in this country and the fact that our farmers, for example—I know it is the same for manufacturing industries in this country—cannot compete effectively with international competition. This is classified as competitive disadvantage. There are some reasons why Australian businesses cannot compete on a level playing field against foreign countries. Of course, the low cost of labour in these countries is one of the most common things that we talk about, but there is also a lack of standards and verification processes in, for example, agriculture—a whole range of different issues that relate to other countries' rules and regulations.

So the simple question is: is the constant focus in our society on low prices necessarily sustainable in the long term and is it necessarily a healthy thing? We all want to lower our cost of living and there is no problem with that, but at some stage—maybe it will come if our dollar ever depreciates—we will have to start paying more for cheap imported products, allowing more of a level playing field. But it is absolutely essential that we start questioning these issues, and I am very pleased to hear Senator Ludwig say that Labor is open-minded about exploring a broad range of issues around free trade—no doubt about the positive aspects of trade, but free trade certainly comes with costs.

Debate interrupted.

NOTICES

Presentation

Senator Hanson-Young to move:

That the Senate calls on the Minister assisting the Minister for Immigration and Border Protection (Senator Cash) to:

(a) provide a statement to the Senate on the United Nations High Commission for Refugees report into the conditions in the Nauru and Manus Island detention centres by Wednesday, 11 December 2013; and

(b) explain to the Senate how the Government intends to respond and action the recommendations made by the reports respectively.

Senator Siewert to move:

That the following matters be referred to the Community Affairs References Committee for inquiry and report by 27 March 2014:

(a) the prevalence of different types of speech, language and communication disorders and swallowing difficulties in Australia;

(b) the incidence of these disorders by demographic group (paediatric, Aboriginal and Torres Islander people, people with disabilities and people from culturally and linguistically diverse communities);

(c) the availability and adequacy of speech pathology services provided by the Commonwealth, state and local governments across health, aged care, education, disability and correctional services;

(d) the provision and adequacy of private speech pathology services in Australia;

(e) evidence of the social and economic cost of failing to treat communication and swallowing disorders; and

(f) the projected demand for speech pathology services in Australia.

Senator Lundy to move:

That the Select Committee on the National Broadband Network be authorised to hold a public meeting during the sitting of the Senate on Thursday, 12 December 2013, from 9.30 am.
Senator Waters to move:

That the following bill be introduced: A Bill for an Act to provide Australian landholders the right to refuse the undertaking of gas and coal mining activities on their land without prior written authorisation, and for related purposes. Landholders’ Right to Refuse (Gas and Coal) Bill 2013.

COMMITTEES

Selection of Bills Committee

Report

Senator KROGER (Victoria—Chief Government Whip) (11:51): I present the 10th report of 2013 of the Selection of Bills Committee. I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 10 OF 2013

1. The committee met in private session on Wednesday, 4 December 2013 at 7.19 pm.
2. The committee resolved to recommend—That—

(a) the provisions of the Infrastructure Australia Amendment Bill 2013 be referred immediately to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 17 March 2014;

(b) the provisions of the Migration Amendment (Regaining Control Over Australia’s Protection Obligations) Bill 2013 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 3 March 2014; and

(c) the provisions of the Tax Laws Amendment (Research and Development) Bill 2013 be referred immediately to the Economics Legislation Committee for inquiry and report by 17 March 2014.
3. The committee resolved to recommend—That the following bills not be referred to committees:

• Australian Capital Territory Water Management Legislation Amendment Bill 2013
• Australian Civilian Corps Amendment Bill 2013
• Australian Research Council Amendment Bill 2013
• Customs Amendment (Anti-Dumping Commission Transfer) Bill 2013
• Education Services for Overseas Students Amendment Bill 2013
• Grape and Wine Legislation Amendment (Australian Grape and Wine Authority) Bill 2013
• Health Insurance Amendment (Medicare Funding for Certain Types of Abortion) Bill 2013
• Higher Education Support Amendment (Savings and Other Measures) Bill 2013
• Import Processing Charges Amendment Bill 2013
• Indigenous Education (Targeted Assistance) Amendment Bill (No. 2) 2013
• National Health Amendment (Simplified Price Disclosure) Bill 2013
• Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013
• Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013
• Primary Industries (Customs) Charges Amendment Bill 2013
• Primary Industries (Excise) Levies Amendment Bill 2013
The committee recommends accordingly.

4. The committee considered the following bills but was unable to reach agreement:
   - Primary Industries (Customs) Charges Amendment (Australian Grape and Wine Authority) Bill 2013
   - Primary Industries (Excise) Levies Amendment (Australian Grape and Wine Authority) Bill 2013
   - Rural Research and Development Legislation Amendment Bill 2013
   - Veterans’ Affairs Legislation Amendment Bill 2013.

5. The committee deferred consideration of the following bills to its next meeting:
   - Social Services and Other Legislation Amendment Bill 2013
   - Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013.
   - Environment Legislation Amendment Bill 2013
   - Fair Trade (Workers’ Rights) Bill 2013
   - National Integrity Commission Bill 2013

(Helen Kroger)
Chair
4 December 2013

Appendix 1

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
   Tax Laws Amendment (Research and Development) Bill 2013
Reasons for referral/principal issues for consideration:
   Detailed scrutiny of the principles of the Bill, particularly in regards to the consequences of implementing exclusion criteria to the R&D Tax Incentive.
   Possible submissions or evidence from:
   - Australian Industry Group
   - Deloitte Access Economics
   - Ernst & Young
   - Minerals Council of Australia
   - Innovation Australia
   - Institute of Chartered Accountants Australia
Committee to which bill is to be referred:
   Economics Legislation Committee
Possible hearing date(s):
   Public hearings in January—February 2014
Possible reporting date:
17 March 2013
Senator McEwen
(signed)
Whip/Selection of Bills Committee Member

Appendix 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Infrastructure Australia Amendment Sill 2013
Reasons for referral/principal issues for consideration:
The Bill restructures Infrastructure Australia, changes Its governance and permits the Minister to have a greater say on the type of projects that will be assessed, and how they will be assessed. It also changes arrangements for tax concessions for Infrastructure projects. It replaces the existing IA members with a Board.

This is seeking to substantially rewrite current arrangements and these provisions need detailed committee consideration.

Possible submissions or evidence from:
- Infrastructure peaks Environment groups
- Public transport organisations
- Major construction companies
- State Governments Local government super funds
- Investor organisations

Committee to which bill is to be referred:
Rural and Regional Affairs and Transport Legislation Committee

Possible hearing date(s):

Possible reporting date:
17 March 2014
Senator McEwen
(signed)
Whip/Selection of Bills Committee Member

Appendix 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Migration Amendment (Regaining Control Over Australia's Protection Obligations) Bill 2013
Reasons for referral/principal issues for consideration:
Detailed scrutiny of the Bill, particularly with regards to removal of the Protection (Class XA) (subclass 866) visa, Australia's non-refoulement obligations being met, investigation of return to administrative procedure (resumption of Ministerial discretion)

Possible submissions or evidence from:
UNHCR
Refugee Council of Australia
Curtin University Centre for Human Rights Education
Foundation House
Refugee Foundation of Australia
Refugee and Immigration Legal Centre
Human Rights Commission
Recipients of the Protection Visa

Committee to which bill is to be referred:
Legal and Constitutional Affairs Legislation Committee

Possible hearing date(s):
n/a

Possible reporting date:
3 March 2014
Senator McEwen
(signed)
Whip/Selection of Bills Committee Member

Appendix 4
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Migration Amendment (Regaining Control Over Australia's Protection Obligations) Bill 2013

Reasons for referral/principal issues for consideration:
- To examine the impacts of removing complementary protection,
- To examine Australia's non-refoulement obligations, and
- Other related matters

Possible submissions or evidence from:
Amnesty International Australia
UNHCR
Human Rights Law Centre
Refugee and Immigration Legal Centre

Committee to which bill is to be referred:
Legal and Constitutional Affairs Committee
Possible hearing date(s):

Possible reporting date:

3 March 2014
Senator Siewert
(signed)
Whip/Selection of Bills Committee Member

Senator KROGER: I move:
That the report be adopted.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:51): I want to move the following revised amendment to the Selection Bills Committee report, which I have circulated in the chamber. I move:

At the end of the motion, add "but, in respect of:

(a) the Social Services and Other Legislation Amendment Bill 2013, provisions of the bill be referred immediately to committees for inquiry and report by 11 February 2014 as follows:

(i) the provisions of Schedules 6 and 9 of the bill, to the Education and Employment Legislation Committee,

(ii) the provisions of Schedule 2 of the bill, to the Finance and Public Administration Legislation Committee, and

(iii) the remaining provisions of the bill, to the Community Affairs Legislation Committee; and

(b) the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013, the provisions of the bill be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 31 March 2014."

The PRESIDENT: Senator Siewert, there is a little bit of confusion. We do not have copies of the revised amendment.

Senator SIEWERT: I understand they are being circulated in the chamber. Perhaps I should explain the revised amendment—I presume you have seen the original amendment that was circulated? I apologise, we were just working out the details and hence its late circulation.

The difference is that we are splitting out some of the provisions of the bills, sending the ones that relate to child care and to the student start-up loans off to the education and employment committee, and the provisions that deal with the Cape York income management process get sent off to the Finance and Public Administration Committee.

The point is that the Social Services and Other Legislation Amendment Bill 2013 has 12 provisions in it, many of which are far-reaching provisions that have implications for many Australians, and these provisions need adequate time and adequate consideration. Because there are so many provisions some of them are not actually appropriate to be sent off to the Community Affairs Committee for inquiry, particularly those that relate to student start-up loans and the issues that relate to the indexation of the childcare rebate. Those issues were originally looked at, as I understand it, by the employment and education committee and it is appropriate that that committee consider those provisions.
Similarly with the Cape York income management process. Now that Aboriginal and Torres Strait Islander issues are dealt with by the Department of Prime Minister and Cabinet, the Finance and Public Administration Committee now has responsibility for inquiry into Aboriginal and Torres Strait Islander issues. So it is more appropriate that that bill, because it deals specifically with the Cape York trial, goes off to finance and public administration. Given the complex nature of these issues it is more appropriate that the committees that are tasked with looking into those issues are the committees that review those particular issues.

But to go back to the substantive matter: the government and, at that stage, the opposition—and I am hoping that we have managed to persuade the opposition to change their minds—felt that these very important amendments should not have any committee review. These provisions, for example, are provisions that are going to start charging interest on certain Centrelink debts—these relate to ABSTUDY and Austudy. In other words, once again this is targeting the most vulnerable Australians. These are vulnerable Australians, Australians who are trying to get by on allowances that are condemning them to live in poverty to begin with. And now the government wants to charge interest on their debts.

We believe that needs to be looked into. We believe that the impacts of these provisions need to be considered, particularly, for example, student start-up loans. These are taking a billion dollars out of support for students: is the government saying that does not need to be inquired into? These are provisions that take millions and millions of dollars out of support for child care and childcare rebate. Again, is this government saying that does not need to be inquired into? These have an enormous ramifications, not to mention—and I am sure my colleagues will want to speak on this as well—the backflip on, or the removal of, the gambling provisions.

We have just had a very informative debate in this place about the impacts of gambling on Australia, and now this government wants to unwind the even very modest changes that the previous government made. It thinks it is perfectly okay for us not to have an inquiry into those provisions. The Greens do not agree. We say that this bill, with such an enormous ramifications, should be inquired into.

My colleague Senator Ludlam will look at the submarine-cabling provisions. When we were first asked to consider this bill in the Selection of Bills Committee, the provisions had not even been properly put up on the website so we did not even know what we were supposed to be considering in the first place. And when I sought to have this referred to committee last night, the government did not want to have that looked into either. I am sure Senator Ludlam will highlight the significant problems with these bills. This government has only been in for a couple of months, and already it is running away from scrutiny of legislation that can have significant impacts. It is not good enough, which is why we have moved to get these provisions referred to committee for proper consideration.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:00): I move the following amendment to Senator Siewert’s proposed amendment:

Paragraph (a), omit “11 February 2014”, substitute “12 December 2013”.

Senator DI NATALE (Victoria) (12:00): I rise to speak about the issue of referring the gambling bill, in particular—the Social Services and Other Legislation Amendment Bill 2013—to inquiry. It is remarkable. The coalition campaigned mercilessly for months in the
lead-up to the last election about the new sort of grown-up government we were going to get. It was going to be open, honest and accountable, with no broken promises—and in the space of a few short weeks we have seen this government do everything it can to avoid scrutiny, whether it be on this issue of poker machine reform, the issue of refugees and asylum seekers or a range of other issues.

This bill needs to go to inquiry and we need to ensure that it gets the proper scrutiny. People have very short memories in this place. Occasionally this is referred to as a bit of a goldfish bowl because we look up and we are like goldfish swimming around in an aquarium, but I think it is more because people in this place have the memories of goldfish. Poker machine reform was one of the key issues of the last parliament. It was one of the issues that defined the 43rd Parliament. We saw an election result that hinged on the support of one of the Independents, who made poker machine reform one of the key issues on which that government would be formed. We saw the whole circus of Clubs Australia coming to town. We saw the conniptions that both sides of politics got themselves into because of the brutal campaign of lobbying from Clubs Australia. People forget we ended up replacing the Speaker of the Australian parliament in an effort to avoid voting on a piece of legislation that the then government had agreed to. The issue of poker machine reform was one of the things that triggered the demotion, or resignation, of the then Speaker, Harry Jenkins, and his replacement with Peter Slipper. That was because of the debate around poker machine reform.

We saw the government change the Speaker and renege on the deal it signed with the Independent Andrew Wilkie. It then did everything it could to get the support of the Senate—particularly through Senator Madigan, Senator Xenophon and me—for its watered-down reforms. We spent months negotiating with the government and with the minister at the time to introduce a number of measures that would strengthen that bill, in some effort to try and salvage reform on pokies. It was an issue that caused so much angst, so much heartache, so much grief, for all sides in this chamber, and now we have the government hiding the repeal of that piece of legislation that caused so much angst in the previous parliament—hiding the repeal bill in amongst a range of other measures in an effort to avoid scrutiny. And now we are contemplating the idea of not even referring it to an inquiry? The defining issue of the 43rd Parliament is suddenly going to be dealt with in the space of a few minutes here in this chamber?

Let us just hope that the first few weeks of this new government are an aberration, that its words around open, honest, transparent government were not a promise that we thought it made but it did not really make, just like with Gonski. Let us hope it was a promise that it will keep. Let us make sure we get the appropriate scrutiny that the repeal of these modest reforms deserves and let us ensure we do everything we can to highlight to the community that we have a government intent on doing the bidding of the big end of town rather than supporting some of the most vulnerable people in Australia.

**Senator MOORE** (Queensland) (12:05): We support the amended motion before the chamber. There is a longstanding norm in this place of support for any senator who wants to refer any bill to a committee for scrutiny. It is important that senators have the right to do that and that they get the support of this place to do that. In fact, that is doing our job. We note that there are some significant time frame urgencies in some elements of the bill, and that is why we are supporting the truncated time for review. There is also an issue around the fact that
anyone who brings in such a compendium of issues in one piece of legislation makes it very
difficult for us in this place to do our job. I think there are at least eight different elements of
this bill, which means that to have any effective scrutiny is very difficult, particularly when
there are time frames involved. There is also the need to ensure that the appropriate part of
this legislation is referred to the appropriate committee, and that has led to the need to have an
amended motion put before us, because there are now three committees that need to work to
ensure that the issues are covered. On that basis, we support the referral and we just make a
note about our concerns about this form of process in trying to do such a large piece of
legislation in one go.

Senator LUDLAM (Western Australia) (12:07): I am just going to add a few comments
and not detain the chamber for long on the second part of Senator Siewert's motion, which
relates to the Telecommunications Legislation Amendment (Submarine Cable Protection) Bill
2013. It is difficult to know whether this is just an administrative stuff-up or whether it was
actually an attempt to avoid scrutiny, but I understand that now reason has prevailed.
As Senator Moore has indicated, there is a reason as to why it has become the convention in this
place that bills of any degree of moderate or high controversy or complexity should almost as
of right be referred to Senate committees. It is what this chamber does; it is us doing our job.
Preventing an inquiry into a key piece of legislation prevents the Senate doing what it is here
to do. In my experience, you then end up simply litigating it clause by clause in the committee
stage before the full chamber, which is not a good use of the chamber's time. You do not get
the benefit of expert witnesses and frequently we are dealing with ministers who are acting
for someone in the other place and who have a limited experience of what the bill is about. It
is not very satisfying for anybody.

My whip tells me that we do have government and, I believe, opposition support certainly
for the second part of Senator Siewert's amendment being reported on by 31 March 2014. We
sought to refer this bill because when the Selection of Bills Committee was asked to make a
call on whether to refer the bill it was doing so in the blind. It had not made its way into the
house and none of the documentation was available to us, and it is very difficult to make a
judgement call on degree of complexity or controversy if you have not seen supporting
documents around the bill. I have received a briefing since then from Minister Turnbull, who
made a staffer available to us to talk us through it.

We do have some questions. The bill relates to protection of submarine cables that carry
upwards of 99 per cent of data traffic between continents. Obviously senators will be aware of
the high degree of public interest at the moment in protection of these cables because they are
critical infrastructure. Particularly for an island nation, submarine cables are what link us to
the rest of the world. It is not, as some people believe, all satellite traffic—the backbone of the
internet is these submarine cables. Not only do they need to be protected from inadvertent
disturbance from shipping, for example; they also need to be protected from malicious
disturbance, such as people attaching taps to those fibres to divert the traffic entirely
unlawfully. Presumably that is what this bill is designed to protect against. We want to ensure
that the results of the statutory review that was undertaken by ACMA five years after the
2005 legislation came into force are adequate, to review the decisions taken by government in
addition to the outcomes of the review. That is why we have Senate inquiries.
It is not clear to me on first reading whether the oversight mechanisms proposed in the bill are sufficient, whether the streamlining of permits process as outlined improves the security of this telecommunications infrastructure or not. The bill includes new powers for the A-G to direct ACMA to refuse a permit on security grounds. It is not at all clear on what criteria those refusals could be made, and that is what a Senate inquiry is for. Given that, as the bill is drafted, these decisions are not reviewable, we need to know what the Attorney would need to have before him as he is making those judgement calls. So I am pleased that we found reason. I am not at all clear as to why this was not simply resolved amicably in Selection of Bills Committee but I look forward to participating in the inquiry over the summer and coming back and if necessary improving the legislation.

Senator RHIANNON (New South Wales) (12:11): I thank Senator Siewert for moving this amendment to the motion before us. It really is giving leadership on the important issue of an inquiry into such a comprehensive piece of legislation. I have certainly been following it closely because it covers an area that I put considerable work into with regard to higher education. There is an area here with regard to the huge impact this legislation, if it went through in its current form, would have on tens of thousands of students because this covers what is called the start-up scholarships and at the moment it runs to about $1.2 billion. If this was changed in the form proposed, that would bring considerable disadvantage, changing scholarships into loans. So clearly that is another area that needs to be given close attention. What we have here with Senator Siewert's amendment is a possibility for that inquiry to go ahead and be able to provide that valuable information.

We know that there is already considerable community concern about this. The policy was originally one of Labor's, announced in April this year. At that time many people who work in this sector, particularly students, the National Union of Students and other organisations, raised the issue of the impact and if it would prove to be a disincentive. There is particular concern that it was targeting people who are already disadvantaged, many of them coming from families where nobody had ever gone to university before and the start-up scholarship was a real incentive to take their education forward in a way that would really open up so many opportunities for the rest of their lives and in turn help create a much more productive, innovative Australia. Opening up the chances of higher education to a much wider section of our community is something that would be lost if the legislation went through in its current form. We felt this really needed to be looked at closely.

But there is a wider principle of the need for inquiries into legislation, and that is why I was very pleased when I spoke to Senator Siewert earlier to hear that this was being brought forward so that we could have this inquiry into the legislation, one of the most wonderful aspects of the Senate, and that we are able to continue to do this.

Senator HANSON-YOUNG (South Australia) (12:13): I rise to speak in favour of the proposition put forward by the Australian Greens whip, Rachel Siewert, to ensure that we are able to split off these bills to referrals, because it is absolutely important that the Senate plays its part in looking at the detail of this legislation. The one particular part of this legislation that I am interested in is the fact that the coalition late in the last sitting week tried to sneak this piece of legislation through without anybody noticing, which was a total backflip on their promise to families to make sure child care in this country would become cheaper. Well, no, this bill is going to push up prices for families right throughout the country.
We knew when this legislation was first floated three years ago that the number of families that would be affected was over 70,000. Fast forward three or four years and we now know that that is going to be over 100,000 families impacted because this government—despite everything that it has said and despite what it has said in its press releases, what this government does in the chamber seems to be a very different matter—wants to freeze the amount of money that families can get as part of their childcare rebate. Where was that on the coalition’s plan of action for Australia that Tony Abbott took around the country? Where did it say that the coalition was going to push up prices so that families would not be able to afford accessible quality child care? It was not there.

This is a broken promise of this government, and it is absolutely imperative that the Senate is able to look into the detail of it so that families, childcare operators and childcare workers know exactly the agenda of this government—it is secret; it is hidden; they are sneaking around like they do on everything else. But, at the end of the day, this will impact the pockets of hundreds of thousands of Australian families, our children, our childcare centres and our childcare workers. Australian parents and families deserve much more than the coalition trying to rush this through with no scrutiny and with cover-up sneakiness. That is exactly why the Senate is here: to make sure we can shine a spotlight and some transparency on a government who has backflipped hoping no-one would notice. You know what, Mr President? We have noticed, and Australian families are starting to wake up. This government promised one thing at the election and are doing something totally different. They are just hoping that they can get away with it. Referring this to an inquiry is an important part of the process, and we will be making sure that we push that through.

The PRESIDENT: The question now is that the amendment moved by Senator Fifield be agreed to.

The Senate divided. [12:22]

(The President—Senator Hogg)

Ayes...............46
Noes.................11
Majority.............35

AYES
Bernardi, C
Boswell, RLD
Brown, CL
Carr, KJ
Colbeck, R
Dastyari, s
Farrell, D
Fierravanti-Wells, C
Furner, ML
Hogg, JJ
Lives, S
Lundy, KA
Marshall, GM
McKenzie, B
Moore, CM
Parry, S
Peris, N

Bilyk, CL
Boyce, SK
Bushby, DC
Cash, MC
Conroy, SM
Edwards, S
Fawcett, DJ
Fifield, MP
Gallacher, AM
Kroger, H (teller)
Ludwig, JW
Macdonald, ID
McEwen, A
McLucas, J
O’Neill, DM
Payne, MA
Polley, H
Thursday, 5 December 2013

SENATE

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AYES
Pratt, LC
Ryan, SM
Singh, LM
Stephens, U
Thorp, LE
Urquhart, AE
Ruston, A
Seselja, Z
Smith, D
Sterle, G
Tillem, M
Williams, JR

NOES
Di Natale, R
Hanson-Young, SC
Ludlam, S
Madigan, JJ
Milne, C
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Whish-Wilson, PS
Wright, PL
Xenophon, N

Question agreed to.

The PRESIDENT: The question now is that the amendment as amended be agreed to.

Question agreed to.

The PRESIDENT: The question now is that the motion as amended be agreed to.

Question agreed to.

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:26): I move—

That:
(a) government business order of the day no. 15 (Australian Capital Territory Water Management Legislation Amendment Bill 2013) be considered from 12.45 pm today; and
(b) government business be called on after consideration of the bill listed in paragraph (a) and considered till not later than 2 pm today.

Senator MOORE (Queensland) (12:26): The opposition is prepared to facilitate debate on the Commonwealth Inscribed Stock Amendment Bill 2013 today and also understands that this matter needs to be dealt with by the parliament by 12 December. Given that time frame the opposition is prepared to facilitate finalisation of debate on this legislation by Monday lunchtime.

In listing the bill for today the government would have been aware of the relatively short time available to deal with government legislation, and the chamber will deal, as you said, with noncontroversial legislation at 12.45 and, by agreement, any remaining time after question time is available for other government legislation. Today the government has listed just one of the bills that have been agreed as noncontroversial, which is the Australian Capital Territory Water Management Legislation Amendment Bill 2013. They are choosing not to list the Indigenous Education (Targeted Assistance) Amendment Bill (No. 2) 2013 or the package
of legislation restructuring the wine industry, which, I understand, are also on the noncontroversial list.

The opposition agrees that the Commonwealth inscribed stock bill can be activated after the one noncontroversial bill. We do not agree that the approximately one hour available before question time is enough time to debate a substantial change to how the government's debt ceiling is dealt with. The Greens' latest proposal on this bill, with government support, will mean there will be no effective check on increases to the debt ceiling. This needs substantive discussion, not just an hour or so debate today in the chamber.

In terms of the time of management, this chamber would know that over the last week there have been significant times where debate could have been more disciplined, and in terms of the processes that have gone on we are worried that there has not been the kind of management that we would think would be important. As I said, we are prepared to be cooperative, but we are disappointed that there have been times over the last week where time management has not been effective. On that basis we strongly believe that we need to understand that there are time limits available for the decision and we do not intend to extend debate but we do expect sufficient time for a reasonable amount of time to present alternative ways of handling things in the process. So we will support part of Senator Fifield's proposition, but in terms of process we are putting on record that we are concerned that the time has not been well managed. We will watch and we will be cooperative when we can but we are concerned so far on the process.

Question agreed to.

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:29): I move—

That the order of general business for consideration today be as follows:

(a) general business notice of motion no. 44 standing in the name of Senator Carr, relating to immigration policy; and
(b) orders of the day relating to government documents.

Question agreed to.

Leave of Absence

Senator KROGER (Victoria—Chief Government Whip) (12:29): by leave—I move:

That leave of absence be granted to Senator Heffernan for today for personal reasons.

Question agreed to.

Leave of Absence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (12:30): by leave—I move:

That leave of absence be granted to Senator Collins for today for personal reasons.

Question agreed to.
Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:30): I move:

That, subject to introduction, the following bills be considered on Thursday, 12 December 2013 under the temporary order relating to the consideration of private senators’ bills:

Migration Amendment (Visa Maximum Numbers Determinations) Bill 2013.
Landholders’ Right to Refuse (Gas and Coal) Bill 2013.

Question agreed to.

NOTICES

Same-Sex Relationships
Postponement

The following items of business were postponed:

Senator Hanson-Young: To move—That the following bill be introduced: A Bill for an Act to amend the Marriage Act 1961 to create the opportunity for marriage equality for people regardless of their sex, sexual orientation or gender identity, and for related purposes. Marriage Equality Amendment Bill 2013.

Migration
Presentation

Senator HANSON-YOUNG (South Australia) (12:31): Mr President, I was waiting for this from the Clerk but it came during the selection of bills debate, which obviously happened after the notices of motion. I seek leave to put in a notice of motion, if I could.

Senator Kroger interjecting—

Senator HANSON-YOUNG: Rather than read it in?

The PRESIDENT: You will need leave to give one. Is leave granted?

Senator HANSON-YOUNG (South Australia) (12:32): I seek leave to table a notice of motion, please.

Leave not granted.

The PRESIDENT: Wait a minute, Senator Hanson-Young. I understand leave was not granted.

Senator HANSON-YOUNG (South Australia) (12:32): I move:

That so much of the standing orders be suspended as would prevent Senator Hanson-Young from giving a notice of motion today.

Mr President, I think it is a little unnecessary that I have been stopped from being able to give notice of a motion that would have taken no time in this place whatsoever. If this is the attitude of this new government that every time, because they do not get their own way, they decide to behave like absolute thugs, then I tell you we will do everything we possibly can to try to restore some order in this place that shows a little more decency, a little more respect, a little more basic courtesy to our fellow senators.

After six years of seeing this group over here take liberties wherever they possibly could and often having to seek leave for different things—wanting to hijack the Senate's agenda—
there has always been an ability in this place to show a little courtesy to each other. Yet the thugs on the other side of the chamber now think that just because they have the numbers in the House that means that somehow they want to ram through things here in the Senate. Well, it just is not the case.

The notice of motion that I was going to give this morning is in relation to a private senator's bill that will be on the table for debate next week. If others on the other side are not happy to allow a little bit of courtesy, despite the fact that the bill was meant to be given notice of today in order for it to be introduced on Monday, it does not leave much time for proper scrutiny within the Senate process. This is the entire attitude of this government. This is all part of the secrecy, the sneaking around, all then covered with: 'We'll tell you what we want you to hear; we will make sure that we decide what you want to hear and when you want to hear it.' This is absolute thuggery from this government.

Question agreed to.

Senator HANSON-YOUNG (South Australia) (12:35): I give this notice:

That on the next day of sitting I shall move that the following bill be introduced: a bill for an act to amend the Migration Act 1958 and for related purposes. Migration Amendment (Visa Maximum Numbers Determinations) Bill 2013.

Thank you for your indulgence.

BILLS

Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013

First Reading

Senator XENOPHON (South Australia) (12:38): I, and also on behalf of Senator Madigan, move:

That the following bill be introduced: A Bill for an Act to amend the Reserve Bank Act 1959, and for related purposes. Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013.

Question agreed to.

Senator XENOPHON: I present the bill and move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator XENOPHON (South Australia) (12:38): I present an explanatory memorandum and I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard and continue my remarks later.

Leave granted.
The speech read as follows—

Rural and regional Australia is struggling. We have heard over and over again the challenges communities are facing, and how they are trying to survive. In recent years, they have borne the brunt of extreme weather events, a high Australian dollar, and a lack of support from State, Territory and Federal Governments.

This bill has evolved from that introduced in the House during the last Parliament by the Member for Kennedy, the Hon. Bob Katter MP. It seeks to establish a specific board under the umbrella of the Reserve Bank, with the aim of promoting reconstruction and development in rural and regional areas.

In a sense, the proposed board is similar to the Commonwealth Development Bank, which was established in 1960. Its aim was to provide loans to individuals and businesses in the primary and secondary industry sectors, where that support would lead to an increase in productivity and wasn’t otherwise available to the applicants.

The bill establishes the Australian Reconstruction and Development Board (ARDB) under the Reserve Bank to formulate and implement a rural reconstruction and development policy for the Bank. The ARDB will also be required to undertake three tasks: the reconstruction, development and facilitative tasks.

The reconstruction task requires the ARDB to address the debilitating impact of financial arrangements in certain circumstances. This relates to financial arrangements that threaten or reduce the ongoing viability or sustainability of Australian agricultural enterprises or associated entities. These conditions or circumstances include the design of financial arrangements, inadequate evaluation, market or organisational failures, seasonal conditions, or any other adverse circumstances.

The development task consists of requiring the ARDB to contribute to the development of Australian agriculture, associated industries and infrastructure by developing and offering financial arrangements. The aim of this task is to provide support to these industries through tailored financial products and other arrangements so that the sector can begin to develop. The ARDB will also be required to assess these financial arrangements to ensure their ongoing suitability.

Finally, the facilitative task consists of researching, reporting on and helping to develop the resilience, capabilities and ongoing financial viability of Australia’s food and natural fibre systems, and any other Australian industries or sectors that the ARDB has identified as being at risk. The aim of this task is to provide for the ARDB’s ongoing consideration, assessment, review and improvement of this sector.

Rural and regional areas are, in many ways, the lifeblood of our country. Certainly, our farmers play an incredibly important role both in our economy and our food security. Without their produce, we are all vulnerable.

People living in rural and regional areas face challenges on almost every front. In terms of healthcare, of education, of aged care, and of employment, they have to fight to be counted.

If rural and regional communities do not receive the support they so desperately need, the impact on the rest of Australia will be significant, in both economic and cultural terms.

It is time to overhaul our attitude in this area. Government grants and programs are no longer enough. Instead, we need to establish a body that has the power to make a real, long term difference, such as the board proposed in this bill.

We cannot ignore this problem any longer. Australians living in rural and regional communities deserve better. They deserve security, and they deserve to know the Government is taking meaningful steps to fix this problem.

The measures in this bill will bring about real and long lasting change. And that change will not only benefit rural and regional communities, but the rest of Australia as those communities flourish.
This bill is in the best interests of us all.
Debate adjourned.

MOTIONS

Rural Clinical Schools

Senator RUSTON (South Australia) (12:38): I, and also on behalf of Senators Fawcett and McKenzie, move:

That the Senate—

(a) celebrates the success of Rural Clinical Schools (RCS) around Australia, commenced in 1999 by the then Minister for Health and Aged Care, Dr Wooldridge, and continued by a subsequent former Minister for Health and Ageing, Mr Abbott;

(b) notes that:

(i) RCS were designed to overcome the maldistribution of all doctors, including general practitioners, across Australia, which left country regions short of general practitioners and other specialty doctors,

(ii) students undertaking training in rural locations have academic results that are equal to, or better than, their metropolitan counterparts,

(iii) published data from public universities show high rates of RCS graduates working in, or intending to work in, rural areas, and

(iv) the information gathered through an independent project tracking all Australian and New Zealand medical students, the Medical Schools Outcomes Database, demonstrates that long-term placements in a rural setting through RCS have a significant impact on the vocational choice and intention to practise in a rural or remote setting as well as future career specialty focus; and

(c) calls on the Government to:

(i) continue its support for these excellent initiatives, and

(ii) expand opportunities to create intern and postgraduate training places in rural locations to enhance the future of specialty medical service delivery with a focus on general practitioners in rural and regional Australia.

Senator MOORE (Queensland) (12:38): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator MOORE: In the last budget, Labor delivered $31.5 million to deliver clinical and training facilities in Cooma, Bega and Moruya. Labor increased funding for rural clinical schools, delivered accommodation and opened new schools. The last budget Labor handed down represented an increase in funding of almost 350 per cent for rural programs compared to the last year of the Howard government.

Question agreed to.

Royal National Park

Senator RHIANNON (New South Wales) (12:39): I, and also on behalf of Senator Waters, move:

That the Senate—

(a) recognises that:

(i) the Royal National Park in New South Wales is Australia's first national park, one of the world's oldest public parks, and the first to be proclaimed as a 'national park', and

CHAMBER
(ii) the Royal National Park is home to outstanding universal environmental, cultural and social values;
(b) congratulates the community group First National Park which, since 2010, has campaigned for the Royal National Park, Garawarra State Conservation Area and Heathcote National Park to be World Heritage listed, for winning New South Wales State Government and Federal Government support for their World Heritage nomination; and
(c) calls on the Abbott Government to:
   (i) continue supporting the proposal to list the Royal National Park, Garawarra State Conservation Area and Heathcote National Park as a World Heritage site, and
   (ii) affirm the importance of Australia's national parks, and especially those already on the World Heritage List, by:
       (A) guaranteeing federal safeguards to protect these parks from threats to their outstanding universal values from mining, grazing, logging, shooting and development, and
       (B) recognising Australia has the highest level of extinctions in the world with a continuing species decline that is the worst of the Organisation for Economic Co-operation and Development countries and among the world's highest.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The government agrees with the first two points of the motion but not the last. The federal and New South Wales governments have agreed to work together on a potential World Heritage nomination for Sydney's Royal National Park. The governments have committed to a thorough investigation of the park's potential for inclusion on the World Heritage List. There is an extensive and thorough process that must be gone through in order to evaluate the park for inclusion on the list. This is one of Australia's great public parks with a unique history. The coalition opposes ii(B). The Australian government has undertaken emergency measures in Queensland that temporarily allow grazed cattle on conservation areas including national parks and state lands. The coalition is committed to working with state and territory governments to maintain high environmental standards.

Question agreed to.

DOCUMENTS
Asylum Seekers

Order for the Production of Documents

Senator McEWEN (South Australia—Opposition Whip in the Senate) (12:41): At the request of Senator Carr, I move:

That there be laid on the table by the Minister representing the Minister for Immigration and Border Protection, no later than Tuesday, 10 December 2013, all incident reports, logs, briefings, ministerial notes, internal communications and other reports (excluding any publicly available documents), in relation to the reported incident that took place on Friday, 15 November 2013, involving the towing of an Indonesian vessel near Christmas Island by an Australian Customs, Navy or other government asset or vessel.
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (12:41): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator CASH: The government will not be supporting this motion. I reiterate the words of Lieutenant General Campbell, who, when questioned on the same incident in estimates, said:

It goes to the question of the degree to which an awareness of on-water procedures undermines our capacity to conduct our operations, gives advantage to people smugglers, potentially puts our people’s lives in danger and may in certain circumstances undermine bilateral relationships. For those reasons, I think that there is a sound basis for not discussing events that occur on water and to give a brief of releasable information on a weekly basis.

The general continued:

I do note a distinction between commentary that might be offered in the media environment and a statement by an official of government that provides certification of vessel arrival and can very much be used in an authoritative sense by people smugglers to promote their business and indeed to encourage people to get onto boats, some of which are quite unsafe.

If Senator Carr has a genuine interest in breaking the people smugglers model, then I remind him of the offer of a confidential briefing.

The PRESIDENT: The question is that the motion be agreed to.

The Senate divided. [12:47]

(The President—Senator Hogg)

Ayes .....................35
Noes .....................28
Majority ...............7

AYES

Bilyk, CL (teller) Brown, CL
Cameron, DN Carr, KJ
Conroy, SM Dastyari, s
Di Natale, R Farrell, D
Faulkner, J Furner, ML
Gallacher, AM Hanson-Young, SC
Hogg, JJ Lines, S
Ludlam, S Ludwig, JW
Lundy, KA Madigan, JJ
McEwen, A McLucas, J
Milne, C Moore, CM
O’Neill, DM Peris, N
Pratt, LC Rhiannon, L
Siewert, R Singh, LM
Stephens, U Thorp, LE
Tillem, M Urquhart, AE
Waters, LJ Whish-Wilson, PS
Wright, PL

CHAMBER
Bernardi, C  Birmingham, SJ
Boswell, RLD  Boyce, SK
Brandis, GH  Bushby, DC
Cash, MC  Colbeck, R
Edwards, S  Eggleston, A
Fawcett, DJ  Fieravanti-Wells, C
Fifield, MP  Johnston, D
Kroger, H (teller)  Macdonald, ID
McKenzie, B  Nash, F
Parry, S  Payne, MA
Ronaldson, M  Ruston, A
Ryan, SM  Scullion, NG
Seselja, Z  Sinodinos, A
Smith, D  Williams, JR

BILLS

Australian Capital Territory Water Management Legislation Amendment Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator FARRELL (South Australia) (12:50): I rise to speak on the Australian Capital Territory Water Management Legislation Amendment Bill 2013. I indicate at the outset that the opposition, in the typical constructive way in which we have been working, support this legislation. It is another good example of how we are seeking to assist in the smooth operation of the Senate and indeed the parliament. As you would be aware, Mr Acting Deputy President Bernardi, this bill is similar to a bill that the former Labor government introduced in the last parliament; however, there have been a number of relatively small amendments and additions to the original bill that the former government presented to the parliament.

The amendment legislation concerns commencement provisions by proclamation after 12 months rather than six months as stated in the previous bill. There has been an extension from six to 12 months, and that is the key area in which this bill differs from the original bill the Labor Party presented. We do not see that as a significant issue and for that reason we continue to support this legislation.
The purpose of this bill is to allow the Australian Capital Territory and its government to manage the water resources of the ACT. It ensures that the ACT government has the power to manage all water extraction within the territory. In addition, it continues the improvement of water use by Commonwealth agencies. Most significantly, particularly from the point of view of a fellow South Australian, Mr Acting Deputy President Bernardi, it allows the Commonwealth and the ACT to fulfil their obligations under the Murray-Darling Basin Plan. Mr Acting Deputy President, you would be familiar with that plan. This proposed bill fits in with the overall Murray-Darling Basin Plan, which is important and significant.

This legislation will amend the Australian Capital Territory (Planning and Land Management) Act, otherwise known as the PALM Act, and the Canberra Water Supply (Googong Dam) Act. It will transfer planning and management of all water extraction in the ACT from the Commonwealth to the ACT government. This is a significant transfer of control and power from the Commonwealth, which currently has control of these assets and obligations, to the ACT government. The amendments to the Water Act and the PALM Act will deal with the minor administrative and machinery matters supporting the implementation of the Murray-Darling Basin Plan.

Overall, the purpose of the bill is to strengthen the ability of the ACT to manage its water resources in a way consistent with all obligations under the Murray-Darling Basin Plan and the framework of the Water Act. This is an important step towards the management of the Murray-Darling Basin Plan resources by ensuring that the ACT government is responsible for the day-to-day management of water in the ACT. As you would be aware, Mr Acting Deputy President, the states already have the obligation to manage the water resources that fall in their jurisdiction. Now the ACT is getting that same power, responsibility and obligations that apply to the states. Mr Acting Deputy President, I am sure you are well aware of how difficult it was to get consensus from all of the states to reach that point. This is an important milestone in the history of the ACT. The ACT is now getting that same control of its water resources and the obligations flowing from that.

There are four main sources of water in the Australian Capital Territory. Those water sources are the Bendora, Corin, Cotter and Googong dams. It is worth spending time discussing the Googong Dam because it is somewhat different from the other three water sources in that it was constructed on Commonwealth land in New South Wales. I see Senator Sinodinos nodding; he knows a lot about water management, particularly in New South Wales.

Senator Sinodinos: Not as much as your colleagues.

Senator FARRELL: I do not know. I suppose we will see.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Order! Ignore the interjections, Senator Farrell.

Senator FARRELL: These are helpful comments.

Senator Fifield: At least you're charming, Don.

Senator FARRELL: Did you say I am charming?

Senator Fifield: I did.

Senator FARRELL: Thank you, Senator Fifield. That is very kind of you.
The ACTING DEPUTY PRESIDENT: Would you kindly address your remarks through the chair, Senator Farrell.

Senator FARRELL: Thank you for drawing that to my attention, Mr Acting Deputy President. I will focus on this legislation and not be distracted by the interjections of my colleagues on the opposite side.

I have mentioned the four sources of water with the Googong dam being slightly different from the other three sources in that it is located in New South Wales, but the ACT has a 150-year lease over this dam. It was only a couple of years ago that Simon Corbell, the environment minister for the ACT, actually opened the upgrade of the Googong dam spillway. I had the good fortune, in my previous capacity as Parliamentary Secretary for Water under the previous government, to go out and visit the Googong dam and see the work that was done to improve that spillway. At that time, of course, damage had been done over the years. It was deemed a good thing to improve the dam's capacity.

It took some two years to construct an improvement to that spillway. The construction was done by ActewAGL and the Bulk Water Alliance and ensured, which is most important for consideration for what we are dealing with now, that the spillway was brought up to a modern design and contemporary safety standards. I do not know if you have had the opportunity to go there, Mr Acting Deputy President Furner, but I can highly recommend it. Anybody who has been out there will see it was a terrific addition to the strength and quality of that dam, which is such an important part of the water resources for the ACT.

Under this bill, the surface water of the Googong dam will be treated as if it was in the ACT and incorporated as part of those other three water sources. The ACT is, like the other states, a part of the Murray-Darling Basin Plan. This bill will remove the dual management of water in the ACT. The ACT was in an unusually different position. The other states have control of their water resources and that was all brought in under the Murray-Darling Basin Plan but here in the ACT there was this competing control. We have now simplified the issue of water in the ACT by granting the day-to-day management of water back to the ACT. Currently the management of water on national land in the ACT is the responsibility of the Commonwealth while the ACT government manages water on territory land. That is the current division.

As I have stated, this bill is significant for the ACT because it will allow the ACT government to control its own water resources and take on the responsibilities that it as well as the other states have signed up to in the Murray-Darling Basin Plan. While we are talking about this important piece of legislation, about the rights of the ACT and about water, it is opportune just to go back a little bit and see what precipitated it and go back and give credit where credit is due—to the Gillard government in particular. That wonderful announcement when the final Murray-Darling Basin Plan was signed into law was made just over 12 months ago on 22 November 2012. That was an historic moment in the country's history. Look around the world and see how other countries have not been able to manage their water resources and see what was done on that day in getting the cooperation of all of the states and the Commonwealth to introduce for the first time a full plan for restoring to good health the great Murray-Darling River system. If we go back to that period of time, the most significant part of that legislation and that plan, certainly as it related to my own state—which of course suffered very badly during what we call the 'millennium drought'; we look back and call it the
'millennium drought' now—was the recovery of 2,750 gigalitres of surface water to the environment. As we know, the ACT is part of that overall obligation and plan.

People have already had the chance to see what sort of results have come from the start of the plan, because there were plenty of critics. Minister Burke did such a tremendous job in getting all of the various stakeholders to accept that there was an overarching national good and national obligation in getting this plan through the parliament. When you go through these towns that were affected by the drought and see the sort of dreadful degradation to our great water systems, you see that life is already returning to these regions. I have seen it in the Coorong and the Lower Lakes in South Australia. Things are not back to where they were originally; they certainly are not back to where they were when Captain Sturt travelled down the river system.

I had the great privilege last year of giving the Captain Sturt oration to commemorate the 217th anniversary of his birth. You may know this already, Senator Sinodinos, because I know you know so much about water—particularly in this part of the world—but as a reward for the work that Captain Sturt did on behalf of New South Wales in trekking and discovering that the Murray was in fact part of the Hume, he was allocated the leasehold of Belconnen. He was the original person to get that land lease. That is a very significant historical connection with Canberra because, of course, long after he had passed away that part of Belconnen became part of the ACT, which relates to the legislation we are talking about now.

It is worth giving credit where it is due, and Minister Burke did some tremendous work in getting this legislation up. This legislation is the last piece to ensure that the plan does what we want it to do, which is to restore the health of that great inland river system in Australia. The legislation draws it all together, passes the power back to the ACT and ensures that the day-to-day management of the river systems is consistent with the way in which it operates in all the states.

We hope that we will not see another drought like we saw last time and the dreadful consequences that occurred; but, if the drought conditions do return, we will be in a much better position to resist the dreadful conditions that occurred during that period of time.

I think it is also worth putting on the record the great work that my colleagues in the ACT have done in terms of this legislation and their ongoing interest in water management. Gai Brodtmann, Andrew Leigh and, of course, our own Senator Kate Lundy have all done an awful lot of work in terms of water management and they are to be congratulated for their work. (Time expired)

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:10): There are no other contributions, Mr Acting Deputy President. Before I move to sum up this debate, I pass on a comment from Senator Birmingham. This bill has lapsed in the last two parliaments and so, with its passage through the Senate today, as the first bill through this Senate following the election, hopefully the house will manage to pass it on this third attempt. I thank senators for their contributions and commend the bill to the Senate.

Question agreed to.

Bill read a second time.
Third Reading

The ACTING DEPUTY PRESIDENT (Senator Furner): No amendments to the bill have been circulated. Before I call the minister to move the third reading, does any senator wish to have a committee stage on the bill to ask further questions or clarify further issues? If not, I call the minister.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:11): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Commonwealth Inscribed Stock Amendment Bill 2013
Consideration of House of Representatives Message

In Committee

Message received from the House of Representatives disagreeing with Senate amendment (1).

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (13:12): I move:

That the committee does not insist on its amendment to which the House of Representatives has disagreed.

Senator MILNE (Tasmania—Leader of the Australian Greens) (13:12): I move the following amendment to be added at the end of the motion, as has been read out:

"but agrees to the following request for an amendment and amendments in place of that amendment:

(1) Title, page 1 (lines 1 and 2), omit "amend the Commonwealth Inscribed Stock Act 1911, and for related purposes", substitute "remove the limit on stock and securities on issue, and for other purposes".

(2) Schedule 1, items 1 and 2, page 3 (lines 5 to 11), omit the items, substitute:

1 Section 5
   Repeal the section.

2 Subsection 51JA(2)
   Omit ", disregarding stock and securities of the kind mentioned in subsection 5(2),".

3 After subsection 51JA(2)
   Insert:
      (2A) In working out the total face value of stock and securities for the purposes of subsection (2), disregard:
         (a) stock and securities issued in relation to money borrowed under the Loan (Temporary Revenue Deficits) Act 1953; and
         (b) stock and securities loaned by the Treasurer under a securities lending arrangement under section 5BA of the Loans Securities Act 1919, or held by or on behalf of the Treasurer for the purpose of such an arrangement; and
         (c) stock and securities invested under subsection 39(2) of the Financial Management and Accountability Act 1997; and
(d) stock and securities on issue as at the start of 13 July 2008, other than Treasury Fixed Coupon Bonds.

Note: The time referred to in paragraph (d) is when item 4 of Schedule 1 to the *Commonwealth Securities and Investment Legislation Amendment Act 2008* commenced.

**4 At the end of section 51JA**

Add:

(5) For the purposes of this section:

(a) the *face value* of a Treasury Indexed Bond is taken to be its face value at the time it was issued; and

(b) the *loan* of stock or a security is taken to include an arrangement under which it is sold and repurchased.

(3) Page 3 (after line 11), at the end of the Bill, add:

**Schedule 2—Amendment of the Charter of Budget Honesty Act 1998**

1 **At the end of clause 2 of Schedule 1**

Add:

*Additional statements about Commonwealth stock and securities*

(7) In certain cases where the face value of Commonwealth stock and securities on issue has increased by $50 billion or more since a previous report or statement under the Charter of Budget Honesty, the Treasurer is to table a statement setting out reasons for the increase (see Part 9).

2 **Subclause 3(1) of Schedule 1**

Insert:

*Commonwealth stock and securities* means stock and securities on issue under the *Commonwealth Inscribed Stock Act 1911* (the *CIS Act*) or the *Loans Securities Act 1919* (disregarding stock and securities of the kind mentioned in subsection 51JA(2A) of the CIS Act).

*debt statement*, for a report under Part 5 or 7, means a statement that includes:

(a) the following information about Commonwealth stock and securities on issue, at the time of the report and for the financial year to which the report relates and the following 3 financial years:

(i) the value of the stock and securities (including their market and face value, and their value as a proportion of gross domestic product);

(ii) the total expected interest expenses relating to the stock and securities; and

(b) a breakdown, by maturity and timing of interest payments, of Commonwealth stock and securities on issue at the time of the report.

3 **At the end of subclause 12(1) of Schedule 1**

Add:

; (f) a debt statement.

4 **At the end of subclause 16(1) of Schedule 1**

Add:

; and (c) contain a debt statement.

5 **At the end of subclause 24(1) of Schedule 1**

Add:

; (e) a debt statement.
6 At the end of paragraph 26(a) of Schedule 1
Add:
(v) the information required by paragraph 24(1)(e); and

7 At the end of Schedule 1
Add:

Part 9—Additional statements about Commonwealth stock and securities

33 Additional statements about Commonwealth stock and securities
(1) This clause applies when the actual face value of Commonwealth stock and securities on issue has increased by $50 billion or more since whichever of the following last occurred:
(a) a budget economic and fiscal outlook report, a mid-year economic and fiscal outlook report or a pre-election economic and fiscal outlook report was publicly released;
(b) a statement under this clause was tabled.
(2) The Treasurer is to table in each House of the Parliament, within 3 sittings days of that House after the increase referred to in subclause (1), a statement setting out the reasons for the increase, including the extent to which any of the following contributed to the increase:
(a) lower than expected revenue;
(b) higher than expected spending;
(c) capital purchases;
(d) grants to State and Territory governments for infrastructure.

8 Application—statements under clause 33 of the Charter of Budget Honesty

Clause 33 of Schedule 1 to the Charter of Budget Honesty Act 1998 applies in relation to a report referred to in paragraph (1)(a) of that clause that is publicly released on or after the commencement of this item.4

I want to make a few remarks about the amendments and what they seek to achieve. There are two things that we are doing with regard to this. One is to end the debt ceiling and remove that. The second thing is to amend the Charter of Budget Honesty. I want to go into the background of this.

Up until 2008 there was a process that federal parliament had engaged in where, through the budget process, through the appropriations process, the debt was managed. In 2008 the then Assistant Treasurer, Mr Chris Bowen, introduced legislation which effectively introduced the debt cap. I have been back over all of the speeches, statements, explanatory memoranda and so on, and whilst all of them talk about why the debt was being increased, none of them go to any explanation of why they introduced the debt ceiling as such. One can only assume that it was a decision that was made by the then government to try to reassure the community that whilst debt was being incurred it would not keep increasing debt, because the Labor government had just been elected at the end of 2007 and no doubt they thought it was a good idea to reassure the community on that front. What they did not anticipate—and no-one could have—was the financial crisis that then set in and changed everything. The Labor government had to come back twice after that to increase the debt limit that they had put in place.

In the meantime in the United States, as we know, the Tea Party had managed to get up a head of steam and it employed the tactic of blocking increases to the debt ceiling in order to create a political crisis. In the United States it is a genuine political crisis, and the reason for
that is the American political system, where the congress imposes debt ceilings because it wants to limit the borrowing capacity of the separately-elected executive arm of government. So it genuinely is a debt crisis in the United States, because it is a stand-off between congress and the executive. In the Australian context it is vastly different because, as everybody appreciates, the executive is part of the parliament. Not only is it an entirely different scenario but there is also a capacity for government to use other legislation in order to meet any shortfall. The Loan (Temporary Revenue Deficits) Act 1953 would allow you to cover any shortfall. So all that has happened is that a Tea Party tactic from the United States has effectively been inserted into the Australian political system, and the result of that has been what has become political brinkmanship.

I hold Minister Cormann to account in this regard. I am very aware that he went to the United States and caught up with half a dozen of his Tea Party colleagues, and it was only when he came back from—

Senator Cormann: Mr Chairman, on a point of order, I heard Senator Milne mislead the Australian people during a press conference earlier today, and she is persisting with misleading the Senate here today.

The CHAIRMAN: Order! There is no point of order, Senator Cormann.

Senator Cormann: Senator Milne seeks to make assertions out of context that are designed to mislead the—

The CHAIRMAN: Senator Cormann, that is not a point of order; that is a debating point, and there are other ways of rectifying that.

Senator Cormann: She should talk about my meetings with Obama administration officials in the same visit.

The CHAIRMAN: Order! Senator Cormann, you do not have the call.

Senator MILNE: I just make this point: between 2008 and 2011, 'debt ceiling' was mentioned only once in the Hansard. It was only after 2011 that it was confected into the amazing debate that it became. I can understand why members of the Senate who were in the former Labor government would feel so aggrieved at this, because it was used endlessly and mercilessly as a political tactic. But in reality it has served the people poorly, because it takes away from the appropriate economic management of the country. So when this issue came up again I had a look at all of the commentary around it. I went back to see the reason it had been introduced in the first place and, as I said, I could not find one. What people are recognising here is that governments need to be charged with the management of the economy in the interests of people and the environment. That is what the government needs to do. The parliament still has oversight of debt through the budget process and will continue to have oversight, but we will get rid of this phoney debt ceiling debate and instead we will be able to reframe the argument about debt so that it becomes a conversation on what the debt is being incurred and used for and there will be much clearer reporting.

So what these amendments do is remove the debt ceiling and, in its place, bring in a new requirement for government to justify the debt. That will be triggered every time a $50 billion threshold is crossed, and that will require the tabling in the parliament of a statement explaining why the debt has been incurred—whether it has been incurred because of shortfalls in revenue, because of increases in spending or because of capital spending. It will make that
very specific so that the parliament can then have a look at the way the economy is being managed.

This means that the government will have no excuses. Next year in the budget, they have every tool available to them. They have increased revenue opportunities. They will be judged on their spending and also on debt. It means that there can be a clear focus on the coalition's economic management. The Greens will want to make sure that the deep cuts that are being talked about cannot or will not proceed, because if you are serious about investing in the infrastructure that the nation needs then education and health, for example, are fundamental parts of the infrastructure that you need for a 21st century economy that gets beyond digging it up, cutting it down and shipping it away.

The Treasurer, Mr Hockey, has written a letter to me which was tabled in the House of Representatives, and I would be happy to table it here if the government does not intend to do so. It basically sets out a range of transparency requirements which, as I said, will require the tabling in the parliament of a statement going into specific matters in relation to the debt. It will also require a new presentation in the budget documents of much greater clarity around the debt, and it will also go to having medium-term projections out to 10 years, with enhanced detail to encourage discussion and debate beyond the short term about the benefits of funding important investments, particularly, as I indicated, in infrastructure—both infrastructure as economic stimulus and infrastructure in the things that the country needs. The Treasurer has also undertaken to have further discussions about the level of reporting that can be gone into with regard to the public financial corporations sector, and I look forward to greater transparency in that regard. So I think we have now set up a scenario where there will be much greater clarity.

One of the other areas on which we are seeking specific reference in the budget papers and also in the Intergenerational report is the impact of climate policy on the economy and the budget. The reason for this is, of course, that the best way and the cheapest way of reducing the cost of abatement in Australia is through a market mechanism, and emissions trading is clearly the preference of the Greens in this regard. That is why we now have an emissions-trading scheme legislated in Australia.

If you take away that emissions-trading scheme then it is the budget that is going to have to do the heavy lifting. That is, the people of Australia are going to have to pay. We already have on the table a $3.2 billion emission reduction fund, but that is not going to be anywhere near enough. Take it out to 2020, and as Australia has to step up to meet its emission reduction targets, that is when it is going to hit the budget very hard—in those out years. What we have from the government is an agreement that there will be in the intergenerational reports the specific likely impact on the budget and on the economy in the longer term, plus details of the actual spending that has occurred through the budget papers.

I think that they are significant improvements in allowing the community, through its parliament, to be better able to access information about debt—about the sort of debt the government is incurring and why it is incurring that debt. It really goes to this issue of good debt and bad debt. The way that the debt is currently reported makes it nigh-on impossible for people to be able to track this and work it out. But everybody knows the difference between taking out a mortgage to pay for a property as opposed to running up a credit card. And that is exactly what we are talking about here. The Greens are saying that there is nothing wrong
with debt if debt is being used for the right things—for investing in the long-term infrastructure that the nation needs.

And that infrastructure is not just things like high-speed rail, but infrastructure in terms of educational infrastructure for the future. The resource of this century is imagination and the investment needs to be in maximising those outcomes. Bad debt, however, occurs when a government does not raise enough revenue, keeps on spending and then has a gap which is covered by borrowing. That is the problem with the credit card mentality. What we have done means that now there will be no excuses; it will all be there, exposed. And more particularly, what will be exposed as a result of this will be the collapse in revenue. It will make no sense at all for the government to try to get rid of the mining tax revenues, for example, at the same time as it is saying the economy is slowing.

In fact, the economy is only ticking over at the moment because of public sector spending. If you look at that and at next year's budget, you would see that it would simply be totally irresponsible to make the deep cuts that are being talked about. This actually enables Australia to reframe the debate, and I am looking forward to being able to have a much more sensible debate about debt than what is just reflected in an argument about whether it is $300 billion, $400 billion or $500 billion, and when peak debt will occur. It is much better to have the debate about what the debt is being used for and if it is in the interests of the country, or if it is to cover up for a government's decision to let the big end of town off the hook by getting rid of the mining tax or cutting the taxes for big companies, for example—giving them excessive tax cuts—and taking away services.

I think all of that needs to be very clear to people, and that is what we have done here. I think that this move by the Greens to have a good look at the whole issue of the debt ceiling and actually to get rid of it is a good thing. It is certainly something that is supported by a range of economists out there—everyone from Ross Garnaut and Saul Eslake, for example, to a number of the financial commentators. They all recognise that this is a silly debate that Australia engages in. Each time we have the debate it is political theatre, essentially, around debt instead of the serious conversation that Australia needs to have.

So I would urge the Senate to support removing the debt ceiling and to support the new transparency measures that will be required as a result of this amendment to the Charter of Budget Honesty. It is legislated change and it will be reported to the highest standards, so it is not something that can be backed away from or run away from. It is agreed, it is legislated and it is to the standards that are specified. And so I urge the Senate to get behind what I think is a step forward in the community's understanding of government debt.

I seek leave to table the Treasurer's letter to me regarding the agreement on this matter.

Leave granted.

The CHAIRMAN: Is it the wish of the committee that the statements of reasons accompanying the requests be incorporated in Hansard? There being no objection, it is so ordered.
The document read as follows—

Commonwealth Inscribed Stock Amendment Bill 2013

(Amendments and request for amendment to be moved by the Leader of the Australian Greens, Senator Milne, during consideration in committee of the whole of message no. 2 from the House of Representatives)

Statement pursuant to the order of the Senate of 26 June 2000

Amendment (2)

The amendment removes the limit on the total face value of stocks and securities that may be on issue under the Commonwealth Inscribed Stock Act 1911 and the Loans Securities Act 1919 at any time.

On the basis that the projected increase in debt will result in increased expenditure under the standing appropriations in sections 13AA, 13A and 13B of the Commonwealth Inscribed Stock Act 1911, amendment (2) should be moved as a request.

Commonwealth Inscribed Stock Amendment Bill 2013

(Amendments and request for amendment to be moved by the Leader of the Australian Greens, Senator Milne, during consideration in committee of the whole of message no. 2 from the House of Representatives)

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

Amendment (2)

The Senate has long followed the practice that it should treat as requests amendments which would clearly, necessarily and directly result in increased expenditure under a standing appropriation.

If, as stated, this amendment would result in increased expenditure under the standing appropriations in sections 13AA, 13A and 13B of the Commonwealth Inscribed Stock Act 1911, it is in accordance with the precedents of the Senate that this amendment be moved as a request.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (13:27): If you ever wanted an example of this government not being the government they said they would be, have a look at the deal today. From a government that said in opposition that they were against debt, and from a government that said they were the party of no debt, we now have the government of no debt limit. No debt limit!

The party of no debt becomes the party of no debt limit.

But even more extraordinary is the fact that they have done this with the support of the Australian Greens. You could not have written this in a sci-fi or fantasy novel a year ago if you had tried. You could not have written this in a fantasy novel if you had tried: that Joe Hockey would go into a room, negotiate with Senator Milne, the Leader of the Australian Greens, and come out with the no debt limit that he was going to get through the parliament with the support of the Australian Greens.

I do not think that we all need reminding of some of the things that those opposite have called the Greens. The Prime Minister has described them as 'economic fringe dwellers', but he is happy to do a deal on the economy with the economic fringe dwellers. The economic fringe dwellers are on the same side as the Liberal—

Senator Cormann: And you are now on the left of the economic fringe dwellers!
Senator WONG: And look! Senator Cormann is gesticulating. He could not help himself: he had to get up and have a go at the leader of the Greens. He cannot bear the fact that they have done a deal with them.

Senator Cormann: It's a good deal!

Senator WONG: You have done a deal with them to have no debt limit! It is quite an extraordinary proposition. From the party that described the Australian Greens as 'economic fringe dwellers', we have an economic partnership on how much Australia's debt should be. And guess what? Magically, they both agree: there is no limit. We have seen so much change since the last election and this government has come full circle.

I also remind the Senate of some of the other things that those opposite have called the Greens. I think they have been described as 'watermelons'—green on the outside, red on the inside—'economic vandals' and a whole range of things. These are the people with whom you have sat down, to determine Australia's debt position and the provisions which regulate that.

I think it would be useful for us to be reminded, in the context of this debate, of some of the things which were said by the coalition prior to the election. I make this point before I go into that fairly lengthy history of the things that were said. This government talks a lot about mandate. We get lectured about mandate, we get told to get out of the way and we get told we are not allowed to have scrutiny, inquiries or debate because it is all about mandate—all power to Mr Abbott.

I just wonder where, in the many things which were said before the election, anything was said around no debt limit. Was there any policy, any speech, any interview or any comment whatsoever that told the Australian people that, when you told them that you did not want to increase debt, what you were actually saying was, 'We want to have no limit on the debt'? It is the same thing as the statement made by the Prime Minister on the Andrew Bolt show or The Bolt Report—is that what it is called?—'It's the promise people thought they heard.' Everyone in Australia thought that they heard that this was a government that was going to reduce debt. That is what I think I heard. Over and over again, you were going to reduce debt: 'We will reduce debt; we will bring down the debt.' Was there a little footnote in any of the press releases or the transcripts of the interviews or in any of the statements that said: 'Except that we'll do a deal with the Australian Greens to provide no debt limit'? Did you see that? I did not see that anywhere. But that is what is happening today.

So when you come in here and have a go about mandate, maybe you should have a think about the extent to which you are moving away from the mandates you were given. Whether it is on debt or on the Better Schools Plan, the reality is that this is not the government that you said you would be and you are reneging on your promises to the Australian people.

No amount of debate, no amount of ex-post-facto footnoting and asterisks, and no amount of ex-post-facto conditionality can hide that fact. You are walking away from the commitments you gave Australians before the election and, worse, you are now lying about doing so. When it comes to the Better Schools Plan, one of the worst things that the Prime Minister did by saying, 'I'll keep the promise that I actually made, not the one you all heard,' was actually lie to people now. He is now telling people, 'Actually, I'm not breaking that promise,' when everyone knew he was, which is why we had the $1.2 billion backflip when it comes to the Better Schools Plan, money given away to the states without any conditions.
associated with it. That is quite an extraordinary act of irresponsibility to Australian students and parents, as well as being fiscally irresponsible. But I digress. Let us come back to what we were told before the election. Mr Hockey said:

… if debt is the problem more debt is not the answer.

Amazing, isn't it? Now, all of a sudden, more debt is the answer. In fact, unlimited debt is the answer. He went on:

From our perspective, there is no justification for increase in the credit card limit of the Commonwealth Government …

I love that quote. That is what Joe Hockey said to Australians before the election. He also said:

For the good of the country we need to stop increasing Government debt as quickly as possible.

Absolutely. That is an argument for increasing the debt cap. I suppose that is an argument for getting rid of it altogether in some bizarre universe. Mr Abbott went on and on:

… we do need to take a very, very seriously critical look at this question of the debt ceiling …

The government has to justify this …

But what we are getting instead of a government of the sort that those comments indicated is a government that wants to increase debt and does not want to justify it.

Let us recall what the Labor Party's position on this matter has been. We have said—and I moved in the Senate and it was carried at that time—that we were prepared, without seeing the budget update, to increase the debt cap. We said, 'We will give you an increase to $400 billion'—sight unseen! But, before we went to half a trillion dollars, we believed that it was appropriate that the government issue its budget update, its Mid-Year Economic and Fiscal Outlook. Given that the government were refusing to tell Australians what the budget position really was, what the new debt position really was and before the government sought to do something as significant and as serious as increasing the debt ceiling I think, at minimum, they should be required to provide that information.

But that was not enough for the Treasurer and it was not enough for the government. So, instead, they have come to an agreement with Senator Milne, in which they say, 'Instead of providing this justification, we're actually just going to abolish the debt ceiling.' You shake your head when you watch Mr Hockey. He is being pushed around, led by the Nationals when it comes to foreign investment decisions and led by Senator Christine Milne when it comes to Commonwealth debt decisions. What an extraordinary thing—Nationals on investment and the Greens on debt? And this guy calls himself a liberal Treasurer.

There are many things with which I disagree when it comes to Peter Costello, but this does say something about where this Treasurer and this government have moved. Senator Fifield's former boss, Peter Costello, was so public yesterday and the day before about the debt ceiling and he talked about the merits of a debt limit. He said:

A debt limit would also strengthen the hands of the economic Ministers inside the Cabinet … If there is a limit to borrowing, it will set a limit on the spending. A limit on the spending—that is fairly logical, isn't it? But Joe Hockey is not Peter Costello and the government are not the government they said they would be. The government campaigned on reducing debt and deficit. The government campaigned in part on the risk that the Australian Greens posed to the Australian economy. This is the position you, the government, put at the last election.
Now, less than 100 days since you were elected, we have a government that says: 'Actually, when we said we wanted less debt, what we actually meant was that we wanted no debt limit. When we said that the Greens were economic fringe dwellers, what we actually meant was that we will do a deal with them when it suits us. We're just criticising them now because that's what our constituency wants.' I do not think there has been a more substantive example of a U-turn, certainly in the short time this government has been in office, than this U-turn on debt. Probably vying for the privilege of first position in the list of U-turns and broken promises is the Better Schools Plan, but maybe they are equal first. You have a government that says one thing to people, gives them one impression and gives them a set of commitments and then does something that is completely antithetical, completely the opposite, after it has been elected.

I have some questions in this debate which I trust that the minister can answer. One thing that has been referred to in the press releases and press commentary since this deal was agreed is spending on infrastructure. In the course of this committee debate, given that the government has not released a mid-year budget update, it is incumbent upon the minister to tell the chamber what additional spending plans the government intends to fund through this abolition of the debt limit. What are they? Tell us about the infrastructure plans that the minister at the table, Senator Milne, Mr Briggs and others have talked about when they discussed increased infrastructure spending. If the government is essentially saying, 'We will increase the amount of debt taxpayers have to manage because we want to invest in more infrastructure,' after an election where you campaigned on reducing debt, I think the right thing to do is to tell Australians what those plans are. How much more debt are you planning to take on in order to make these investments? I do not believe that was discussed before the election. If you are suggesting that we want a higher or non-existent debt limit because we want to borrow more in order to fund more infrastructure, you should detail those plans.

I make this point finally. I thought it was really quite extraordinary, when looking at Mr Hockey's press release, the extent to which the Liberals have moved on the Australian Greens—after railing, as I said, that they were economic fringe dwellers. Our very own Senator Abetz is absent from the chamber. Obviously, it is not his legislation, but I suspect he feels extremely uncomfortable about the fact that the government has done a deal with the Australian Greens, whom he describes as watermelons and a risk to the Australian economy. Mr Hockey's press release was quite poignant. The first line was: The Government has today agreed to the Australian Greens' proposal to repeal the statutory debt limit...

Isn't that wonderful! This is a Treasurer who, when it comes to debt, is being run by Senator Milne. That is the government you are running. It was a very interesting press release. In the first line we see congratulations from the coalition government of the Australian Greens' proposal to repeal the statutory debt limit.

I ask the Assistant Treasurer: given Senator Milne's public comments about increased financing—and do not get up and just say 'private sector financing', because it is in the context of the removal of the debt cap—and infrastructure, what are the government's plans to spend more money on infrastructure? How much additional debt is the government proposing to take on in order to fund infrastructure projects?
Senator SINODINOS (New South Wales—Assistant Treasurer) (13:42): I will make some general remarks and then come to the questions raised by Senator Wong. The first point I want to make is to sincerely thank the Greens for the constructive spirit in which they have approached this matter. Let me give some background.

The reason we are in this situation is that the government made a decision to come to the parliament, in the context of the existing policy framework, and raise the debt limit to $500 billion to take into account the expected profile of spending and, therefore, increase in debt over the forward estimates. When we took advice from the Treasury it was clear we were peaking at $300 billion, the existing limit, sometime in December—12 December, from memory. We had a figure of $370 billion initially over the forward estimates. Then there was the issue of a buffer of $40 billion to $60 billion from the Australian Office of Financial Management. Then, during Senate estimates, the Office of Financial Management actually added a further buffer of $30 billion. That is where the $500 billion came from. The reason I mention that is simply to make the point that, when $500 billion was put to the parliament, this was not a game. This was based on advice and prudence.

But there is a second aspect to this and it goes to why I think the Greens' proposal is very constructive. The Treasurer recognised that he only wanted to do this once in this parliament, if possible, because of what had happened in the previous two parliaments, when there had been these debates every time the limit had to be raised. But let's take ourselves back: why was the limit being raised? It was because the government of the day was unable to stay within the limit, notwithstanding promises—commitments—that the deficit and debt coming out of the global financial crisis would be brought under control during that period, when we faced the highest terms of trade in our history and we should have been taking advantage of that to bring the budget back into the black sooner rather than later. I believe that the 2011-12 budget, in particular, was a missed opportunity to do that. It would have been the right budget in which to have taken more fiscal action.

The result of the previous government's efforts was that their credibility on economic policy was shattered, but not by the then opposition—we were merely drawing attention to what had happened, which was that the public no longer believed that the then government was capable of staying within a particular debt limit. And we took the opportunity each time the issue of raising the limit came before the parliament to remind people of those broken Labor promises to bring deficit and debt under control. That is why we are in this situation. And the Greens are right: we had to find a way through all of this. We could have agreed with the opposition on $500 billion, and that would have been it for this parliament. We could have continued in the existing policy paradigm.

Then what happened is that at Senate estimates there was an opportunity for the Greens, in particular, to question directly the secretary of the Treasury and senior officers of the Treasury. It was during that very interesting interchange—I was at the table at the time—that it became very clear that there was something of a meeting of minds here. The secretary of the Treasury at that stage had alluded to the fact that the Treasury had canvassed the option of not having a limit, for reasons that Senator Milne has referred to today. There are many eminent economists, Ross Garnaut and Saul Eslake among them, who have made the point for some time that the whole issue of the debt limit is separate to the debate about the stringency of
fiscal policy—whether fiscal policy is appropriate or not. That is a matter of the budget decisions you make; that is a matter separate from the actual debate over the limit.

So the point is that interchange occurred during Senate estimates and it was clear there that the Greens were thinking, 'Well, maybe there is an opportunity now to shift to a different policy paradigm.' It was in that context that a dialogue occurred—a very fruitful dialogue—which led to the agreement we are talking about today. The government agrees to the proposed amendments by the Greens to repeal the statutory debt limit and to amend the Commonwealth Inscribed Stock Act and the Charter of Budget Honesty Act to improve transparency regarding government debt. And this is the point: we are actually increasing the transparency around government debt. There is a little detail in what the Greens have put forward, and it has a short-term, a medium-term and a longer term focus. That is appropriate, because for too often the economic debate in Australia, when it comes to the issue of debt, has been driven too much by short-term considerations. People will be aware from what the current Treasurer has said, in opposition and elsewhere, that he has been thinking for some time about this issue of how, in the context of budget deliberations, you make appropriate allowance for funding of longer term measures. How do you recognise those longer term measures in a way that does not fall foul of the budget rules? The reality is that you can cut off your nose to spite your face; you can get short-term budget savings but it can be at the expense of the longer term productive capacity of the country.

So what the Greens have done is raise this debate about the debt to a new level by removing the limit. And I remind everybody of one thing, and this is where I think the opposition fall into an old trap. They keep thinking of it as a limit, as something that has to be reached, that somehow it is a target. They seem to think that by raising it to $500 billion we were going to actually try to get to $500 billion. Yes, we were putting in a limit in order to provide certainty to the financial markets, but this is not a credit card limit whereby we say, 'You beauty; we're now headed to $500 billion, full-steam ahead,' et cetera. That was not what a limit was meant to be, and that is not how a limit should be treated. And by removing that issue from the table we can focus on the real issues: the content of the budgetary decisions to both spend and tax, how much debt you put on the table, and what that debt is used for.

I turn to Senator Wong's point. Before the election the now Prime Minister made it clear that he would be an infrastructure Prime Minister; he detailed a very large infrastructure plan.

Senator Wong: But not that he would go into more public debt to do it.

Senator SINODINOS: I am answering your question, Senator Wong.

Senator Wong: No, you're not; you're avoiding it.

Senator SINODINOS: I am not avoiding it. We talked about something like a $20 billion infrastructure plan before the election, and we will deliver on our promises on infrastructure in a responsible way. Both the Mid-Year Economic and Fiscal Outlook and the budget will lay out those plans, and I am not going to steal anybody's thunder by revealing them here today. I think you should see them in all their glory in the MYEFO and in the budget.

But it is important to understand that this agreement with the Greens also means that the Intergenerational Report will have different dimensions to it. One of the greatest achievements of Peter Costello was the Intergenerational Report, and the Greens have picked up on that. The whole idea was to look forward, to look at the intergenerational implications
of the decisions we take today. And in that context the Greens have also asked for more information around climate change, because with such issues you have to take a longer term perspective. So we will also be doing that as part of this improved budget documentation.

I make it very clear that, as far as the now government are concerned, we will be judged by the content of our decisions. And for us there is no problem with the enhanced transparency that is going to be part of those discussions as a result of the amendments that are now being pushed by the Greens. It was Wayne Swan who at budget time, looking down the barrel of meeting that $300 billion limit in early to mid-December, essentially said, 'That'll be someone else's problem.' Well, we have inherited the problem, and we are going to fix it. So this is not a debate about whether we hit any particular debt limit; this is now a debate, in this context, about greater transparency.

The opposition had the opportunity to come to an agreement with the government, and it would have all been over and we would not have had the agreement with the Greens. But I think we have actually ended up in a better place as a result of the agreement with the Greens. There will be more rationality in this debate.

As to Senator Wong's point, may I point out: of course the Greens and we will not agree on everything. We are not in some sort of an alliance. We have seen in the last few days deep divisions between us and the Greens on other policy issues. So this is not about some marriage of convenience, alliance or whatever.

One of the marks of this Prime Minister, and one of the aspects of this Prime Minister that the opposition had better cotton on to very quickly, is that he grows in the job, whatever job he gets, and as Prime Minister he has shown that you can be pragmatic on the way to pursuing a principle. He has shown pragmatism by his willingness to deal with the Greens, or by allowing us to deal with the Greens, on these matters in order to get to a principle, and the principle is: the enhanced transparency around the presentation of the budget.

May I take this opportunity to say, on issues to do with infrastructure: contrary to what Senator Wong is saying, for us the infrastructure debate is about the public-private split. It is about: what role does public capital play in underpinning private financing of infrastructure? These are all important issues. The beauty of what we have agreed today is that we will now be able to do that in a fully informed way and in such a way that the electorate can actually participate in the process. If we want more honesty in politics, it starts with greater transparency. We have nothing to fear from that sort of transparency.

The budget rules laid down by the Greens in the press release issued by Senator Milne are actually quite stringent, because they talk about borrowing, about debt, for infrastructure—in other words, longer term capital improvement.

Senator Kim Carr: I love the way the Greens announce government policy!

Senator SINODINOS: I will come to you, Senator Carr, in a moment. But the second aspect of that rule is: not to go into debt simply because there has been a reduction in revenue. That is actually quite a stringent rule—that operating revenue should cover operating costs of government. That is actually quite a stringent budget rule. So no-one should think that this is somehow a free lunch. The standards which have been set in terms of transparency are very high. But we will meet those standards because we are committed to reducing the deficit and debt we inherited. The Mid-Year Economic and Fiscal Outlook will outline the full extent of
the problem, including the extent to which the former government postponed necessary capital and maintenance. And this goes to another point about the transparency that we are talking about today: within the Commonwealth sector, we have to get to a point where we make appropriate provision for capital and maintenance, because too often what has happened is that maintenance has been short-changed because it is a short-term budgetary hit and so we put it off until a problem escalates to the point where it has major consequences and that actually escalates the cost of dealing with it. So we need to have a balance sheet which properly recognises short- and long-term considerations, in terms of both our assets and our liabilities, and provides a framework for looking at this in the appropriate way.

The transparency involved in this process means that every time the debt increases by $50 billion or so the Treasurer will have cause to provide a report, within three days or so, outlining the reasons for that. So there is no escape from talking about growing debt—

Senator Conroy: You're growing it; you should be talking about it.

Senator SINODINOS: Well, Senator Conroy, there is $30 billion or $40 billion of debt lying around somewhere with the NBN, which we are fixing.

Senator Conroy interjecting—

The CHAIRMAN: Order on my left!

Senator SINODINOS: We commend the Greens for coming to the table with a sensible set of proposals to enhance transparency around government debt over time and working with the government to provide the certainty to the financial markets that the opposition failed to provide as they should have in government. Of course, the other thing that happened is that the screechy nature of the debate that occurred over the last few years led to uncertainty in the financial markets. We are now parking all of that—

Senator McLucas: 'Parking all of that'!

Senator SINODINOS: Senator McLucas, you may not have been here earlier, but my point was: the reason the debt limit became such a debate is that Labor kept exceeding the limit and coming back into this chamber to get it increased.

Senator Conroy interjecting—

Senator SINODINOS: We know the mess that we have inherited and we are taking responsibility for fixing it.

Opposition senators interjecting—

The CHAIRMAN: Order on my left! Order!

Senator SINODINOS: And the more they chortle on the other side, Senator Conroy and Senator Carr, both of whom were arch-villains of the Labor ERC—and Senator Wong knows this; the pained expression on her face betrays that; she knew what she had to go through with those villains of the ERC— (Time expired)

Senator Conroy interjecting—

The CHAIRMAN: Order on my left!

Senator WONG (South Australia—Leader of the Opposition in the Senate) (13:57): I do have a question for the minister, and obviously this may need to be answered—

Senator Conroy: How can the ERC even meet if Cormann is not there?
Senator WONG: another time, but I would make the point that there is a great deal of detail already—

Senator Cormann interjecting—

Senator Conroy interjecting—

Senator WONG: in the budget papers—

Senator Conroy: So Paul Kelly was wrong?

The CHAIRMAN: Order, Senator Conroy!

Senator Conroy interjecting—

The CHAIRMAN: Senator Conroy, your leader is on her feet.

Senator Conroy: I am sorry. My apologies to my leader.

Senator WONG: I will start again. I would make this point: there is a great deal of reporting already in the budget papers and in the monthly financial statements which the finance minister issues. The AOFM has a website—which is updated, from memory, weekly—which shows the debt on issue, including the Treasury bonds, indexed bonds, notes, other securities, and those aspects which are subject to the CIS Act, and also has recent tender results. So—leaving aside the climate reporting, and I want to come to that—I am struggling, Minister, to see what additional reporting, other than a statement to the parliament, the Greens have actually got for this deal.

Senator Sinodinos: Mr Chairman, on a point of order: I am happy to elaborate in greater detail later. There will be much greater detail around the composition of the debt, as a start, but I am willing to finalise that later.

The CHAIRMAN: Thank you, Senator Sinodinos.

Progress reported.

QUESTIONS WITHOUT NOTICE

Health Funding

Senator McLUCAS (Queensland) (14:00): My question is to the Assistant Minister for Health, Senator Nash. I refer the minister to her statement in question time yesterday when she said:

… there are a range of programs across portfolios for which we will be determining whether they are delivering appropriate and efficacious service …

How and by when will this determination be made?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:00): I thank the senator for her question. The senator would well know that the government has indicated that there will be a commission of audit process. That will take a period of time and it will consider a range of programs and funding mechanisms. Senators on the other side are well aware that that is occurring. I did indicate yesterday that across the portfolio there will also be a series of reviews. The Australian people would clearly expect the incoming government to properly assess all of the previous government's arrangements for their efficacy. We saw such a mess from the previous government in the way that they ran this nation that the Australian people expect the new government to do things in an appropriate and careful manner.
For those on the other side to question why we should be reviewing some current arrangements is extraordinary, because it is the very fact that those on the other side, the previous Labor government, left us with a $200 billion net debt. Those on the other side, when in government, might think it was absolutely fine to spend consistently without any thought to appropriateness within the delivery of programs and projects, but this side of the chamber does not. As the new government we make no apologies for properly running the nation and for properly assessing the efficacy of current arrangements.

Senator McLUCAS (Queensland) (14:02): Mr President, I ask a supplementary question. I note that the question was not answered. Can the minister give a categorical assurance to the Senate that the Pharmaceutical Benefits Scheme, the Medicare rebate and Medicare Locals will be quarantined from any cuts?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:02): It would seem that those on the other side, perhaps, have not been clearly listening to the government in the indications of what we are going to do into the future. The senator knows very well that the Medicare Locals are under review. We are properly going to assess a range of things across the department for their efficacy and to ensure they are appropriately utilising taxpayers' dollars. It would be inappropriate of me to pre-empt what the outcome of that is going to be. The senator would know that, when we have current assessment arrangements in place, it would be entirely inappropriate of me to indicate to the chamber the outcome of arrangements that are underway.

Senator McLUCAS (Queensland) (14:03): Mr President, I ask a further supplementary question. Is the minister aware of the Prime Minister's pre-election promise that there will be, 'No cuts to health'? Can the minister explain why the government is now walking away from the Prime Minister's pre-election commitment?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:04): I say to the senator that the government are having to assess a range of programs and projects across government because of the situation that you left the nation in at the end of your term in government. When we look at the waste and mismanagement from the other side, who can forget—

Honourable senators interjecting—

The PRESIDENT: Order! With the level of noise in the chamber I cannot hear the response of the minister. The minister is entitled to be heard in silence. The minister.

Senator NASH: Thank you, Mr President. If it were not for the previous government's economic mismanagement, we would not have to be doing the current assessments. We only have to look at things like the waste of around $60 million for the carbon tax advertising.

Senator Moore: Mr President, I raise a point of order on relevance. The question was about the promise, and we have not heard an answer from the minister.

The PRESIDENT: There is no point of order. The minister is answering the question. The minister will continue with 22 seconds remaining. The minister.

Senator NASH: Thank you, Mr President. Those on the other side might not like the answer, but I am certainly answering the question. The waste and mismanagement that we saw from the previous government has—
Senator Wong: Mr President, I raise a point of order, again on relevance. The question was about the Prime Minister's commitment. How can what is being answered possibly be relevant to that question?

The PRESIDENT: Order! There is no point of order. The minister is addressing the question. The minister still has 14 seconds remaining. The minister.

Senator NASH: Thank you, Mr President. As I said, if it were not for the previous government's mismanagement of this economy, we would not be having to take the steps that we are in this new government.

Defence

Senator FAWCETT (South Australia) (14:06): My question is to the Minister for Defence, Senator Johnston. I noticed in recent media reports that Defence has been weakened by the previous government's budget cuts. Can the minister please explain how the government plans to restore Australia's defence capabilities to rectify the unsustainable mess it inherited?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:06): I thank the honourable senator for his question and acknowledge his longstanding interest, and commitment as a former serving member of the ADF, to defence. This government has made a commitment to restore spending on Defence. First and foremost we have acknowledged the necessity to say that there will be no further cuts to Defence. This previous Labor government left Defence in an unsustainable mess.

Honourable senators interjecting—

The PRESIDENT: Senator Johnston, resume your seat. Order! When there is silence on both sides, we will proceed.

Senator JOHNSTON: Financially wrecked and plundered. Once we have steadied this budgetary disaster, we will restore defence spending to two per cent of GDP within a decade.

The PRESIDENT: I remind honourable senators on my left that, if you wish to debate the issue, the time is after three o'clock. When there is silence, I will give Senator Johnston the call.

Senator JOHNSTON: Once we have steadied this budgetary disaster, steadied the ship, we will restore defence spending to two per cent of GDP within a decade. On 22 November this year, the shadow defence ministers, including Senator Conroy, released a statement saying that we had not yet shed any light on how the government plans to match Labor's commitment to increase defence spending to two per cent of GDP. Let me remind the Senate that this year they delivered a white paper, with chapter 7 entitled 'Defence budget and funding' and there were 1½ pages with not a single dollar figure mentioned, now or ever. This government is committed to achieving a two per cent of GDP target in a time frame, not just an airy-fairy, long-term splash of a political objective. (Time expired)

Senator FAWCETT (South Australia) (14:09): Mr President, I ask a supplementary question. Can the minister please detail what defence capabilities the government is committed to delivering?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:09): This government is committed to ensuring that Australia's Collins class submarine force continues
to be regionally superior in terms of conventional capability. We are currently working with Defence to determine the most appropriate procurement strategy, with a decision to be announced within 18 months with respect to the new submarine.

Senator Conroy: When did that start?

Senator Johnston: In 2008, under you, and you did nothing for six years. The final decision will ensure that work will centre around the Adelaide shipyards. The government is also committed to acquiring the joint strike fighter to bolster Australia’s air combat capability. In addition, the government is closely considering the requirement for unmanned aerial vehicles in the context of broad-area maritime surveillance. Of course, we know the success of the opposition in government in managing our borders in the maritime sense. We are also committed to providing—(Time expired)

Senator Fawcett (South Australia) (14:10): Mr President, I ask a further supplementary question. Can the minister please explain what would be the impact of not delivering these capabilities?

Senator Johnston (Western Australia—Minister for Defence) (14:10): As I stated earlier, the previous government has left the current Defence budget in an unsustainable mess. The constant and repeated cuts to Defence under the previous government have left the portfolio reeling. Sixteen billion dollars, in just a few short years, was ripped out of the portfolio—treated like an ATM. Labor slashed 10.5 per cent from the 2012-13 budget, the largest single cut since the Korean conflict. The cuts and uncertainty around the Defence budget led the Australian defence industry to slash more than 10 per cent of its workforce. That is at least 5,000 jobs you are responsible for that have gone because defence industry has had no work. Without restoring defence spending, the capabilities outlined in the previous government’s white paper are simply not able to be met. Despite this, the Labor Party continue to boast of their so-called achievements—(Time expired)

Health Funding

Senator McEwen (South Australia—Opposition Whip in the Senate) (14:11): My question is to the Assistant Minister for Health, Senator Nash. I refer the minister to Health Workforce Australia and its work in improving—

Honourable senators interjecting—

The President: Just wait a minute, Senator McEwen. You are entitled to be heard in silence and those having the discussion across the front of the chamber make it very difficult for me to hear the question.

Senator McEwen: I refer the minister to Health Workforce Australia and to its work in improving access to doctors and other medical professionals outside our major cities, including its integrated regional clinical training networks. Is Health Workforce Australia quarantined from any cuts?

Senator Nash (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:12): It would come to the surprise of none on this side of the chamber that the coalition remains committed to a very strong health workforce. Our goal is to consistently reduce the gap in service delivery whether you live in Canberra, Cairns, Cudal, Kununurra—anywhere across this nation—and we will do it far better than the previous government did. Of that this chamber can be very sure. We know that a range of
programs have received commentary of late and there has been some around Health Workforce Australia, and I do understand that. Interestingly, this side of the chamber is going to appropriately ensure the delivery of health services, unlike those on the other side who spent year after year wantonly spending taxpayers' dollars and not appropriately addressing the issue of health delivery at the primary cause.

Senator Moore: Mr President, I rise on a point of order going to relevance. There are now 52 seconds to go and there has been no answer to the specific question.

The President: There is no point of order. The minister has been addressing the question and the minister has 52 seconds, quite correctly, to go.

Senator Nash: I appreciate there are concerns out in the community about the delivery of health in our communities, and predominantly those concerns are because the previous Labor government did such a terrible job at health delivery. Who can forget the fact that it was the previous Prime Minister, Kevin Rudd, who said in 2007—

Senator Moore: Mr President, I rise on a point of order, again on relevance. In terms of the specific question, the answer has not been coming from the minister. She goes onto the history—her perceived history—rather than the answer to the question.

The President: The minister still has 26 seconds remaining and the minister should address the question.

Senator Nash: I am addressing the question, because I will indeed indicate to the chamber that it will be this government that appropriately addresses the issue of health delivery, including issues such as clinical placement, in a far better way than the previous government ever did.

Senator McEwen (South Australia—Opposition Whip in the Senate) (14:15): Mr President, I ask a supplementary question. Given the Prime Minister's pre-election commitment that there will be no cuts to health, will the minister actually guarantee the future of Health Workforce Australia and its important work?

Senator Nash (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:16): I do not think the irony of that question will be lost on the Australian people, who spent years living with the phrase 'there will be no carbon tax under the government I lead.'

The President: Order! You need to come to the question.

Senator Nash: There is absolutely no doubt that those on this side of the chamber, in this government, will be appropriately assessing the delivery of health services to ensure that we get front-line health service delivery appropriately done, and we will be including appropriate delivery of things like the clinical placements that the senator referred to.

Senator McEwen (South Australia—Opposition Whip in the Senate) (14:17): Mr President, I ask a further supplementary question. Given the minister is refusing to guarantee the future of Health Workforce Australia, can she confirm that more than 130 staff based in Adelaide, many of whom are specialists, face an uncertain future as a result of the government walking away from the Prime Minister's commitment?

Senator Nash (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:17): The only thing that was uncertain for people in the
health sector was when they were living under the previous Labor government, who would not appropriately address issues of health, particularly in rural and regional areas.

**Senator Moore:** Mr President, I rise on a point of order, again on relevance. I do try to allow the minister to start her answer and get going, but again there is no response to the specific question about Health Workforce Australia staff.

**The PRESIDENT:** There is no point of order. The minister has been going 17 seconds and has 43 seconds remaining.

**Senator NASH:** I have been addressing the question. Perhaps those on the other side have not been listening closely enough. We in this government have taken the perfectly appropriate and expected attitude to health delivery that the Australian people expect us to do. They expect us to cleverly and sensibly look through the appropriate health delivery mechanisms and make sure that we get health services where they are needed, and that is the front line and not wasted in bureaucratic spending like the previous government. *(Time expired)*

**Forestry**

**Senator MILNE** (Tasmania—Leader of the Australian Greens) (14:19): My question is to the Minister representing the Minister for the Environment, Minister Cormann. Can you confirm that Environment Minister Greg Hunt has written to the Tasmanian government guaranteeing one year, or $7.2 million, of conservation funding promised under the Tasmanian Forests Intergovernmental Agreement? If that is true, has the federal government also committed to the agreed future conservation management funding also agreed in the intergovernmental forest agreement?

**The PRESIDENT:** Senator Abetz.

**Senator Abetz:** I will answer that question on behalf of the government. We can share the answers, yes?

**The PRESIDENT:** I thought you were standing on a point of order. Senator Abetz has indicated that the question is best addressed by himself, so I call Senator Abetz.

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:20): I can say in answer to the Leader of the Australian Greens that I was personally briefed on this just before question time, and that is why I am providing the answer on behalf of the government. I have before me the letter from Mr Hunt to the Deputy Premier of Tasmania. It says: 'I refer to your letter concerning the outstanding payment.' So all that Mr Hunt was doing was abiding by the contractual obligation entered into by a previous government. It was an outstanding payment that needed to be paid, and in fact Mr Hunt finishes his letter by saying: 'I apologise for the delay in this matter.' So to somehow suggest, as has been done in Tasmania and elsewhere, that this payment is somehow a repudiation of our election promise in relation to Tasmanian forestry is completely and utterly without foundation. And of course the peddler of that is none other than the Deputy Premier of Tasmania, who has a few nicknames courtesy of his court appearances in that state, where he relied on the fact that he was not too good at reading documents and understanding the issues and therefore he should not be convicted. So let us be very clear as to what we are dealing with here. This is Mr Green either wantonly, or yet again accidentally, not understanding documentation that is being put in front of him. *(Time expired)*
Senator MILNE (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I have a supplementary question. For absolute clarity, has the Abbott government repudiated the Tasmanian intergovernmental forest agreement as signed with the Tasmanian government previously?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:23): Everybody knows what the coalition's policy was going into the election. And, as I have said on a number of occasions in this place, we have every intention of implementing our policies, and that includes in relation to the intergovernmental agreement as well.

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:23): I will ask again: have you repudiated the intergovernmental agreement? Not what your policy was before the election, I am asking you now: has the Abbott government made a formal decision to repudiate the Tasmanian intergovernmental agreement and have you made a decision to repudiate the boundaries of the Tasmanian Wilderness World Heritage Area?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:23): As the Leader of the Australian Greens would be very well aware, we announced our policy. Part of that policy was to seek to repudiate the World Heritage area. Let us be clear about this: the previous Labor-Greens government, in cahoots with the Labor-Greens government in Hobart, declared as World Heritage areas pine plantations, eucalypt plantations, forest areas that had been harvested three times. There was misinformation provided to the World Heritage Commission by a wilful Labor-Greens government in Canberra and a wilful Labor-Greens government in Hobart, misrepresenting the situation. We have a duty to represent the truth to the World Heritage Commission and we intend to do so.

Budget

Senator RUSTON (South Australia) (14:25): My question is to the Minister for Finance, Senator Cormann. Can the minister inform the Senate about the current pressures on the expenditure side of the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:25): I thank Senator Ruston for that question. The biggest pressure on the budget is the bad and reckless approach to budget management by the Labor Party. They were bad enough over six chaotic, dysfunctional and reckless years in government, but they are even worse now in opposition. We saw that Labor was bad under the leadership of Mr Rudd and Ms Gillard. They are even worse under the leadership of Bill Shorten.

We inherited a budget in very bad shape, with a $30 billion deficit this year and deteriorating, $200 billion worth of government net debt and deteriorating, government gross debt heading for $400 billion and beyond. Who was one of the main culprits of the bad waste and mismanagement and reckless fiscal approach under the previous government? It was none other than Senator Wong. In Senator Wong's three short years as finance minister she presided over budget blow-outs of more than $107 billion. In fact, it is the $107 billion Wong black hole that we are dealing with today.

But that is not enough. Labor was not only happy to leave the budget in a mess with a $30 billion budget black hole; Senator Wong banked savings. Labor took a $2.33 billion cut to
higher education. She banked the savings but did not implement them. She did not do the hard yards by legislating them through the parliament. She banked savings from not proceeding with income tax cuts linked to the carbon tax but again she did not do the hard yards. Now Labor recklessly and irresponsibly is standing in the way as this government works to clean up the mess that Senator Wong and Bill Shorten left behind. Senator Wong, you should get out of our way. Mr Shorten should get out of our way. You should let us clean up your mess— (Time expired)

Senator RUSTON (South Australia) (14:27): I ask a supplementary question, Mr President. Could the minister further elaborate for the Senate on how the decisions of the previous government have put pressure not only on the budget but on the economy as well?

Senator CORMANN (Western Australia—Minister for Finance) (14:28): As a direct result of the bad decisions made by Labor in government, our economy is growing more slowly than it otherwise would have. The Labor Party year after year added more and more burdens on to our economy. They imposed the carbon tax which we were never going to get. They imposed the job-destroying mining tax. They imposed more than 21,000 new pieces of costly red and green tape. And they scrapped the Australian Building and Construction Commission—

Opposition senators interjecting—

The PRESIDENT: Order! Senator Cormann has the call and is entitled to be heard in silence. I remind those on my left that interruptions are disorderly. Senator Cormann.

Senator CORMANN: As a direct result of the bad decisions made by the Labor Party over six years in government, our economy is growing more slowly than it otherwise would have. That is bad for the prosperity of people across Australia but it is also bad for the government because it means that we are raising less revenue as a result of the bad decisions by Labor.

Opposition senators interjecting—

The PRESIDENT: Order! If senators wish to debate it, the time to debate it is after question time, not during the answer that the minister is giving. Minister.

Senator CORMANN: To fix the budget to ensure we get back into the position we could be in— (Time expired)

Honourable senators interjecting—

The PRESIDENT: Order! Senator Ruston, you will get the call when there is silence. It is as simple as that.

Senator RUSTON (South Australia) (14:29): Thank you, Mr President. I ask a second supplementary question. Could the minister advise the Senate of the challenges that the government faces as it proceeds to repair the budget and strengthen the economy?

Senator CORMANN (Western Australia—Minister for Finance) (14:29): Just to remind Senator Carr again, because I know that he is like the cat that swallowed the canary, because he has wronged Senator Wong—

Senator Kim Carr: The private meetings you were not invited to.

Senator Conroy: He is pointing at me!
The PRESIDENT: Senator Cormann, resume your seat. Senators Carr and Conroy—
A government senator interjecting—

The PRESIDENT: Order! On my right. I remind you that interjecting is disorderly; constant interjection is completely disorderly.

Senator CORMANN: Senator Wong turned the promise of a surplus made in May 2012 into a $30 billion deficit by the time of the election. That is based on an assumption—
Honourable senators interjecting—

The PRESIDENT: Senator Cormann, resume your seat.

Senator CORMANN: Senator Wong, quite extraordinarily, turned a promise of a surplus for this financial year into a $30 billion deficit, and that is after she banked $2.3 billion worth of cuts to higher education, which Senator Carr has now stopped Senator Wong from implementing. So here we are. Senator Wong banked the cuts. She was too weak to get them through the parliament before the election. She is too weak now to get them enforced through her own caucus after the election. Labor should— (Time expired)

National Broadband Network

Senator LUNDY (Australian Capital Territory) (14:31): My question is to the Minister for Finance in his capacity as shareholder minister of the NBN, Senator Cormann. I refer the minister to his answer on Tuesday when he refused to commit to the government's pre-election promise of providing every Australian with access to broadband speeds of at least 25 megabits per second by 2016. I again ask the minister: will the government stand by its pre-election promise?

Senator CORMANN (Western Australia—Minister for Finance) (14:32): Senator Lundy is essentially repeating the same question she asked the other day. Given that she is just asking the same question, I am going to give her the same answer. The answer is that the NBN Co project that we inherited from the Labor Party was in an absolute mess. In fact, what we have been doing since the election is exactly what we said before the election—that is, go through a proper, careful and methodical process and go through a strategic review, which is about to be released. If I were Senator Conroy, I would stop Senator Lundy from asking any more questions about this, because he will hang his head in shame when the strategic review is finally released. What it will show—

Senator Conroy: Keep your promise!

The PRESIDENT: Senator Conroy, if you wish to debate it, you have another 25 minutes and you can debate it then.

Senator CORMANN: What it will show is what an expensive mess the NBN Co was after six years of Labor. I came across an answer that Mr Turnbull gave in the House of Representatives where he reflected on a visit—

Opposition senators interjecting—

The PRESIDENT: Senator Cormann, resume your seat. Senator Cormann, continue.

Senator CORMANN: After six years of Labor and after billions and billions of dollars of taxpayers' money sunk into NBN Co, two per cent of premises were linked to the—
The PRESIDENT: Order! If there were not the noise, it might be easier for the senator to stand on her feet and ask for a point of order, but the noise at her left does not assist.

Senator Moore: Thank you, Mr President. My point of order is on relevance. Again, the question referred to a specific promise, and, with time to go, we have not as yet heard any response to the question.

Opposition senators interjecting—

The PRESIDENT: Order! There is no point of order at this stage. The minister still has 44 second remaining.

Senator CORMANN: The short answer is that we inherited a mess from the Labor Party and we are setting out to fix it. My favourite of Senator Conroy's performances was him spending $13 million on NBN Co infrastructure in the Northern Territory. Do you know how often he went to launch, open and start it and all of that?

The PRESIDENT: You need to come to the question, Senator Cormann.

Senator CORMANN: More than five times. Do you know how many people are connected to NBN Co in the Northern Territory? Five.

The PRESIDENT: Senator Cormann, you need to come to the question.

Opposition senators interjecting—

The PRESIDENT: Order! Senator Cormann, you need to come to the question.

Senator CORMANN: This is of course completely relevant to the question, because we are delivering our commitments from the position that we inherited. The position we inherited was Senator Conroy making a visit for every single home that was being connected to fibre to the home.

Honourable senators interjecting—

The PRESIDENT: Order! Senator Cormann, resume your seat. Senator Wong.

Senator Wong: Mr President, those opposite may think that this is all fun and games.

Government senators interjecting—

The PRESIDENT: Order!

Senator Wong: My point of order is relevance. The minister was asked a very specific question as to whether or not the government stood by its pre-election promise. He has not even referenced the promise—the policy commitment that was made. Whilst I understand that there are times when ministers in the chamber will want to add context and make a political point, he has not even referenced the promise.

The PRESIDENT: Order! That is debating the issue. I have already called on the minister to address the question before the point of order was taken. The minister has eight seconds remaining to address the question.

Senator CORMANN: The coalition government will deliver on our promise of faster and better broadband sooner than Labor would have, more affordably for taxpayers and more affordably for— (Time expired)

Senator LUNDY (Australian Capital Territory) (14:37): Mr President, I ask a supplementary question. Minister, did the NBN Co corporate plan submitted to the
government in September include cost savings worth billions of dollars? Or, as you seem to be alluding, is the government refusing to release the corporate plan because it contradicts the strategic review prepared by the communications minister's mates?

Senator CORMANN (Western Australia—Minister for Finance) (14:38): Just to put some context around this question again: we inherited a project where more than $6 billion of taxpayers' money had been spent, but less than two per cent of Australian premises had been connected to fibre to the home. Of course we had a special ministerial visit for just about every single connection in the Northern Territory. No wonder Senator Wong was not able to balance the books when you have ministers going to switch on every single connection in the Northern Territory! Give us a break.

Mr Turnbull and I have done what we said we would do: we have initiated—

Opposition senators interjecting—

The PRESIDENT: Order!

Honourable senators interjecting—

The PRESIDENT: Senator Cormann, resume your seat. It is both sides. I think those senators wishing to have a discussion would be better off going outside to do so, so question time can proceed. Order!

Senator CORMANN: The government have done what we said we would do: we have initiated a strategic review which will determine how best to provide access to very fast broadband to all Australians as soon, as cost effectively and as affordably as possible. (Time expired)

Senator LUNDY (Australian Capital Territory) (14:40): Mr President, I ask a further supplementary question. Can the minister confirm evidence to the Senate estimates that, despite weekly meetings between the minister's department and NBN Co, there is no evidence that the costs of Labor's NBN plan are materially higher than those set out in the draft corporate plan for 2013-16? And I suggest you think very carefully before you answer.

Senator CORMANN (Western Australia—Minister for Finance) (14:41): The strategic review is being put together by highly reputable organisations like Deloittes, KordaMentha and the Boston Consulting Group, which are helping NBN Co's board to conduct the review. What it will show is what a costly mess you left behind—how much taxpayers' money you wasted on delivering hardly anything at all, failing to meet every single one of your targets and wasting lots of taxpayers' money along the way. That is what it will show. You already know this because, of course, Senator Conroy had in front of him a report by Lazard which found that the NBN Co project would have a negative value to taxpayers of $31 billion. That is after you had sunk billions and billions of taxpayers' dollars into it. How recklessly and irresponsibly have you treated taxpayers' dollars!

Public Service

Senator SESELJA (Australian Capital Territory) (14:42): My question is to the Minister Assisting the Prime Minister for the Public Service, Senator Abetz. Has the minister seen claims that the coalition government has plans for mass and ruthless cuts to the Public Service—that it will cut a Public Service job every hour and that it has intentionally wreaked
havoc on the ACT economy? Are these claims correct and, if not, is the minister aware of any new evidence which refutes them?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:43): I thank Senator Seselja for his question and acknowledge his commitment to the people of the ACT, including amongst them the many Australian public servants. That is, of course, in contradistinction to the Leader of the Opposition, Labor representatives and Senator Lundy, who have been disingenuously making claims to the effect that the coalition has been wreaking havoc on the Public Service with job cuts.

These dishonest claims have been debunked by the Secretary of the Department of Finance who confirmed at Senate estimates that Labor's money shuffling, implicit in the 2013 Pre-Election Economic and Fiscal Outlook, would result in a reduction in the size of the Public Service by 14,500—something deliberately hidden from the Australian people and the Australian Public Service by the Australian Labor Party. At the same time as they were hiding these figures they were duplicitously accusing us of cutting the Public Service. We were honest. We said there would be 12,000 by natural attrition and the Labor Party attacked us for that policy whilst at all times they knew, and must have known, that they had a hidden agenda of 14,500 cuts. There has been further information that comes from the Public Service Commissioner himself. He said in the State of the Service report released earlier this week:

The forward estimates of the previous government contained considerable downward pressure on Public Service numbers partly because of the accumulating impact of efficiency dividends, additional efficiency dividend and similar measures.

Senator SESELJA (Australian Capital Territory) (14:45): Mr President, I have a supplementary question. Is the minister aware that despite the overwhelming evidence to the contrary there are still claims that the former Labor government's large Public Service staff cuts were not hidden? In particular, is he aware that there are still claims that Labor could have achieved its budget savings without large staff cuts by prioritising non-staff cuts? What is the minister's response?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:45): Indeed, at the recent Senate estimates, Senator Wong, the leader of the opposition in this place, sought to perpetuate the myth that Labor could increase cuts to the Public Service without staff cuts. That was despite the fact of the evidence provided by the Secretary of the Department of Finance, who said:

There was also … a series of other savings that … cut into the opportunity to get more savings from non-staff costs

So, having already dug herself a hole, Senator Wong kept digging and sought to assert that these cuts would be less than 55 per cent of the savings that could come from non-staff cuts. This was specifically repudiated by the Secretary of the Department of Finance and yet Senator Wong kept digging. It is very rare that honourable senators would hear me quote Nadine Flood but she said, 'There are no easy— (Time expired)

Senator SESELJA (Australian Capital Territory) (14:46): I have a further supplementary question, Mr President. Has the minister heard of previous threats to ruthlessly cut the Public
Service? What is the government's preferred approach to achieving a sustainable Public Service?

Senator Cameron: You know about coalition cuts!

Opposition senators interjecting—

The President: Senator Abetz, I will not give you the call until there is silence. You are entitled to be heard in silence.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:47): It appears from all the interjections opposite that they forgot that the leader they elected, dumped and then re-elected, namely Mr Rudd, said before the 2007 election that he would take the 'meat axe' to the Public Service. Where was Senator Lundy at the time? Not a squeak out of her. What about Senator Cameron and all the others who were interjecting on Senator Seselja's question? They were deathly silent.

Senator Cameron: And so was he! He was too busy cutting.

The President: Order! Senator Abetz, you are entitled to be heard in silence.

Senator Cameron: You were still trying to pay your postal allowance.

The President: Order! On my left. Senator Cameron, the time to debate this is after three o'clock.

Senator ABETZ: Despite racking up deficit after deficit, the biggest deficits in Australia's history, the Labor Party increased the Public Service by 8.2 per cent, growing it to a figure of 168,000. We are cleaning up the mess that Labor have left behind. (Time expired)

Timor-Leste

Senator MADIGAN (Victoria) (14:48): My question is to the Minister representing the Minister for Foreign Affairs, Senator Brandis. On 20 May 2002 Timor-Leste officially became an independent nation. On the same date they signed the Timor Sea treaty with Australia. Some argued Timor-Leste may not have realised the true implications of signing the treaty during their final hours of duress and, as such, this has culminated in the current situation we are in with the CMATS dispute before arbitration at The Hague. Can the minister outline specific attempts over the past 12 months that Australia has made to engage Timor-Leste to resolve these disputes locally, and explain why we were prepared to negotiate a median line with New Zealand in 2004 but have not been able to do the same with Timor-Leste?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:49): I thank Senator Madigan for his question and I thank him for the courtesy of giving me advance notice of his question. I begin by pointing out to Senator Madigan that the treaty that is the subject of proceedings commencing today in The Hague is not the Timor Sea treaty. The Timor Sea treaty is strongly supported by the governments of both Australia and Timor-Leste. The treaty that is the subject of proceedings in The Hague is a subsequent treaty—the Treaty on Certain Maritime Arrangements in the Timor Sea—and it is that separate treaty which the government of Timor-Leste criticises.
The notice of arbitration and the reference to the arbitral tribunal in The Hague was filed by the government of Timor-Leste on 23 April this year but, prior to that, on 18 February this year officials of the Australian government met with officials of the government of Timor-Leste in Bangkok in order to discuss this dispute. In fact, the Timor Sea treaty, which does provide a dispute resolution mechanism which has been adopted by the CMATS treaty, actually provides for prior consultation as a condition precedent to invoking the arbitration procedure. One of the grounds on which Australia disputes the jurisdiction of the arbitral tribunal in The Hague is that we contend that the government of Timor-Leste has not sufficiently engaged in or exhausted the prior consultation machinery before referring the matter to arbitration.

Senator MADIGAN (Victoria) (14:51): Mr President, I have a supplementary question. Earlier this year, I said in the chamber that if Australia were smart we would give in to Timor-Leste's request for a pipeline to Timor-Leste. If we are ethical and would negotiate the boundary and make a fresh start, can the minister outline whether it is the government's opinion that, if Australia were to modify as much of the CMATS treaty as to allow for a pipeline to be built to Timor-Leste, we consider Timor-Leste would pursue arbitration through The Hague?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:52): First of all, might I point out that the issue of a pipeline—as I am advised—has not been raised by the government of Timor-Leste in the arbitration. So far as the case being propounded by the government of Timor-Leste is revealed by documents thus far filed in the arbitration, no issue of a pipeline has arisen. The Australian government stands by the CMATS treaty. We consider that it was a treaty negotiated fairly and in good faith and we will defend these proceedings. But the particular issue that you raised of a pipeline has, at least so far as is disclosed by the documents filed by the government of Timor-Leste, not arisen.

Senator MADIGAN (Victoria) (14:53): Mr President, I ask a further supplementary question. Can the minister outline the expected additional cost to the taxpayer to represent Australia at The Hague in the current dispute?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:53): No doubt, there will be some cost. What the actual figure is I have not been able to obtain in the time since I have had notice of your question but I will get back to you on that. Australia is represented by the Solicitor-General, Mr Gleeson. It is also represented by Professor James Crawford, who is, as I said yesterday, the Whewell Professor of Public International Law at the University of Cambridge. So there will no doubt be some costs in Australia defending these proceedings in the arbitral tribunal. However, those costs I am sure are negligible by comparison to the benefit to Australia of its rights under the CMATS treaty, which we appear before this arbitration to defend.

Trade: South Korea

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:54): My question is to Senator Cormann, the Minister representing the Minister for Trade and Investment. I refer the minister to the Prime Minister's statement in the other place today, at two o'clock, relating to a free trade agreement with the Republic of Korea. Does the minister
agree it is important for Australians to understand the full implications of proposed trade agreements, and so does the government commit to releasing a copy of the proposed agreement very soon, and as soon as possible?

Senator CORMANN (Western Australia—Minister for Finance) (14:54): Indeed the Prime Minister has been able to announce that Australia has been able to reach agreement with South Korea on a free trade agreement, which is very good news for Australia indeed. It really will help strengthen our economy moving forward. It will lead to stronger exports, in particular agricultural exports but also manufacturing exports, into Korea. Of course, what I can say, in response to the shadow minister's specific question, is that what this government will follow in terms of ensuring that there is appropriate public scrutiny as we go through the domestic approval processes in Australia—the same as South Korea will do in South Korea—will be the usual process.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:55): Mr President, I have a supplementary question. When will the government release a copy of the proposed agreement, and can the minister also confirm that the agreement with Korea includes an investor-state dispute settlement clause?

Senator CORMANN (Western Australia—Minister for Finance) (14:55): I say again we will go through the usual processes, including the process through the Joint Standing Committee on Treaties, which is of course the way it always works. When Minister Robb comes back from overseas, he will be able to expand further on relevant details.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:56): Mr President, I have a further supplementary question. Does any element of the proposed agreement confer greater legal rights on foreign businesses than those available to domestic businesses and does any element of the proposed agreement constrain the ability of the government to make laws on social, environmental and economic matters?

Senator CORMANN (Western Australia—Minister for Finance) (14:56): Again I say what I said in my original answer. Clearly, Senator Wong did not listen very carefully to what I said. This agreement which was reached between Australia and South Korea is very good news in particular for farmers across Australia. It is very good news for manufacturers across Australia. It is very good news for the export industry across Australia as a whole. Of course, as always happens with these sorts of trade agreements, they do go through a proper process of scrutiny including parliamentary scrutiny before they come into effect—and that will happen on this occasion. Minister Robb will, when he comes back from overseas, expand on these things as appropriate.

Copyright

Senator SMITH (Western Australia) (14:57): My question is to the Attorney-General, Senator Brandis. Can the Attorney-General advise the Senate of the Australian Law Reform Commission recommendations in relation to copyright law reform?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:57): The Australian Law Reform Commission has just completed a major inquiry into copyright and the digital economy. It provided the final report to the government on Monday. The ALRC inquiry is the most significant review of the Copyright Act since the act came into operation.
in 1968, and has attracted strong interest with over 850 submissions. The government wishes
to thank those who contributed to the work of the inquiry by making submissions. The inquiry
examined whether exceptions and statutory licences in the Copyright Act are adequate and
appropriate in the digital environment, and whether further exceptions to copyright should be
recommended. Among other things, the ALRC was asked to consider whether further
exemptions should recognise a fair-use exception in relation to copyrighted material. The
ALRC has made a number of recommendations arising from the inquiry. It has recommended
the introduction of a flexible fair-use exception as a defence to copyright infringement. It has
also recommended retaining and reforming some of the existing specific exemptions and
introducing certain new specific exemptions; amending the act to clarify the statutory
licensing scheme; limiting the remedies available for copyright infringement to encourage the
use of orphaned works; reforming broadcasting exemptions and amending the act to limit
contracting-out terms. The government will be responding to the ALRC report in the new
year.

Senator SMITH (Western Australia) (14:59): Mr President, I have a supplementary
question. Why is the appropriate protection of intellectual property rights important to
Australia's creative industries?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-
President of the Executive Council, Minister for Arts and Attorney-General) (14:59):
Australia's creative industries are not just a vital part of our culture but a thriving sector of our
economy. In 2011, PricewaterhouseCoopers estimated that the creative industries in Australia
were worth $93 billion, which is around 6.6 per cent of GDP. The industries employ 900,000
Australians or about 8.8 per cent of the workforce, which makes them Australia's seventh
largest industry—bigger than construction and bigger than retail. It is important that, just like
other workers out in our economy, those who make our great films and record our great
albums are entitled to the fruits of their efforts. Without strong, robust copyright laws, they
are at risk of being cheated of the fair compensation for their creativity, which is their due and
the Australian government will continue to protect them. (Time expired)

Senator SMITH (Western Australia) (15:00): Mr President, I ask a further supplementary
question. Can the Attorney-General indicate the government's approach to the protection of
intellectual property?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-
President of the Executive Council, Minister for Arts and Attorney-General) (15:00): Yes, I
can. I want to reaffirm the government's commitment to the content industries. It is the
government's strong view that the fundamental principles of intellectual property law, which
protect the rights of content creators, have not changed merely because of the emergence of
new media and new platforms. The principles underlying intellectual property law and the
values which acknowledge the rights of creative people are not a function of the platform on
which that creativity is expressed. The principles did not change with the invention of the
internet and the emergence of social media. So in this changing digital world, the
government's response to the ALRC report will be informed by the view that the rights of
content owners and content creators ought not to be lessened and that they are entitled to
continue to benefit from their intellectual property.

Senator Abetz: Mr President, I ask that further questions be placed on the Notice Paper.
QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Health Funding

Senator McLUCAS (Queensland) (15:02): I move:

That the Senate take note of the answers given by the Assistant Minister for Health (Senator Nash) to questions without notice asked by Senators McLucas and McEwen today relating to health funding.

Today was an opportunity for Senator Nash, the Assistant Minister for Health, to clarify a statement that she made in question time yesterday when she said:

... there is a range of programs across portfolios for which we will be determining whether they are delivering appropriate and efficacious service.

To opposition senators that sounded like a program of review that was being undertaken in the Department of Health, a meticulous program of review. So it was reasonable then for us to ask how and by when these determinations will be made. Unfortunately, the answer is the National Commission of Audit, which is a very, very different answer to the answer we received yesterday.

Senator Nash said that there was a commission of audit and that we all knew about that. That is fine, but that does not fit with what happened to the Alcohol and Other Drugs Council. Given there is a commission of audit, why is it that the Alcohol and Other Drugs Council were unceremoniously defunded just the other day? There is no logic to that. On the question of how and by when these determinations will be made, frankly, there was no answer at all. I then asked the minister to give a categorical assurance to the Senate that the Pharmaceutical Benefits Scheme, the Medicare rebate and Medicare Locals would be quarantined from any cuts. We did not get any reference to the Pharmaceutical Benefits Scheme and the Medicare rebate, which will be very concerning to the community—two important elements of our health system that are very much cherished and are very important to the health of our nation.

But the minister did say that Medicare Locals would be under review and she did say that it was inappropriate to pre-empt the outcome of that review. That sends a strong message to those people who are working in Medicare Locals. That says something very clearly to the people who are delivering the front-line services in the Medicare Locals. That also fits with exactly what Minister Dutton said last weekend. On Sky, he was asked: 'Do you reaffirm Tony Abbott's commitment that no Medical Locals will close?' He did not. He was given an opportunity to say that they were not going to change any of the services in Medicare Locals and he said:

I think that that should be able to do its work, [and I'll] come back with recommendations, and we can make decisions about that which we accept, and that which we reject.

That is a clear message: there are going to be big changes in Medicare Locals. We know that this will happen. There was an absolute push-back from the then opposition when we introduced fantastically coordinated services in the community that are providing direct services, particularly in mental health, to people right across our country.

I then gave Senator Nash the opportunity to back her Prime Minister's statement on the ABC on 1 September that there would be no cuts to health. This was a gimme. This was an opportunity for the minister to say, 'Yes, I support my Prime Minister.' But she did not say that. She did not say that there will be no cuts to health. We asked a couple of times because there was a lot of avoidance in her answer, but she did not say there would be no cuts to...
health. There is a lot of nervousness in the health sector. There is a lot of nervousness in the Alcohol and Other Drugs Council—nervousness meaning they have gone into liquidation. There is a lot of nervousness in the Department of Health with the establishment of the business service centre, where people are being sent to work—some kind of gulag. People will potentially lose—

Senator Abetz interjecting—

Senator McLUCAS: Read the Senate estimates. Read what happened in Senate estimates and you will find out. There is a lot of nervousness in Health Workforce Australia and a lot of nervousness in Medicare Locals. Frankly, there is a lot of nervousness in the community. If we cannot get an unequivocal commitment from the Assistant Minister for Health that the Pharmaceutical Benefits Scheme and the Medicare rebate will be quarantined from any cuts by this government, people will be extremely concerned.

Senator FIERRAVANTI-WELLS (New South Wales—Parliamentary Secretary to the Minister for Social Services) (15:07): What hypocrisy from those opposite. It is hypocritical of Senator McLucas to dare to criticise the coalition after Labor's appalling record when in government. I would like to remind the Senate of Labor's record in government. Let us look at it: $1.6 billion ripped out of public hospitals, $4 billion ripped out of private health insurance, $1 billion ripped out of dental health through the closure of the Medicare Chronic Disease Dental Scheme.

There was the promise of 16 early psychosis prevention and intervention centres, the EPPICs, supposedly in partnership with the state governments. When the agreements were about to be signed with some of those states, Minister Butler suddenly changed his mind, ripped up the agreements and changed his tack on those centres. All we had was a one-page press release which told us absolutely nothing. Then there was, as Senator Abetz correctly said, the absolute debacle of the GP super clinics, which to this day remain one of the financial disasters amongst the many in the Health portfolio that those opposite oversaw.

Then there are Medicare Locals. Why is there a need for a review of Medicare Locals? From a coalition perspective, we support the role of coordination of primary health services. However, it was very clear to us that in the establishment of Medicare Locals there was a considerable lack of detail and conflicting information regarding the objectives of Medicare Locals. I too trawled through estimates and had to extricate—like hens' teeth—the objectives of Medicare Locals. In particular I noticed a lack of detail on allied health professionals, patients and how funding was being administered. A lot of money was channelled through Medicare Locals, but there were legitimate questions about how those moneys would be administered. In effect, was the Commonwealth getting value for money as far as Medicare Locals were concerned?

During the dying days of the Rudd-Gillard-Rudd governments there was legislation showing what those Medicare Locals were about. The government could not use the word 'Medicare', because it was not legal to do so. They had to retrospectively pass legislation to enable them to use the word 'Medicare'. Why did they use that word? Because they were trying to dupe the Australian public into thinking that Medicare Locals were providing services. When you go into a Medicare local—I invite those opposite to go into a Medicare local—can you get a Medicare rebate? Can you get your forms processed? No, you cannot. There were 3,000 new bureaucrats as part of the Medicare local network, and what precisely
did we get? When I first heard the name 'Medicare Locals' I thought they were places to get a refund and a beer, quite frankly, but it is very clear that that is not exactly what they are.

What was the legacy of those opposite in relation to so-called health reform? Remember the photoshoots from Prime Minister Rudd and Minister Roxon travelling around the country. Often we did not know which hospital they were going to turn up at for the photo opportunity. Goodness knows, given what Minister Roxon told us about her poisonous relationship with Prime Minister Rudd, what they found to talk about on those many hospital visits, but all those visits were about was Dr Rudd and Nurse Roxon tracking around the countryside for photoshoots. That is their legacy in health reform.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:12): After question time today the people of Australia would have to be asking: did Prime Minister Tony Abbott deceive the Australian people before the federal election when he promised that there would be no cuts to health? Today in the chamber the Assistant Minister for Health, Senator Nash, refused to come in behind her Prime Minister and confirm that there would be no cuts to health. Despite repeated questions from the opposition, she refused to confirm that commitment given by the Prime Minister before the election. We can only assume that there has been another backflip on the part of the government in its commitment to the Australian people and that the Prime Minister has deceived the Australian people.

Today Senator Nash refused to rule out cuts to integral parts of Australia's health system. Anyone in Australia, particularly those in regional Australia, would be worried about the future of health services in the regions. The failure of the Assistant Minister for Health to guarantee things like Health Workforce Australia is particularly worrying. I asked the assistant minister many times to confirm that Health Workforce Australia would continue. This agency of government was set up after the Productivity Commission review with the specific purpose of making sure that health services would continue to be provided in Australia, including in rural and regional Australia, in the places where they are needed and that those services would be for all Australians. The Assistant Minister for Health was unable to confirm that Health Workforce Australia would continue and she would not guarantee the futures of employees of Health Workforce Australia in South Australia, in particular.

Hiding behind the usual conservative government strategy of having a commission of audit, the assistant minister was unable to guarantee the future of Health Workforce Australia or indeed of Medicare Locals or of other important health infrastructure. We know what commissions of audit are all about, don't we? We have seen them used by conservative governments repeatedly as cover for health cuts and for cuts to other important social services in Australia. We have had no reason to expect that this government will do anything other than use the commission of audit as a smokescreen for health cuts. In particular, this government will use the commission of audit to cut the independent advisory bodies like Health Workforce Australia because they do not want to receive independent advice about what is most important in the health sector, just as they have refused to rule out cuts to Medicare Locals.

We have listened to a tired tirade from Senator Fierravanti-Wells about Medicare Locals. I have actually been to Medicare Locals, as have most opposition senators. In particular, I spent some time at a country South Australian Medicare local in Murray Bridge in the electorate of Barker. I can tell you that organisation is doing a fantastic job of coordinating important
health services to rural and regional South Australia, in particular in the Riverland and in the south-east. There was no dissent from the doctors, the nurses, the providers, the other health professionals, the families or the children of families I met on the occasion I was there. They clearly understood that Medicare Locals, like other health infrastructure, are integral and essential to the provision of health services in Australia.

It was very disturbing, and I am sure it is disturbing for all Australians today, to hear the Assistant Minister for Health fudging her answers on commitments that the Prime Minister made to Australians about the future of health funding in this country. I would ask the government to be upfront with the Australian people about what they actually have in store for Australia's health budget and for the provision of health services to Australians, because what we saw today was them running away, backtracking, backflipping and denying what the Prime Minister had promised to Australians. It is a worrying time for Australia when we do not have a commitment to the health budget. (Time expired)

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (15:17): Here we go again with Senator McLucas on the shadow front bench asking questions of Senator Nash about the government's perspective on rural health. Our government will be committed to a strong health workforce, particularly in regional Australia. What the opposition does not actually realise is the election has been held; the questions have been asked and they have been answered by the Australian people. They did not choose the response of those opposite to the issues and challenges that our nation faces over coming years.

The other trick we have to remember is the word 'review' does not equate to cuts. If we are going to govern for all and govern in a way that is appropriate, then we need to ensure that the taxpayers' dollar is spent in a strategic manner. We have also promised to review Medicare Locals, to reconstitute the Australian Building and Construction Commission, and to repeal the carbon tax and the minerals resource rent tax to deal with the escalating net debt position that would see us exceed $300 billion come December—from a position, I might say, of $50 billion in the bank when the opposition came to power only six short years ago.

Just because you do not like it does not mean you should not be supporting it. Those opposite are like teenagers who were throwing a party for a few mates and, thanks to Facebook, it got a little out of control and they ended up trashing the joint. The ALP stands up to face the Australian public day after day, not apologising that they got it wrong, not even saying to the Australian people that they recognise you wanted a different approach, that they did not mean it and that they did not mean for it to get so out of control. The ALP does not even offer to help clean it up. Those opposite need to accept the reality that the situation we are in needs to be rectified. It is not going to be easy. The people have voted and they want someone to clean up the mess.

Our commitment to a strong health workforce is actually going to be supported by a series of programs ensuring the recruitment of medical students from rural areas because research shows that if you are from a rural area then you are more likely to practise your particular specialisation in a rural area. Providing supporting scholarships will deal with the fact that those on the lowest median income do come from regional Australia and so do need additional financial assistance to move to where those medical schools are, mainly in capital cities. Delivering clinical training within rural clinical schools will ensure that all young medical professionals experience the great spectrum of medical training that is available by
practising in the regions. You do not just have a narrow curriculum or a narrow section of patients. Being a rural GP or a rural specialist, you get to do everything in a day from setting a leg and prescribing painkillers to dealing with mental health issues, adolescent health issues and working with the aged. It is a quite diverse and exciting place in which to practise your medical specialties.

All governments, universities and hospitals contribute to the costs of supporting clinical training of health students. The Commonwealth provides funding for training through support of universities, public hospitals, the rural clinical schools and other workforce programs, so it is an absolute misrepresentation for Labor to stand there in opposition, not accepting the reality of the election, and claim that the government is not committed to ensuring a satisfactory workforce, particularly in regional areas, when it comes to rural health provision. We are actually interested in outcomes. If we can see an inefficient program, through a review, that is not delivering health outcomes on the ground in regional Australia, then would not the smart thing—the prudent thing, the right thing to do—be to say let us take that money and put it where it will make a difference to the health outcomes for regional Australians? That is what we are interested in: actual outcome.

The government is carefully considering proposals before committing additional funding in the interests of efficiency and effectiveness. This is especially important given that the former Labor government left behind a massive debt—the debt they do not want to talk about. We will continue to invest in a range of programs to meet the very real health service provision needs of regional Australia. If you do not want to help clean up the mess, that is fine—don’t. Just get out of the way so we can.

Senator O’NEILL (New South Wales) (15:22): I too would like to take note of the disturbing bits of information that dribbled out of the Assistant Minister for Health’s resistant response to questions today about cuts to health and threats to the health and wellbeing of the community, particularly in regions such as the one I live in.

The coalition has already outdone itself on broken promises in three weeks here in the parliament. It has broken its ironclad commitment to quarantine health care from cuts. It is broken. They have broken it already on a number of occasions. This is from a Prime Minister and a minister who told the Australian people that they were going to be a government of grownups. They are pretty stingy grownups, from what we have seen so far—and ones who do not care about the health outcomes of ordinary people in communities like the one that I come from, the Central Coast. This is from a Prime Minister who told the people of Australia that they would be a ‘no surprises’ government. It would have been better to say, ‘We’ll be a “no delivery” government.’ Surprise, surprise. The Liberal Party have not kept their promise and I fear that things are going to get worse and worse.

Senator Nash revealed on Wednesday that the government has moved to cut $1.6 million in funding to an important healthcare advisory body—the Alcohol and Other Drugs Council. When I look around me I do not see fewer and more easily-resolved drug and alcohol issues. How can it be that this august body can be so summarily dismissed—after a promise that there would be no cuts under ‘the government I lead’? The government broke this promise despite its reassurance to the department that their funding would be secure until July 2015. This government has turned its back on the real victims of drug abuse in this country, and that
is every family, every worker, every person who loves and cares for somebody who finds themselves caught up in the issues and problems that drugs and alcohol can present.

When called to the benches of power, the coalition has shown nothing more than ignorance about health care, ignorance about the effects of drugs and alcohol in this country and ignorance and dismissal of its own election promises. Senator Nash has thrown out a valuable healthcare body, and this move effectively erases decades of corporate knowledge. Those are not my words but the words of the former Liberal MP, the board's former president, the very honourable Dr Mal Washer—a man universally respected across the aisles of this place and a man known as the 'doctor of the parliament'. He is a man who even helped me out on one occasion when the air conditioning got to be a bit too much for my very gentle eyes. A great man. This is the man the government refuses to receive health advice from. But this is not the end of the hypocrisy of those opposite. The government has indicated, and the senator has restated today, that there are a number of other programs it wishes to review. Indeed, she said today that they are assessing all of the government programs.

In making the case for cutting the Alcohol and Other Drugs Council the minister tried to distance herself by saying, 'This body was Labor waste.' If the minister had any appreciation of the facts about this body she would know that it has existed since the days of Prime Minister Menzies. Since 1966 the council has been advising successive governments on drugs and alcohol, and I do not see the problem going away. For the first time in nearly five decades, it will no longer be able to do its important job.

And there is more we should be concerned about. What other bodies does the senator have on the chopping block? She certainly did not want to say today. Everything we heard from Senator Nash confirms that the health community should be very worried. And when health professionals in my community tell me they are concerned about more cuts coming down the line, I have to be concerned for the people on the Central Coast and in the electorates that I represent in this place—and I am concerned. We had the confirmation—organisations under review. We have had the claims repeated today.

Medicare Locals could be under serious threat. Let us not forget that Minister Dutton made some comments that he was going to cut them. It is a fallback position to say 'we are going to review them.' On the Central Coast this wonderful agency is delivering absolutely vital primary healthcare services to people in ways that were never, ever offered before: a mobile X-ray machine that goes to people in aged-care facilities; diabetes care; children's care; food programs; Partners in Recovery, building connections around people suffering from mental illness; and so much more. All of that is to be cut by a government going back on its promises. (Time expired)

Question agreed to.

Forestry

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:27): I move:

That the Senate take note of the answer given by the Minister for Employment (Senator Abetz) to a question without notice asked by Senator Milne today relating to the Tasmanian Forests Intergovernmental Agreement.

We heard some weasel words a little while ago, and I still do not have a straight answer to the question I asked: Has the Abbott government made a formal decision to repudiate the
Tasmanian intergovernmental agreement, and have you made a decision to repudiate the boundaries of the Tasmanian Wilderness World Heritage Area? What I got from Senator Abetz was a shouting match about the policy that went to the election. Part of that policy was to seek to repudiate the World Heritage area and a statement, 'We have a duty to represent the truth to the World Heritage Commission'—and it is 'committee' not 'commission'—'and we intend to do so.' That is not an answer to the question, 'Has the Abbott government decided to repudiate the intergovernmental agreement and has the Abbott government decided to repudiate the boundaries?' What we now have is a fair amount of game-playing going on with the government in relation to that Tasmanian intergovernmental agreement, and I can tell you that people in Tasmania are not going to appreciate the mess that they are now being left with, because there is no clarity. I am interested that when I asked the Minister representing the Minister for the Environment it was Senator Abetz who chose to answer for the government, suggesting to me: is it the Prime Minister running the policy on this or is it Senator Abetz? That is the answer people want to know, because we have an intergovernmental agreement signed by the federal government and the Tasmanian government. Money was meant to be set aside to be delivered. We have now had $7.2 million delivered, as was required, but there is no commitment as yet to further funding or to upholding the intergovernmental agreement, and Senator Abetz has said that he, or somebody, is going to inform the World Heritage Committee of what the Liberal Party policy is. That is not an answer to the question of whether or not it stands.

This is where Prime Minister Abbott now has to come out and make a very clear statement, because in Tasmania people assume that the money being allocated for the intergovernmental agreement for this year signals that the agreement stands. People will also be making an assumption that the acknowledgement that that stands means that the World Heritage area, with the minor boundary modification passed this year at the World Heritage Committee meeting in Cambodia, also stands. What is at risk here is Tasmania's global reputation, because all that will happen if you fiddle with the boundaries and try to tear them down is that the World Heritage Committee will declare the Tasmanian Wilderness World Heritage Area to be World Heritage in danger. That will destroy jobs in the tourism industry and undermine Tasmania's brand as clean, green and clever. It would threaten the jobs of the very people who Prime Minister Abbott and Senator Abetz would say they want to help, because the forest industry in Tasmania is saying, 'Don't tear down the World Heritage area,' because they know as well as anyone that what will happen as a result of that is that the chances of ever getting jobs in the forest industry and markets overseas would be torn asunder and Tasmania would be driven back into the forest wars that went on for a long time to the detriment of the state.

It is in nobody's best interests for Senator Eric Abetz's views to be put forward as the views of the Abbott government, but that is what is going to happen as of today unless Prime Minister Abbott comes out and makes clear what the situation is. So I put it very strongly to the Prime Minister: Prime Minister Abbott, do you support the World Heritage boundaries as they were agreed at the meeting in Cambodia this year—yes or no? Are we going to stop this nonsense of Senator Abetz suggesting that he is going to write and suggest that they be torn down? Secondly, are we going to see the intergovernmental agreement and the money honoured, or is this a one-off payment for this year that is then over? They are the questions that Tasmanians now deserve an answer to, because there is going to be gross confusion now as to where the Abbott government stands on this. Putting Tasmania at risk with a 'World
Heritage in danger' listing threatens jobs in a state where we are already struggling and we need to make sure we create many more jobs. That can be done if we secure the World Heritage area and the money for the management of the reserves. That is what was agreed, and that is what must be delivered by the federal government. No-one is going to rest easy until the Prime Minister says whether it is he or Senator Eric Abetz who is running this. Is the future at hand here, or is it just a belligerent policy based on bad behaviour such as we have seen from Senator Abetz in the past? *(Time expired)*

Question agreed to.

**MATTERS OF PUBLIC IMPORTANCE**

**Asylum Seekers**

The DEPUTY PRESIDENT (15:33): I inform the Senate that the matter of public importance proposed by Senator Bernardi has been withdrawn.

**DOCUMENTS**

**National Broadband Network**

**Trans-Pacific Partnership Agreement**

**Order for the Production of Documents**

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:34): I table a document relating to the order for the production of documents concerning the National Broadband Network, and I table a document relating to the proposed order for the production of documents concerning the Trans-Pacific Partnership plurilateral free trade agreement.

**BUDGET**

**Consideration by Estimates Committees**

Senator KROGER (Victoria—Chief Government Whip) (15:34): I present additional information received by the Community Affairs Legislation Committee relating to estimates.

**DOCUMENTS**

**Tabling**

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the *Journals of the Senate* and on the Dynamic Red.

*Details of the documents also appear at the end of today’s Hansard.*

**COMMITTEES**

**Membership**

The DEPUTY PRESIDENT (15:34): The President has received letters from a party leader nominating senators to be members of committees.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:35): by leave—I move: That senators be appointed to committees as follows:

**Corporations and Financial Services—Joint Statutory Committee—**

Appointed—Senator Madigan
Electoral Matters—Joint Standing Committee—

National Capital and External Territories—Joint Standing Committee—
Appointed—Senator Kroger

Northern Australia—Joint Select Committee—
Appointed—
Senators Boyce and Eggleston

Public Works—Joint Statutory Committee—
Appointed—Senator Boyce.
Question agreed to.

MOTIONS

Advisory Council on Australian Archives

The DEPUTY PRESIDENT (15:35): The President has received a letter from a party leader nominating a senator to be a member of the Advisory Council on Australian Archives.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:35): by leave—I move:

That, in accordance with the provisions of the Archives Act 1983, the Senate elect Senator Faulkner to be a member of the Advisory Council on Australian Archives for a period of 3 years, on and from today.

Question agreed to.

COMMITTEES

Joint Select Committee on Northern Australia

Electoral Matters Committee

Appointment

The DEPUTY PRESIDENT (15:36): The President has received messages from the House of Representatives informing the Senate that the House has agreed to the amendments varying the resolutions of appointment of the Joint Select Committee on Northern Australia and the Joint Standing Committee on Electoral Matters.

COMMITTEES

Membership

Message received from the House of Representatives notifying the Senate of the appointment of members to joint committees.
The House of Representatives message read as follows—

Message no. 42, dated 5 December 2013—

Australian Commission for Law Enforcement Integrity—Joint Statutory Committee—Mr Hayes, Mr Matheson, Mr Porter, Mr Wood and Mr Zappia.

Broadcasting of Parliamentary Proceedings—Joint Statutory Committee—Ms Bird, Mr Coulton, Mr Griffin, Ms Henderson and Mr Tehan.

Corporations and Financial Services—Joint Statutory Committee—Mr Coleman, Ms Owens, Mr Smith, Mr Sukkar and Mr Watts.

Human Rights—Joint Statutory Committee—Mr Ferguson, Dr Gillespie, Mr Laming, Ms Rowland and Mr Wyatt.

Law Enforcement—Joint Statutory Committee—Mrs Elliot, Mr Matheson, Ms Vanvakinou, Mr van Manen and Mr Wood.

Public Accounts and Audit—Joint Statutory Committee—Ms Brodtmann, Ms LM Chesters, Mr Conroy, Mr CA Laundy, Mr Smith, Dr Southcott, Dr Stone, Mr Sukkar, Mr Taylor and Mr Watts.

Public Works—Joint Statutory Committee—Mrs KL Andrews, Ms Claydon, Mr Goodenough, Mr Perrett, Ms Ryan and Dr Southcott.

Electoral Matters—Joint Standing Committee—Mr Goodenough, Mr Gray, Mr Griffin, Mr Hawke and Mr Smith.

Foreign Affairs, Defence and Trade—Joint Standing Committee—Mr Champion, Mr Danby, Mr Feeney, Mr Ferguson, Ms Gambaro, Mr Griffin, Mr Hawke, Dr Jensen, Mr ET Jones, Mr Kelly, Mr Marles, Mr Nikolic, Ms Plibersek, Mr Randall, Mr Wyatt Roy, Mr Ruddock, Mr BC Scott, Mr Simpkins, Dr Stone and Ms Vanvakinou.

Migration—Joint Standing Committee—Mr CA Laundy, Mr Kelly, Mrs Markus, Mr Thistlethwaite, Ms Vanvakinou and Mr Zappia.

National Capital and External Territories—Joint Standing Committee—Ms Brodtmann, Mrs Griggs, Mr BC Scott, Mr Simpkins, Mr Snowdon and Mr Vasta.

National Disability Insurance Scheme—Joint Standing Committee—Mr Brough, Dr Gillespie, Ms Hall, Ms Macklin, Ms Rishworth and Mr Wyatt Roy.

Parliamentary Library—Joint Standing Committee—Mr Broadbent, Ms Brodtmann, Mr Danby, Ms Hall, Mr Irons, Mr Taylor and Mr Wilson.

Treaties—Joint Standing Committee—Mr Broad, Dr Jensen, Ms Parke, Mrs Prentice, Mr Wyatt Roy, Dr Stone, Mr Thomson, Mr Watts and Mr Whiteley.

Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples—Joint Select Committee—Mr SP Jones, Mr Neumann, Mr Porter and Mr Wyatt.

**BILLS**

**Offshore Petroleum and Greenhouse Gas Storage Amendment (Cash Bidding) Bill 2013**

**Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2013**

First Reading

Bills received from the House of Representatives.
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:37): I move:
That these bills may proceed without formalities, may be taken together and be now read a first time.
Question agreed to.
Bills read a first time.

Second Reading

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:37): I move:
That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.
Leave granted.
The speeches read as follows—

OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE AMENDMENT (CASH BIDDING) BILL 2013

Australia’s exploration and mining success is underpinned by its:
• highly prospective geology,
• quality pre-competitive geoscience data,
• a stable investment environment, and
• established regulatory frameworks.

Each year the Australian government releases offshore exploration acreage for competitive bidding by prospective explorers. Release areas are accompanied by an extensive package of pre-competitive geoscience data—this information is prepared by Australia’s national geoscience agency, Geoscience Australia.

The areas released are selected to offer the global petroleum exploration industry a variety of investment opportunities.

This regular release of acreage provides Australia with a ‘pipeline’ of exploration investment opportunities—an essential component of ensuring Australia retains its attractiveness as a premier investment destination for the oil and gas industry.

Currently, Australia’s offshore petroleum acreage is allocated through a competitive work bidding system—essentially a tender system. Under this system the right to explore is awarded to those who will undertake the most comprehensive program of exploration work.

This system has served and will continue to serve Australia’s interests for frontier areas and basins where the geology is less understood.

While the act already provides the authority for offshore petroleum exploration permits to be offered using a cash-bidding system, changes were required to optimise its use.

From 2014 cash bidding will be used for those areas that are mature in exploration terms, or are known to contain petroleum accumulations.

Cash bidding in these areas is intended to prevent over-exploration where none or little may be required. It also supports the government’s policy of enabling the earliest commercialisation of our resources.
By introducing cash bidding, the government will ensure that the Australian community receives an up-front share of the economic benefit derived from having the exclusive right to explore for petroleum in Australia's offshore areas.

Offshore petroleum exploration permits do not, of themselves, authorise petroleum exploration activities. Rather an exploration permit grants the titleholder the exclusive right, in the area for which the permit is granted, to apply for permission to undertake exploration activities that are judged by environmental and other regulators, to comply with the law.

An extensive review of the cash bidding process, and consideration of preferred options, identified several opportunities to improve the current legislation.

To this end the bill implements a number of important measures that are aimed at improving efficiency of the allocation and the integrity of administrative processes, including:

- Enabling a reserve price to be set in advance of bids being received. This will ensure the government does not sell the right to explore below its value and secures an appropriate and adequate return to the Australian community.
- Requiring pre-qualification of bidders to ensure that potential explorers have the requisite technical and financial capacity to undertake exploration in an offshore area.
- Encouraging serious and genuine bidding through the requirement to pay a 10 per cent deposit when a cash bid is placed. This deposit is forfeited if the offer of a permit is subsequently refused.
- Specifying a non-discretionary tie-breaker mechanism which comes into effect in the event that two or more cash bids are equal.

Once fully implemented, these necessary key features will optimise the existing cash-bidding system provided for in the act. They will create a more streamlined and efficient allocation of exploration permits, which is consistent with the government's commitment to ensuring Australia is an attractive investment destination.

I note that the opposition has previously supported the introduction of cash bidding to encourage more efficient allocation of Australia’s offshore resources. This bill is central to achieving that objective.

OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE (REGULATORY LEVIES) AMENDMENT BILL 2013

As the Australian government has announced that it will proceed with the inclusion of cash bidding in the 2014 offshore exploration acreage release.

This additional method of exploration permit allocation in mature areas or those known to contain petroleum accumulations is intended to prevent over-exploration where none or little may be required, and ensure that the release of these areas continues to be equitable, economic and efficient.

While use of cash bidding is already available in the Offshore Petroleum and Greenhouse Gas Storage Act 2006, I have introduced some amendments which will allow optimisation of the cash bidding system.

The National Offshore Petroleum Titles Administrator performs an important function in Australia’s offshore petroleum regulatory regime.

The agency does this by assisting and advising the joint authority—and myself as the responsible Commonwealth minister—on the award of titles as well as managing the ongoing titles administration function including keeping registers of titles and data and information management.
This bill consequently amends the Offshore Petroleum and Greenhouse Gas Storage Act (Regulatory Levies) 2003 to allow the National Offshore Petroleum Titles Administrator to cost recover for its annual titles administration activities in relation to cash-bid petroleum exploration permits.

I commend this bill to the House.

Debate adjourned.

National Health Amendment (Simplified Price Disclosure) Bill 2013

First Reading

Bill received from the House of Representatives.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:38): I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:38): I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

NATIONAL HEALTH AMENDMENT (SIMPLIFIED PRICE DISCLOSURE) BILL 2013

The National Health Amendment (Simplified Price Disclosure) Bill 2013 will amend the National Health Act 1953 to improve the operation of the Pharmaceutical Benefits Scheme (PBS) and deliver better value for money for all Australians.

The PBS is a major government investment in the health of Australians. It is currently costing about $9 billion per year. With annualised growth expected to be between four and five per cent over the longer term, it is a sustainable and world-envied model.

The Simplified Price Disclosure measure was announced by the former government as part of its economic statement in August 2013. It will deliver savings to the budget of $835 million commencing 1 October 2014 and these savings are already factored into the forward estimates for the PBS and Repatriation Pharmaceutical Benefits Scheme (RPBS).

Price disclosure was originally introduced as part of the Howard government reforms to PBS pricing policy in 2007 and is a routine part of maintaining PBS listings for medicines subject to competition. It was a farsighted reform that placed the PBS on a sustainable footing.

The objective of the policy is to ensure that the price at which the government subsidises multiple-brand medicines reflects more closely the prices in the market.

However, the current arrangements are complex and the time taken to achieve price reductions is too long.

At present, cycles take at least 18 months to complete. This means the government can be paying higher than market prices for at least 18 months.
The complexity in the current arrangements comes from there being three cycles—one 'main' cycle and two supplementary cycles. This results in additional and irregular periods for data collection, and inconsistent periods between price reductions.

This government wants to partner with business to pursue the efficient delivery of health outcomes. We are committed to reducing the effect that regulatory burden has on the time and cost of doing business.

The changes in this bill provide a simpler and more uniform approach to PBS price disclosure. New arrangements will mean less frequent reporting of data batches for irregular periods for drugs new to price disclosure than under the old three-cycle arrangement.

These efficiency gains are a step in the right direction in reducing administrative and compliance costs.

**Price disclosure amendments**

The amendments in the bill will streamline the operation of the current price disclosure arrangements. All medicines would be merged into one ongoing cycle rather than having several different cycles over the year.

The changes would also allow price reductions to occur sooner, and more frequently, after medicines become subject to market competition. This would be achieved by reducing the length of each price disclosure cycle.

**Operation of price disclosure**

Under price disclosure, drug companies are required to report their data on sales to wholesalers, pharmacists and other suppliers as part of their listing. The sales data are used to calculate the weighted average price at which PBS brands are actually being sold in the market place. The weighted average sale price is then compared to the PBS price to determine whether a price reduction will apply.

The PBS price is reduced only if the weighted average sale price is at least 10 per cent lower than the price the government uses to reimburse pharmacists and other suppliers.

Price disclosure is a free market solution which brings market forces and discounting practices to bear in a way that would not otherwise occur for subsidised prices. Over time, PBS prices are reduced in line with average market prices, not down to the lowest price, leaving room for further discounting. At the same time it protects low volume, high need medicines when there is little competition in the market. This reduces the risk of essential drugs being withdrawn from the Australian market.

This approach ensures that PBS prices allow companies, including generic suppliers, to compete in the market at fair and competitive prices and avoids threatening continuity of supply.

**Simplified Price Disclosure**

Simplified Price Disclosure is intended to streamline the operation of the pricing policy and adjust prices more quickly.

Firstly, the length of each cycle would be reduced from 18 months to 12 months. Cycles would have a data collection period of only six months, followed by the usual six months for calculating and publishing the new prices, and any dispute resolution. This would ensure the savings are realised as early as possible.

Secondly, three cycles would be merged into one cycle and the number of price disclosure-related price reduction days each year would be reduced from three to two. The first price reduction day would be 1 October 2014.

Simplified Price Disclosure will make medicines cheaper not only for government, but also for consumers. Price cuts, such as the almost $16 per prescription already achieved for simvastatin [simvA-stat-in—for high cholesterol] will benefit consumers six months earlier, year on year.
Transitional

Under the new arrangements, the majority of medicines would move into the new October 2014 price reduction cycle. For a small number of medicines, there are provisions that would allow their current cycle to continue to completion under the current rules.

Amendments to regulations would also be made to support the transition to the new arrangements, ensuring companies are clear how their brands fit into the new cycles.

Savings

The $835 million associated with the changes is already factored into the budget. Unfortunately, the current fiscal situation means we need to proceed with this change, which was made by the former government with limited consultation with those affected.

I should note that Simplified Price Disclosure is not designed to increase the magnitude of reductions to PBS prices. Rather, it is about applying price reductions sooner after a drug becomes subject to market competition, and more frequently, so the PBS price follows market prices more closely.

Stakeholder groups and agreements

As I mentioned at the outset, the government is supportive of price disclosure arrangements and was responsible for their original architecture in 2007. We recognise that it evolves over time.

The difficulty with these amendments is not the content but the manner in which they were conceived and announced by the former government.

The former government announced these changes on the second of August, only hours before the start of the caretaker period and without consultation.

The Pharmacy Guild had a formal agreement with the previous government through the Fifth Community Pharmacy Agreement. Medicines Australia had an agreement through their memorandum of understanding. Neither of these parties was consulted in any way about these changes despite their agreements.

Because there was no opportunity for negotiation or discussion, pharmacies in particular were not able to factor these changes into their business plans for the future.

These measures were not introduced by the previous government as part of the orderly incremental improvement of the PBS but as a desperate last minute attempt to raise revenue after six years of waste and mismanagement.

I understand that pharmacists are concerned about the effect on their income and, in some cases, the long-term viability of their pharmacies. They contend that they rely on the income achieved from discounts from drug companies to fund other professional services and meet overheads.

Likewise, the National Pharmaceutical Services Association has claimed that pharmaceutical wholesalers and community services obligation distributors will be affected by the change. Manufacturers of generic medicines have also expressed their concerns.

Unfortunately, where in 2007 Labor inherited a $20 billion dollar surplus, we have inherited a projected $30 billion deficit and climbing. While this government would have handled the approach and delivery of this policy in a very different manner, in this fiscal environment we must proceed with the changes.

The government is determined to champion the viability of companies along the entire PBS supply chain. We want to ensure that pharmacies prosper and pharmacists can provide professional services in a predictable business environment.

Industry cooperation and acknowledgement

Implementation of these legislative changes will again draw on the commitment shown by the pharmaceutical industry to work with government to improve the operation of PBS.
Consultation on the details of the changes will occur with pharmacy and industry bodies in the implementation of the new Simplified Price Disclosure arrangements.

**Conclusion**

In summary, this bill proposes amendments to the *National Health Act* to improve the operation of the PBS.

Simplified Price Disclosure builds on the pricing policy introduced originally by the Howard government over six years ago. The new arrangement will result in a reduction in administrative burden for industry. It will benefit consumers via earlier access to cheaper medicines, and taxpayers via reduced PBS expenditure.

This is not the way this government wants to approach the delivery of policy changes. However, we should be mindful that the new arrangements are intended to allow PBS prices to be adjusted to market prices more quickly rather than to increase the size of the price reductions.

This government is committed to sound financial management of the PBS. These savings will assist the listing of new and innovative high-cost medicines on the PBS.

The **DEPUTY PRESIDENT**: In accordance with standing order 111, further consideration of this bill is now adjourned until 9 December 2013.

Debate adjourned.

**Rural Research and Development Legislation Amendment Bill 2013**

**Primary Industries (Excise) Levies Amendment Bill 2013**

**Primary Industries (Customs) Charges Amendment Bill 2013**

**First Reading**

Bills received from the House of Representatives.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:39): I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

**Second Reading**

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:39): I move:

That these bills be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

*The speeches read as follows—*

RURAL RESEARCH AND DEVELOPMENT LEGISLATION AMENDMENT BILL 2013

Productive and prosperous rural industries are a pillar of the Australian economy and a key part of our national identity. Continuous innovation, underpinned by research, is essential to maintaining competitive and profitable industries and maintaining the rural communities that depend on them.

To provide research and development services which are vital to keeping primary producers in business, the rural R&D corporations were established under the Primary Industries and Energy
Research and Development Act 1989. Since then they have supported research and development to keep rural industries profitable and sustainable.

Today there are 15 R&D corporations, five statutory and 10 industry-owned, supporting a wide range of rural industries. Through them, producers collectively invest in research, development and extension. Government helps by setting up and collecting a levy if an industry gets together and asks for a levy. After recovering costs, the government pays the levy funds to the relevant corporation. To encourage producers to invest in their own productivity, the government matches the corporation’s eligible R&D spending up to legislated limits.

The research and development corporation partnership of government and industry has stood the test of time but improvements can be made. With a changing environment, improvements need to be made. This bill will enhance the existing R&D Corporation model to provide better services and ensure that the model works for primary producers into the future.

**Australia’s success in agriculture is built on research and development.**

In the early days, our industries innovated by necessity. Early pioneers brought crop varieties to Australia that were developed for the European climate and soils. Most of these performed poorly in Australian conditions. They had to be adapted.

In the late 1800’s, Farrer led the revolution to breed varieties for the Australian climate which transformed our wheat industry. At the same time, Richard and Clarence Smith developed the stump jump plough to deal with the tough Australian soils and resilient mallee scrub.

By the 1970s our research and development expanded from productivity-focused innovations to include innovations to meet the needs of the consumer. This was epitomised by the development of the Pink Lady apple by John Cripps from Western Australia.

More recently we have made major innovations in electronics and computerisation, with advances like robotic dairies and satellite technology, keeping farmers at the cutting edge.

And for the future, the prospects are very exciting. Research and development is providing advances in precision farming to minimise soil disturbance and compaction, and cut chemical and fertiliser use to what plants actually need. We are seeing the potential to use drones to manage weeds and pests. We are breeding plants and animals to develop taste attributes that markets require, and to tackle specific health issues, such as overcoming the increasing emergence of allergies.

The national interest demands a healthy agricultural sector. Rural industries are engaged with, and firmly support, our R&D corporation model. This model is the envy of other agricultural nations. It has a strong track record. Over recent decades Australian rural productivity has increased at twice the rate of other Australian industries, and rural R&D has been a major contributor to this. In the absence of productivity growth over the last 60 years, it has been estimated that the gross value of production of the Australian agricultural sector would be approximately $12 billion per annum, rather than the current more than $40 billion.

**Research, development and extension have a fundamental role in preparing Australian rural industries for the future.**

There are many challenges facing our rural industries. These include the effect of the high Australian dollar, a variable climate and strong competition in the global market place. There are big opportunities too, such as a growing world population to feed and increasing demand for our agricultural exports, especially in Asia. Australia has a strong capacity to produce food that is tailored to the needs of new markets.

While our system for research and development is world class we cannot be complacent. The R&D corporation model must be updated to help producers make the most of opportunities and meet challenges as they arise. This, in turn, will help reinforce our food security and keep agriculture profitable and sustainable.
In 2011, the Productivity Commission and the Rural Research and Development Council reported on the rural research, development and extension system in Australia. Both the Productivity Commission and the council acknowledged the strong foundations of the existing system. Both recommended improvements to the system.

Ten consultation meetings were held in Sydney, Melbourne, Perth, Adelaide, Brisbane and Canberra for industry and other stakeholders to give feedback on the recommendations. Since then there has been ongoing consultation with the R&D corporations and industry, including an opportunity for corporations and industry representative bodies to comment on an exposure draft of all three bills.

This bill and its companion bills, the Primary Industries (Excise) Levies Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013, will commence concurrently.

Marketing activities

Nine of the industry-owned R&D corporations can already carry out collective marketing services for the benefit of their industry. This bill will give the five statutory R&D corporations the same ability to provide marketing services, provided that producers propose a marketing levy, there is demonstrated industry support and the government agrees to collect it. Marketing services will not attract government matching funding, which is only for research, development and extension services.

Some industries are keen to allow statutory R&D corporations to undertake marketing to promote their produce. The prawn industry has already started discussions in the sector about the potential benefits of a marketing levy. There are well-established, clear and transparent processes to guide industry bodies through the consensus-building steps needed for a levy proposal.

Enabling statutory R&D corporations to carry out collective marketing will allow primary industries to tell consumers about their products’ safety, nutritional and other production values.

Matching voluntary contributions

Primary producers and the government know that our R&D model is sound, creating a healthy return for the investment made. As a result, some businesses in the rural sector are willing, and able, to make extra, voluntary payments to the R&D corporations.

Currently some corporations receive government matching funding for voluntary contributions to R&D. The bill will make the model fairer by allowing the extension of this arrangement to all the R&D corporations. Overall matching funding will still be limited by a cap based on each industry’s gross value of production. This change may allow the corporations to maximise the R&D they fund by strategically using voluntary contributions to top up R&D spending. Matching voluntary contributions for R&D may also encourage supply chain partners to work with an industry on issues of common interest.

Funding agreements

Funding agreements were brought in by the then Minister, the Hon. John Anderson in 1998, and have been used since to agree governance and performance matters with the industry-owned R&D corporations. This bill extends funding agreements to the Commonwealth’s relationship with the statutory R&D corporations. Funding agreements will create a flexible mechanism, which can be easily altered if the needs of the parties change.

Funding agreements will be used to drive transparency and accountability. The agreements will be tabled in Parliament and contain requirements relating to corporate governance and performance. These agreements will also allow the government to provide guidance to the corporations regarding the research priorities and needs of the broader Australian agricultural community. The bill allows until 1 July 2015 for the statutory R&D corporations and government to enter into funding agreements.
Appointment process for statutory R&D corporation boards

Current procedures for appointing directors to statutory R&D corporation boards have proved expensive and time-consuming, diverting resources from the corporations' core function – providing R&D for their industries. Amendments in the bill will streamline the selection process. Selection committees will be limited to five members and the committee itself will be established for up to three years. This is designed to cut the cost of establishing a new committee for each selection process. In addition, the selection committee will create a 'reserve list' of suitable candidates that the minister can use to fill unplanned board vacancies for 12 months. If a candidate with the necessary skills is not available from the list, the process must begin again.

The presiding member must have regard to equity and diversity when recommending members for the selection committee of a statutory R&D corporation. Similarly, the selection committee must do the same when recommending candidates for the board of a statutory R&D corporation. Diversity of skills and background can broaden and enhance the board's skill base to ensure an effective statutory R&D corporation board.

Fisheries research and development

The Fisheries R&D Corporation receives most of its funding through the Commonwealth, state and territory governments. The farmed prawn industry is the only individual fishery with a statutory R&D levy.

The bill creates a new class of fisheries R&D levy that can be matched by the government without having to form part of a jurisdiction's contribution. If a fisheries industry requests a new statutory levy, the amendments will allow the levy to be collected and matched by the government up to a cap specific to that fisheries sector.

Each separately levied fishery will be subject to existing eligibility rules for matching funding. In effect, the fisheries sectors which so choose, will be able to invest in specific R&D and marketing by proposing a levy for that purpose.

Minor amendments

To cut red tape, this bill provides that statutory R&D corporations will no longer have to seek ministerial approval for their annual operating plans. This has become a burden for both the corporations and the government. The minister will oversee each corporation's strategy rather than its day-to-day management. Annual operating plans will still be required, but ministerial approval will not.

Minor amendments will remove redundant parts of the legislation. For example, energy is no longer part of the agriculture portfolio, so all references to 'energy' will be removed from the act. References in the act to R&D councils and R&D funds are out-of-date and will be removed, making the act easier to understand and administer.

Other minor amendments encourage equal and consistent treatment of R&D Corporations, including standardising requirements to comply with ministerial directions and standardising delegation powers. 'Scientific and technical capacity building' will be added to the objects of the act.

Conclusion

The changes in this bill will make R&D corporations more adaptable and better able to deal with the new realities faced by Australian primary producers. The way R&D corporations are run will be streamlined, promoting certainty and consistency for levy-payers and other stakeholders. We will keep a strong focus on transparency, effectiveness and accountability to producers and the government.
with the other bills in the package, the Rural Research and Development Legislation Amendment Bill 2013 and the Primary Industries (Customs) Charges Amendment Bill 2013.

The Australian agriculture, fisheries and forestry industries have asked government to impose levies to allow producers to collaboratively fund essential industry services. These include conducting research and development, extension and in some cases marketing, through the 15 R&D corporations. Levy rates are set in regulations, but cannot exceed a maximum rate that is set in the Primary Industries (Excise) Levies Act 1999.

This bill removes maximum research, development and marketing levy rates from the act. The bill provides that the effective levy rates, set by regulations, must be the subject of a recommendation from relevant industry bodies, who must in turn consult with levy-payers. The bill provides that the regulations will not be able to set a levy rate higher than the highest rate recommended by industry. This will safeguard against arbitrary levy increases by government.

New consultation requirements in the bill provide greater detail and consistency regarding who must be consulted when setting rates, and how to consult levy-payers if there is no declared representative body.

If an industry wishes to increase a levy rate above the legislated maximum, in response to a changing market or seasonal conditions, it can be a time consuming and costly process. The amendments will allow producers to respond more quickly to changing needs or conditions, by cutting the time between a rate increase proposal and the change coming into effect. Removing the need to amend the Act will reduce this red tape and streamline the process.

In 2011 the Productivity Commission recommended the removal of maximum levy rates following a review of the R&D corporation model. Industry representative bodies, other stakeholders and the R&D corporations were consulted on the changes during and after the review. There is broad support for the removal of maximum rates.

**Conclusion**

This bill encourages primary industries to control their investment in R&D, extension and marketing. The levy setting process will be easier and more responsive to industry needs. Robust consultation and consensus requirements ensure that levy setting remains in the hands of industry itself.

**PRIMARY INDUSTRIES (CUSTOMS) CHARGES AMENDMENT BILL 2013**

This bill is part of a package of bills, referred to in the previous second reading speech. It will commence concurrently with the Rural Research and Development Legislation Amendment Bill 2013 and the Primary Industries (Excise) Levies Amendment Bill 2013.

Like the Primary Industries (Excise) Levies Amendment Bill 2013, this bill removes maximum research, development and marketing charge rates from the Primary Industries (Customs) Charges Act 1999. The act imposes charges on agricultural commodities for export or import, whereas the Primary Industries (Excise) Levies Act 1999 imposes levies on agricultural commodities sold domestically.

The bill provides that relevant industry bodies must, in consultation with charge payers, recommend the charge rates to be set by the regulations. The bill provides that the regulations will not be able to set a charge rate exceeding the highest rate recommended by industry. This will safeguard charge payers against arbitrary charge increases by government.

Debate adjourned.
Customs Amendment (Anti-Dumping Commission Transfer) Bill 2013
Social Services and Other Legislation Amendment Bill 2013
Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013

First Reading

Bills received from the House of Representatives.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:40): I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:
That these bills may proceed without formalities, may be taken together and be now read a first time.
Question agreed to.
Bills read a first time.

Second Reading

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:41): I present the revised explanatory memoranda relating to the Social Services and Other Legislation Amendment Bill 2013 and I move:
That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.
Leave granted.
The speeches read as follows—

CUSTOMS AMENDMENT (ANTI-DUMPING COMMISSION TRANSFER) BILL 2013

This is a government that strongly supports genuine free and fair trade and an open and dynamic market economy. An effective trade remedies regime is integral to a robust international trading system. It is also critical to our broader plan to boost the competitiveness of Australian manufacturing, as outlined in our August 2013 policy statement.

We are not talking about protectionism, but about creating and maintaining a level playing field for Australian industry.

Australia’s current regime for combatting injurious dumping and subsidisation is transparent and complies with our obligations under World Trade Organization agreements. But there is clearly room to improve the efficiency and effectiveness of the system—and that is what we plan to do.

To show we mean business, we are moving responsibility for anti-dumping matters to the industry portfolio. This will allow those considering requests for anti-dumping action to benefit from the considerable experience and knowledge held across the industry portfolio. It will also free up the Australian Customs and Border Protection Service to concentrate on other matters of importance to this government.

Processes have already been put in place to ensure that I, as Minister for Industry, have the power to make decisions on anti-dumping matters. However, under current Customs legislation, the administrator of Australia’s anti-dumping system—the Anti-Dumping Commission—remains part of the Australian Customs and Border Protection Service.
This bill contains the changes to Customs and other legislation needed to separate the Anti-Dumping Commission from the Australian Customs and Border Protection Service. This will allow the commission to transfer to the Department of Industry, where it will be better placed.

Speedy passage of this legislation will ensure that the transfer of the anti-dumping function to the industry portfolio is completed as soon as possible.

The transfer of anti-dumping to the industry portfolio is only the first step in our plan to strengthen Australia’s anti-dumping system. We are committed to further improvements to the system that will boost the competitiveness of Australia’s manufacturing sector, enabling it to better perform its critical role in our economy.

SOCIAL SERVICES AND OTHER LEGISLATION AMENDMENT BILL 2013

This bill will implement the first stage of the government’s commitment, foreshadowed during the 2013 election campaign, to adopt a different approach to addressing problem gambling.

The bill will also implement several measures affecting family and parental payments, the closed pension bonus scheme, the rules for receiving certain payments overseas, and certain student entitlements.

**Encouraging responsible gambling**

This government believes in meaningful and measurable support for problem gamblers. Although most people who gamble do so responsibly, gambling is a major problem for some Australians, and effective measures are needed to help these people.

The amendments in this bill represent the government’s first step in reducing bureaucracy and the duplication of functions between the Australian government and state and territory governments in this important area.

The bill will repeal the position and functions of the National Gambling Regulator, along with those provisions relating to the supervisory and gaming machine regulation levies, the automatic teller machine withdrawal limit, dynamic warnings, the trial on mandatory pre commitment, and matters for Productivity Commission review.

The bill will also amend the pre-commitment and gaming machine capability provisions to express clearly the government’s commitment to the development and implementation of these measures in the near future, informed fully by consultations with industry, state and territory governments, and other stakeholders.

**Continuing income management as part of Cape York Welfare Reform**

Cape York Welfare Reform is a partnership between the Australian government, the Queensland government and the Cape York Institute for Policy and Leadership. It aims to restore local Indigenous authority, rebuild social norms, encourage positive behaviours, and improve economic and living conditions in the participating communities of Aurukun, Coen, Hope Vale and Mossman Gorge.

Since Cape York Welfare Reform began in July 2008, the participating communities have seen improvements in school attendance, parental responsibility and restoration of local Indigenous authority.

This bill will continue income management as a key element of Cape York Welfare Reform, as part of a two-year continuation of the initiative until 31 December 2015.

**Family Tax Benefit and eligibility rules**

From 1 January 2014, family tax benefit Part A will be paid to families only up to the end of the calendar year in which their teenager is completing school.
Youth allowance, with its 'learn or earn' provisions that require young people to participate in work, job search, study or training, will continue to be available as the more appropriate payment to help young people transition from school into work or post-secondary study. Exemptions will continue to apply for young people who cannot work or study due to physical, psychiatric, intellectual or learning disability.

**Period of Australian working life residence**

A further measure in the bill will require age pensioners, and other pensioners with unlimited portability, to have been Australian residents for 35 years during their working life (in place of the current 25-year requirement) to receive their full means tested pension if they choose to retire overseas or travel overseas for longer than 26 weeks. Pensioners will also be paid on their own individual working life residence rather than that of their partner or former partner.

The 25-year requirement has been significantly more generous than the pension rules of other OECD countries, which generally require 35 to 45 years of pension contributions to receive a full pension. Australia's social security system differs markedly from the contributory systems that operate overseas in that payments are made from general tax revenue and are based on the concepts of residence and need. Pensioners with less than 35 years' Australian working life residence will be paid at a proportionally reduced rate. This amendment will apply to pensioners who leave Australia on or after 1 January 2014 and to pensions granted under most social security agreements from that date.

Pensioners who are living overseas immediately before 1 January 2014 will continue to be paid under the previous rules unless they return to Australia for longer than 26 weeks and leave again, after which the new rules will apply.

**Interest charge**

The bill will allow for an interest charge to be applied to certain debts incurred by recipients of Austudy payment, fares allowance, youth allowance for full-time students and apprentices, and ABSTUDY living allowance. The interest charge will only be applied where the debtor does not have or is not honouring an acceptable repayment arrangement. Debtors who are already making repayments, or who come to a repayment agreement with the Department of Human Services following implementation of the measure, will not be charged interest.

The rate of the interest charge will be based upon the 90-day bank-accepted bill rate, plus an additional seven per cent, as is currently applied by the Australian Taxation Office for tax debts under the Taxation Administration Act 1953. Over the last four years, this rate has averaged 11.07 per cent, and currently stands at 9.6 per cent.

**Student start-up loans**

From 1 January 2014, the bill replaces the current student start-up scholarship with an income-contingent loan, the student start-up loan. There will be a limit of two loans a year of $1,025 each (indexed from 2017). The loans will be available on a voluntary basis, and will be repayable under similar arrangements to Higher Education Loan Program debts. Students will only be required to begin repaying their start-up loan after their Higher Education Loan Program debt has been repaid.

**Paid parental leave**

To ease administrative burdens on business, the Paid Parental Leave legislation will be amended to remove the requirement for employers to provide government funded parental leave pay to their eligible long-term employees.

From 1 March 2014, employees will be paid directly by the Department of Human Services, unless an employer opts in to provide parental leave pay to its employees and an employee agrees for their employer to pay them.
Pension bonus scheme

From 1 March 2014, the bill will end late registrations for the closed pension bonus scheme. The pension bonus scheme provides a lump sum payment to people who are registered in the scheme and qualified for the age pension, or the equivalent Veterans' Affairs service pension or income support supplement, but who choose to defer their pension and remain in the workforce.

The scheme was closed in 2009, although eligible people who were not registered in the scheme at the time of its closure have still been able to backdate their registration in the scheme if they qualified for the relevant pension before 20 September 2009, but have deferred its receipt and kept working. The work bonus was introduced in 2009 as a different approach to encouraging older Australians to continue working.

Ending late registrations for the pension bonus scheme will simplify and support the flexibility of our substantial system of seniors support. Eligible people have had four years to backdate their registration, and will still have until 1 March 2014 to register in the scheme.

Indexation

This bill will extend the indexation pauses on certain higher income limits for a further three years until 30 June 2017. This means that:

- the family tax benefit part B primary earner income limit and the parental leave pay and dad and partner pay individual income limits will each remain at $150,000; and
- the current higher income free area for family tax benefit part A also remains at the current level set depending on the number and ages of the family's children—for example, the income cut-out for a family with two children aged under 13 will remain at around $113,000.

In addition, the annual end-of-year family tax benefit supplements will remain at current levels for the next three years—$726 a child for part A and $354 a family for part B.

The bill will also set the annual child care rebate limit at $7,500 for three income years starting from 1 July 2014, with the first indexation of this amount occurring on 1 July 2017. As a result, an individual will be able to receive up to the maximum amount of $7,500 per child per financial year for out of pocket child care costs for those three income years.

Changes to the rules for receiving payments overseas

From 1 July 2014, the length of time that families can be temporarily overseas and continue to receive family and parental payments will reduce from three years to 56 weeks.

In some circumstances, (such as where certain Australian Defence Force and Australian Federal Police personnel are deployed overseas) a person will continue to be eligible for family and parental leave payments for up to three years while temporarily absent from Australia.

Extending the deeming rules to account-based income streams

The Bill will align the income test treatment of account-based superannuation income streams, for products assessed from 1 January 2015, with the deemed income rules applying to other financial assets. Account based income streams held by income support recipients immediately before 1 January 2015 will continue to be assessed under the previous rules unless recipients choose to change to a product that is assessed under the new rules.

Other amendments

Other minor amendments in the bill include improving the administration of debt recovery under the Student Financial Supplement Scheme, clarifying the provisions relating to the time period for lodging tax returns for family assistance purposes, and ensuring that funding under the National Disability Insurance Scheme paid into a person's account, which is set up for the purpose of managing the funding for supports for a participant's plan, cannot be garnisheed for debt recovery purposes.
Submarine cables are an important component of Australia's telecommunications infrastructure. They carry the bulk of Australia's international voice and data traffic. Submarine cables provide a vital link for Australia to the global telecommunications network and the global digital economy.

Submarine cables have been in use for over 150 years, beginning with submarine telegraph cables. The first connection between Australia and the rest of the world by submarine cable was the Java to Port Darwin telegraph link in 1872. This in turn was connected to the populous southern capitals by the iconic Overland Telegraph Line built by Charles Todd.

In the 20th century, submarine cable technology evolved as the demand for alternative and faster communication grew. In 1956, the first submarine cable incorporating repeaters came into operation across the Atlantic. In 1988, developments in high-speed and high-capacity transmission over fibre optic cables enabled the transmission of vast quantities of information. Modern submarine cables typically provide multiple terabits per second of capacity when deployed and can be further upgraded, well positioning them to meet future traffic levels.

As an island nation, Australia and its economy is especially dependent on submarine cables. As such, damage to submarine cables can have a significant impact. There are currently seven international submarine cables connecting to Australia that are in operation. The main players are Southern Cross Cable Ltd which operates the Southern Cross Cable, PIPE International which operates PPC-1, Telstra which operates APNG-2 and Telstra Endeavour, and Singtel and Reach which operate the SEA-ME-WE 3 cable.

That is why in 2005 the previous coalition government established a regime for the protection of international submarine cables landing in Australia, in the form of Schedule 3A of the Telecommunications Act 1997.

The regime gives the industry regulator, the Australian Communications and Media Authority or the ACMA, the power to establish protection zones around international submarine cables of national significance. In protection zones, certain activities are prohibited or restricted from taking place including some kinds of fishing, trawling and mining.

The regime also establishes an installation permit system. Carriers seeking to install an international submarine cable that will land in Australia must apply for a permit to install the cable.

To date, the ACMA has declared three protection zones—the North and South Sydney Protection Zones and the Perth Protection Zone. Since the introduction of the regime, there have been no reported incidents of cable damage in Australian waters.

Australia's regime has been praised by both the International Cable Protection Committee and the Asia-Pacific Economic Cooperation as a global best practice regulatory example for the protection of submarine cables.

In 2010, the ACMA undertook a statutory review of Schedule 3A. Based on feedback received from industry, the ACMA made several recommendations to improve the operation of the regime.

These recommendations form the basis of the amendments proposed in the bill, along with other proposals that have been identified by the Government and stakeholders that will further enhance the regime.

The amendments fall into five categories.

First, the bill will ensure consistency between the regime and the United Nations Convention on the Law of the Sea, also known as UNCLOS. UNCLOS sets out coastal nations' rights and obligations in relation to the seas and oceans, including Australia's right to regulate foreign ships and persons beyond its territorial sea.
While it has not been a practical issue to date because the ACMA is required to consider UNCLOS when it exercises its powers, some concerns have been expressed that the regime may seek to regulate foreign nationals for certain actions in waters of the Exclusive Economic Zone or Continental Shelf in a manner inconsistent with international law, including UNCLOS. To the extent that the regime is used as a model by other jurisdictions, this carries the risk that other jurisdictions may replicate this model.

The bill addresses this by modifying the regime's application, including criminal and civil enforcement options, to foreign ships and nationals in the waters beyond Australia's territorial sea.

Second, the bill will provide a structured process for the consideration of matters within the Attorney-General's portfolio in relation to submarine cable installation permit applications by:

- requiring the ACMA to consult with the Secretary of the Attorney-General's Department on installation permit applications; and
- giving the Attorney-General power, after consultation with the Minister for Communications and the Prime Minister, to direct the ACMA to refuse a permit on security grounds.

During the consultation period, the Secretary of the Attorney-General's Department may make a submission on the permit application, which may include a recommendation about the conditions that should be specified in the permit.

These are mechanisms to enable matters including security, international law and native title that may affect submarine cable installations to be considered.

The changes formalise existing practice. The proposed provisions are based on the current carrier licence application provisions under the Telecommunications Act and are familiar to industry.

Third, the bill will enable significant domestic submarine cables—that is cables that connect two places in Australia—to be brought under the regime and be suitably protected under the regime if appropriate. The bill will give the Governor-General power to specify in regulations that a domestic cable or route warrants protection. The ACMA would then have discretion to decide whether a protection zone should be declared around that cable or route. Consultation would be required before any regulations were made and any new protection zones specified. Carriers will also be able to install domestic submarine cables in protection zones by applying for a permit to do so. This is something not currently possible under the regime as currently in force.

Fourth, the bill will streamline the installation permit process so that:

- carriers only need to apply for and obtain one type of permit to land a cable in Australia (whereas now they could require two applications, one for a permit zone and one for outside it);
- the default timeframe for processing a non-protection zone permit application will be reduced from 180 days to 60 business days; and
- processes under the regime that duplicate existing processes under the Environment Protection and Biodiversity Conservation Act 1999 are removed.

These amendments will reduce red and green tape—a key focus of our new government and something I will have a lot more to say about in the coming months with regards to the telecommunications sector.

Fifth, the bill will make several administrative and technical amendments to enhance the overall operation of the Bill. This includes:

- expanding the list of authorities the ACMA must notify when it declares, varies or revokes a protection zone to include relevant authorities involved in sea monitoring, offshore law enforcement and management activities; for example the Australian Customs and Border Protection Service;
- permitting minor deviations to the routes of submarine cables;
- requiring permit applicants to notify the ACMA of any changes to their application;
permitting the ACMA to publish a summary of a proposal to declare, vary or revoke a protection zone in the newspapers and the electronic Commonwealth Gazette, while ensuring the full proposal to be published on its website;

• requiring the ACMA to provide reasons if it declares a protection zone that is different to the original request; and

• clarifying that prohibited or restricted activities in a protection zone do not include activities associated with maintenance or repair of a submarine cable.

To support the legislative framework, the government continues to work with stakeholders both domestically and internationally to increase the resilience of submarine cables to disruption. Australia is the first government member of the International Cable Protection Committee, a peak international body that brings together submarine cable owners and operators and national governments to discuss issues associated with submarine cables.

Australia is one of only a handful of nations that has a dedicated regime for the protection of submarine cables. The bill will ensure that Australia's regime continues to be a best practice regime and the protection the regime affords to this vital infrastructure is maintained.

Submarine cables ensure our connectedness to the rest of the world. They are vital components of our telecommunications infrastructure.

The private sector has responded well to growth in the demand for international submarine cable capacity, and is well aware of the potential for future traffic growth. Further investments in cables, especially on the Perth to Singapore route, have been announced by the Nextgen Group, SubPartners and Trident. Several cables off the east coast of Australia have also been announced. SubPartners and Hawaiki Pty Ltd have announced proposals to construct cables that connecting Australia and the US. Telstra, Vodafone NZ and Telecom NZ have recently announced a joint venture to build a cable to connect Australia and New Zealand.

But connectedness isn't just about ensuring our submarine cables or satellite links or even backhaul fibre are of a high standard - it is just as much about ensuring that Australian mums and dads, school kids or small business people can take advantage of the resources and opportunities of the internet.

That is why our government is delivering a better NBN. Our NBN will deliver fast internet sooner to Australians at less cost to taxpayers and at a more affordable price for consumers.

Unlike Labor, we commit to prioritising the NBN rollout in areas with the poorest services so that those who currently can't connect, or have the poorest speeds, get fast broadband sooner. Under Labor many areas with poor broadband services would have been waiting for 10 or more years before being connected while many with access to fast broadband received further upgrades ahead of those in need.

Plainly, Labor's priorities were wrong and they simply failed to deliver.

By rolling out a more affordable NBN with greater potential for competition we will also ensure that more families will be able to afford a home internet connection. More affordable services will mean that more kids can do their homework, more online entertainment can be streamed and more innovative digital services can be accessed. The biggest impediment to internet access in Australia is, of course, cost—with our smarter approach fewer families will be priced out of the digital economy.

The coalition's approach has connectedness at its core. I'm pleased that this bill will strengthen laws relating to the submarine cables that connected us to the world and I am excited about our plan for a better NBN which will mean that more Australians will be able to connect to and take part in the digital economy.

Debate adjourned.
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:41): I move:

That the bills be listed on the Notice Paper as separate orders of the day.

Question agreed to.

COMMITTEES

Education and Employment References Committee
Reference

Debate resumed on the motion:

(1) That the following matter be referred to the Education and Employment References Committee for inquiry and report by the last sitting day in March 2014:

The provisions of the Fair Work (Registered Organisations) Amendment Bill 2013, with particular reference to:

(a) the potential impact of the amendments to interfere with the ongoing operation of registered organisations in Australia; and

(b) the potential of the amendments to impede the ability of employees of registered organisations to carry out their duties.

(2) That for the avoidance of doubt, standing order 115(3) applies to the consideration of the Fair Work (Registered Organisations) Amendment Bill 2013 and any related bills.

Senator Ian Macdonald: Mr Deputy President, I rise on a point of order. I wanted to say something on this but I understood that Senator Kroger was in continuation.

The DEPUTY PRESIDENT: Senator Kroger, have you already spoken on this matter?

Senator Kroger: There were two referrals to the references committee, of which one was in relation to the ABCC. This one is in relation to the registered organisations. I did speak to the first one on the ABCC.

The DEPUTY PRESIDENT: I will get some advice from the clerk—we have determined that you have spoken, Senator Kroger.

Senator Ian Macdonald: Mr Deputy President, I was only rising on a point of order. I do want to speak and I was just indicating that. But I understand that the Manager of Government Business wants to speak, and he takes precedence over me, for all the right reasons on this occasion!

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:44): The government have a fundamental objection to the referral of the provisions of the Fair Work (Registered Organisations) Amendment Bill 2013 to the Senate Education and Employment References Committee. The reason for our fundamental objection is that we have a system of two very separate and distinct types of standing committees in the Senate. We have legislation committees and we have references committees. The reason that legislation committees were established was—quite self-evidently from their title—to look at legislation. That is why we have those committees. But we are seeing a growing trend from the opposition of seeking to refer legislation to references committees. References committees, by their title, are there to have a reference, determined by the Senate, passed to them—not to have legislation passed to them for consideration but to have references on other matters that are topical and of community
interest. We have resources allocated to references committees. We have resources allocated to legislation committees. They have two separate functions. They have two separate purposes.

We know why the opposition are increasingly seeking to send legislation to references committees. It is because the opposition chair those committees, because the nongovernment parties have a majority on those committees. That gives those committees, if they do not receive a reporting date far enough into the future, the opportunity to revisit that reporting date. So the whole purpose of referring legislation to references committees is not to ensure the appropriate examination for legislation; it is to seek to defer; it is to seek to delay; it is to seek to take a partisan and political approach to legislation.

One of the great strengths of the Senate is that, in legislation committees, there have been many occasions when the members of the committee put partisanship aside and actually look at the merits of the legislation, at the drafting of the legislation. In a previous incarnation there were some occasions, when my side of politics was in office and I was not a portfolio holder, that I did on occasion take a common position with members of other political parties that might have been at odds with that of the government of the day. That is one of the strengths of the legislation committees that we have here in the Senate. But it is disappointing that the opposition are seeking to, I think, abuse the processes of this place by referring legislation to references committees.

Obviously this particular piece of legislation that the opposition are seeking to refer to the Employment and Education References Committee is a contentious one in the eyes of those on the other side of the chamber. We understand well that senators from the Australian Labor Party, who more often than not—probably in almost every case—have come into this place by virtue of the patronage of a trade union, are protective and defensive of the unique and protected position, in many regards, of trade unions and trade union officials. We have held the view in the coalition for quite some time that it is appropriate for trade unions and, more particularly, for senior trade union officials to be subject to similar sorts of standards and requirements as company directors are subject to. There is well-established Corporations Law which applies to company directors in this country. Company directors have important responsibilities. There are fiduciary responsibilities that company directors have. There are standards that are expected of company directors. There are very significant penalties, very significant civil penalties, for company directors who do not uphold their duties as directors. We are very strongly of the view that there is absolutely no reason why the same sorts of standards should not apply to senior office bearers of trade unions. The reason for that is that trade unions survive and are run on money that comes from dues-paying members, from fees-paying members. Those dues- and fees-paying members have a right to expect that those whom they have elected, those who hold those senior offices, are acting in the best interests of the union and in the best interests of the membership. That is what the Registered Organisations Commission will seek to ensure.

There is a misconception on the other side of the chamber that we on this side are fundamentally opposed to trade unions. Nothing could be further from the truth. On this side of the chamber, we believe very strongly in freedom of association, with the emphasis on freedom: people should be free to associate or free not to associate. Our issue with the contemporary trade union movement, in recent Australian history, has been where there have
been elements of compulsion in relation to membership, where there have been 'no ticket, no start' arrangements, whether they be legislated or whether they be informally enforced as is the case on construction sites. That is one of the reasons why we are bringing back the Australian Building and Construction Commission, because we want the rule of law to apply in all workplaces and we believe that there are particular characteristics and particular challenges in construction work sites. So we believe an organisation is needed to have a focus on that particular sector and to have particular powers in that particular area. We make no apology for that.

I come back to my point that we are not fundamentally opposed to trade unions. I will give my own family background. My paternal grandfather, Albert George Fifield, Bert Fifield, was a professional trade unionist. He was federal secretary of the Printing and Kindred Industries Union for about 30 years. He was New South Wales state president of the Printing and Kindred Industries Union for about 25 years. Former Labor senator Bruce Childs gave the eulogy at his funeral. So I do not want anyone to think for a second that I am against trade unions, against their right to exist, against the right of people to freely associate, to freely join and pay money to an organisation that they think will represent them well. That is something we would defend strongly on this side of the chamber. I want to make the point loudly and clearly that we are not anti trade union. There is an important role for trade unions. There is an important role for representative bodies in our community and in the economy. People should be strongly represented by the people that they elect to do so. They should be strongly represented by the people to whom they pay their membership fees to do so. There is an important role and always will be an important role for employee representative organisations. But I put emphasis on the word 'representative'. There has to be accountability of trade union officials to their members, and the registered organisations amendment bill will go a long way to seeing that that accountability is entrenched once and for all.

I do not think that could be any group of people who have been more embarrassed by the performances of trade union officials over recent times than trade union members themselves. Those people who strongly believe in a role for trade unions, those people who believe enough in trade unions and their role that they pay their membership dues to them, are the people who have been most outraged by the activities of some trade union officials. I will have the good grace not to go into some of the details of what we have witnessed; they have been well and truly canvassed in the press and in this place. I do not suggest that those activities, those behaviours, are representative of the majority of trade union officials. I do not suggest that for a second. I think the majority of trade union officials are good people who are doing their best to represent their members. I might disagree with the particular policy propositions they expound but, by and large, they are people of good faith and good values who are seeking to do the right thing by their membership. But that is not a reason not to make sure that there are appropriate accountability mechanisms in place for those who are not doing the right thing. It is the same with the company law: I think the majority of company directors do the right thing, are well-intentioned, are focused on creating value and wealth so that they can employ people, are focused on getting a return for shareholders where they are a for-profit entity. I think that is the attitude of the majority of company directors. But that does not mean that I do not think there should be appropriate corporations law. There should be appropriate corporations law and by the same token there should be in place an equivalent regime, an equivalent arrangement, for trade unions.
I think it is a pity that whenever we talk about the trade union movement in this place it is often characterised that if you are in the coalition you are against trade unions and if you are in the Labor Party you are for trade unions. I think that is far too simplistic. What the debate should be about is what are the appropriate regulatory arrangements for trade unions, what are the appropriate accountability arrangements for trade unions, what are the appropriate mechanisms to ensure that the will of individual trade union members is given effect in the organisations to which they belong. The reason we are having that debate is because there is a different set of arrangements for companies and more stringent requirements for companies, and there should be no less for trade unionists. I know, Mr Deputy President, that I transgressing a little bit in this debate, which is essentially a procedural one, by talking about some of the substance of the bill. Nevertheless, I thought it was important for context here.

I come back to where I started, that the references committees of this parliament are being used and abused by the opposition. Legislation committees are there to deal with legislation, references committees are there to deal with references from this place, and it is important that we take a stand against the abuse of the committee processes of the Senate. I fear that we will see more of these sorts of references come into the chamber and, when they do, we will oppose them. I know that Senator McKenzie, who is a very diligent National Party whip, did some research to see whether the coalition had sought to use the vehicle of references committees to examine legislation. In fact, she could not find any examples. For us on this side of the chamber, it is a matter of principle that references committees not be used for the purpose of examining legislation.

I encourage the opposition to show some imagination and to actually start to think of areas of public policy that could benefit from examination by the references committees. I guess that is part of the discipline of being in opposition. You have to sit down and think for yourself. You have to nut-out for yourself what the important public policy issues are. That is something that the opposition needs to do. The opposition needs to make sure that the references committees, which its senators chair, are fully occupied, but fully occupied by public policy matters that the references committees were established to examine. Leave the legislation committees for the purpose of examining legislation.

I urge opposition senators to refrain from this growing practice of using references committees in this way. They are there for a reason. As I said before, I think it is important to remember that these committees—references and legislation—are well resourced and that they are well resourced with taxpayers' money. So we have to make sure that we are deploying those taxpayer resources in the way that this Senate actually intended. That means references committees dealing with references from this chamber and legislation committees dealing with legislation.

It is important that we keep these committees occupied. It is important that opposition senators do the hard work of sitting down and mapping out, from their point of view, what the priorities of the nation are and what the public policy areas that need more extensive examination—the sort of examination that only a references committee can provide—are. These committees give senators the capacity to get around the country, to hold public hearings and to call for submissions. That is the purpose of the references committees. I know that some of my other colleagues are keen to contribute to this debate because they also feel very strongly about the appropriate use of the forums and committees of this place.
But let me start again, Madam Acting Deputy President Ruston, as you have just arrived in the chair. We are all for proper scrutiny and proper examination of legislation. That is something that did not happen enough in the last Senate because those on the other side of this chamber too often combined to deny that opportunity for appropriate scrutiny. We recall the carbon tax legislation that breached the hand-on-heart promise of former Prime Minister Gillard. We had barely a week for that particular legislation, and that was legislation seeking to break an election commitment. It is time for those on the other side to pause, to stop, to think and to desist from this pursuit of the abuse of process and the abuse of the forums of the Senate in the form of passing legislation to references committees.

Again, I restate that this legislation, which the opposition is seeking to refer to the references committee, is in no way an attack on trade unions. It is our belief that trade union should be subject to the same requirements, the same accountability and the same integrity that companies are and that union officials should be subject to the same accountability that company directors are. It is in no way anti-union; it is pro-union member. We think that their rights and views should be given effect to and that their dollars that they pay in dues should be well deployed. We believe that the Fair Work (Registered Organisations) Amendment Bill 2013 would do just that.

I conclude by saying that legislation should not be abused and should not be passed to references committees. If you want to have a fair dinkum look at legislation, then you should refer it to a legislation committee.

The ACTING DEPUTY PRESIDENT (Senator Ruston): Senator Kroger.

Senator McEwen: No, excuse me, I was on my feet.

Senator Kroger: I raise a point of order. When I first stood to get the call when this first came up, I was advised that I had already spoken on it and was not in continuation. In checking the Hansard—and this came up for debate on Tuesday—I noted that I started to speak on this referral at 6.45 pm, but the time lapsed for the area and the Senate went to government documents at 6.50 pm. On that basis, I believe that I am in continuation.

Senator McEwen: My understanding of what happened on that day, Senator Kroger, is that you were not in the chamber when debate on the matter resumed, but Senator Ludwig was. Senator Ludwig took the call and spoke until government documents was brought on. Perhaps, Madam Acting Deputy President, you could seek clarification from the Clerk. If that was the case, then Senator Kroger's speech has been curtailed, as I understand it, and it is now time for another senator to have the call, and I am happy to take it.

Senator Kroger: If it helps the Acting Deputy President, I am happy for the Clerk to take guidance on that and to check whether that is in fact the case and whether, if the debate resumed, it commenced with Senator Ludwig.

The ACTING DEPUTY PRESIDENT: I have been advised that you lost your right to speak when Senator Ludwig spoke. However, you are entitled to seek leave if you wish to continue your remarks.

Senator Kroger: Thank you for that advice. I do seek leave to continue my remarks in this substantial debate.

The ACTING DEPUTY PRESIDENT (Senator Ruston): Is leave granted?
Senator McEwen: For how long?

The ACTING DEPUTY PRESIDENT: Fifteen minutes, Senator McEwan.

Senator McEwen: It is a highly unusual situation for a senator to give up the call to speak on a matter, and I am inclined to deny leave.

The ACTING DEPUTY PRESIDENT: Does 'inclined to deny leave' mean you are denying leave?

Senator McEwen: Yes.

Leave not granted.

Senator McEwen (South Australia—Opposition Whip in the Senate) (16:07): I, too, would like to contribute to this debate about the Fair Work (Registered Organisations) Amendment Bill and the reference to a committee of the Senate of it by Senator Moore, who moved a motion on behalf of Senator Wong.

We heard from Senator Fifield at length the reasons why this matter was referred to a committee, but what Senator Fifield failed to mention in his rambling speech about this matter was that the initial referral of the bill to the Senate Education and Employment Legislation Committee was to an inquiry that sat on 26 November 2013 for a period from 1.30 pm to 4.20 pm, and that time was truncated even further by the fact that there was a tea-break for 10 minutes in the middle of that. In all, the Senate legislation committee has an opportunity to look at this bill for a period of less than three hours.

That is the fundamental reason why opposition senators have sought to refer this matter to a references committee—so that the Senate can have a proper opportunity to have a look at the complications, the implications and the potential of this bill. It is not an abuse of process to refer it to the references committee; in fact, it endorses the role of the Senate as the chamber that inquires into legislation fulsomely, and that is what will happen if the government ever lets this motion come to a conclusion and allows the bill to be referred to the references committee, where it can be comprehensively analysed.

We were never surprised when the government introduced this bill—purportedly to bring further regulation that unions and employers would have to abide by. Despite promises by now Prime Minister Mr Tony Abbott that the government would not revisit the whole issue of Work Choices, we know that government members, including the Prime Minister, harbour long-held desires to bring back Work Choices, and they will attempt to do it in whatever way they can. The reason they want to bring back Work Choices is because of a fundamental hatred of trade unions. Of course, in this they fail to mention that trade unions are actually organisations made up of members—ordinary working Australians who choose to join together in a collective to attempt to improve their working lives and their working conditions.

Trade unions in this country have a very, very proud and long history. For more than 100 years trade unions have worked to protect the interests of ordinary working Australians. It would be remiss of me not to revisit the successes of the trade union movement on behalf of ordinary working Australians. From the very beginning trade unions sought to ensure that Australian working people had a living wage. That was the basis of the strikes that trade unions engaged in in the previous century—that ordinary working Australians, including
shearers and miners, had a decent living wage so that they could put food on the table for their families.

Trade unions are also to be thanked for prosecuting the case for things like annual leave—annual leave so that ordinary working people can have time away from the workplace to spend time with their families. We should also thank trade unions for things like paid parental leave, because it was trade unions who prosecuted the importance of ensuring that women would be able to return to their workplace after a period of time away when they were having children.

The other things that I distinctly remember working for as a trade union official, and an ordinary trade union member and as a delegate of the trade union in my workplace, were things like ensuring that casual workers—in particular, low-paid casual women workers—received entitlements to things like maternity leave as it was back then. I am very proud of my work with my trade union, the Australian Services Union and before that the Federated Clerks Union, to ensure that ordinary working Australian women, including casual workers, could get maternity leave—have leave to leave the workplace, have a child and come back to the job to which they were entitled.

I can also remember working as a trade union official to ensure that working women in the clerical sector—white-collar clerical workers—has a decent classification structure. While when I was a trade union official blue-collar workers, particularly in manufacturing industry, had managed to negotiate for themselves a decent classification structure so that they were appropriately awarded for the skills that they acquired on the job and in training, it had been for a long period of time that Australian women clerical workers did not have access to that kind of classification structure and that the skills they learnt on the job were not rewarded with wage increases. One of the proudest moments that we had in the Federated Clerks Union was to ensure that there was a proper skills based classification structure put in the Clerks Award and various other awards that had white-collar workers and, in particular, women.

Unions have achieved many great things. What the government does not want is for the unions to continue to achieve great things for working people. They want to dismantle the union system in Australia because they are fundamentally opposed to any notion of collectivism. They are fundamentally opposed to working people working together to secure better conditions for themselves. When they say to you that they are not hostile to trade unions all of the evidence is to the contrary.

I can distinctly remember in my early years in this Senate fighting against Work Choices, which was the single most belligerent hostile piece of legislation against working people that this parliament has ever seen. It was fundamentally about ripping out any baseline for conditions for working people so that there would be a free-for-all in the workplaces of Australia. Who would win out of a free-for-all? Not the ordinary working people—it would be employers. I am the first to acknowledge that there are decent employers in this country. I worked for a lot of them. But I am also the first person to say there are rogue employers out there and they do need to be controlled by legislation. That is why the Labor Party will always seek to have appropriate legislation in place to protect the conditions of working people because these need a legislative underpinning.

The matters raised in this Fair Work (Registered Organisations) Amendment Bill go to increasing the amount of regulation and red tape that unions have to put up with. I have been
a trade union secretary and before that I worked in the private sector as a clerical worker in small business. I also worked in medium-sized businesses and the Public Service. I can tell you that the amount of red tape and regulation on trade unions is way above anything on any private-sector organisation that I ever worked with as an employee. It is much more significant with trade unions. I can well remember the compliance requirement on trade union secretaries, on trade union members and trade union delegates. It was a perpetual machine, if you like, to ensure that compliance with those requirements of the relevant act was undertaken appropriately.

The trade unions that I worked for and those union officials I worked with accepted that and they complied with those regulations. Nobody likes to see corruption or people doing the wrong thing, whether it is in trade unions or business or government or anywhere else. Where that is discovered, it should be weeded out and punished. But there are already numerous provisions in place in industrial law, civil law and criminal law to address those breaches and corruption if they are discovered.

We do not need another layer of regulation and red tape that would occur if the Fair Work (Registered Organisations) Amendment Bill were to become law. That is my view. I think it is appropriate that the Senate as a whole has the amount of time that it needs to look at that issue, about whether this bill if it were enacted would bring an inordinate level of red tape bureaucracy on not just unions but also employer-registered organisations.

I understand from the inquiry—that very brief, three-hour inquiry that was held on this significant bill—that matters were raised about whether this bill would bring an inordinate amount of compliance requirements not just on unions but also on employers. It is passing strange that this government likes to talk about cutting red tape and green tape and cutting regulations but surprise, surprise: here is a bill that actually increases red tape and regulation. On one hand the government says it wants less of that and on the other hand, lo and behold, here is a bill that brings in more of that regulation and more of the burden not just on unions but employers as well.

We are used to this government saying one thing and doing another. We heard the Prime Minister commit before the election to 'no health cuts'. Today, in question time, we heard his Assistant Minister for Health being unable to commit to no health cuts: fudging and hiding behind commissions of audit and review and examinations. We just know what that is going to deliver. That will deliver more cuts to health. And, as well, we heard this government say that it was on a unity ticket with the Labor Party on education funding. Well, that did not last very long. Less than three months later, what do we have?—the government running away from education.

Senator Fifield and others on that side get up and say, 'Really, really, really, we don't dislike unions. We come from trade union families' et cetera. Well, I am sorry but we just cannot trust you on that.

Your record on trade unions leads us to that conclusion. Every time the coalition is in government what do they go for first? Trade unions. They do not tell the Australian people that is what they are going to do, of course. They do not tell the Australian people that is what they are going to do because, by and large, Australian people think trade unions do a good job. Ordinary Australians understand that trade unions do a good job. They understand that if we do not have trade unions then we run the risk of losing our penalty rates, basic
entitlements to a decent wage for a decent day's work, annual leave, long service leave and sick leave—to all of those things that unions have fought for and struggled to hold on to throughout every coalition government.

I have to say there were some coalition governments that were not as hostile to unions as the previous Howard government and this current Abbott government. There were some coalition governments that understood that working people had the right to organise collectively in pursuit of the best possible conditions for themselves and their families. But in my experience, as the years have gone on you have seen the more fundamentalist conservatives come out of the woodwork. You see the really nasty conservatives come out of the woodwork. They have moved on from the days of Menzies and even Fraser. Those over there do not like him anymore. He was a bit too moderate. So we are seeing this increase in the kind of ultraconservative conservatives coming out. Of course, we are seeing evidence of it here this week. Certain senators are, if you like, attempting to subvert the processes of the Senate by putting in matters of public interest to suit their own personal needs. But I will not go too far into the lack of discipline over there on the government benches in the Senate.

What I am proud of in the Senate is how opposition senators are resolute in their determination to defeat any legislation that attacks trade unions. Yes, some of us come from a trade union background like myself. I am very proud of my trade union background, as is Senator Bilyk, who actually came from the same trade union as I did. We have nothing to be ashamed of and we are proud of it.

Senator Ian Macdonald: Why are only 14 per cent of people in trade unions?

Senator McEWEN: You can have a go as much as you like about trade unions and members of trade unions. Senator Bilyk, I and everybody else who has actually worked cooperatively with trade unions knows that at the very fundamental basis they are made up of ordinary working people who understand it is important to act collectively to protect their working conditions. They understand that we need to have decent legislation to protect them. This particular piece of legislation is nothing about protecting trade union members; it is about making it as difficult as possible for trade unions to operate. That is why we need to refer this bill to a Senate committee that will give it a decent going over, a thorough looking at. A Senate committee will have time to look at all of the implications of this bill for trade unions and employers.

You refuse to have a decent inquiry into this bill because you just want it done and dusted so you can recommence Work Choices, so you can recommence your attacks on trade unions to do what you did not promise to the Australian people before the election. You did not say to them, 'We are going to go after trade unions again.' You did not say to them, 'We are going to bring back Work Choices,' but, by gum, that is what you are going to do—and we know it. We know it on this side and we are going you stop you as much as we can.

In order to do that we do need to have a decent inquiry into this piece of legislation. That is why I am proud to support Senator Moore moving the motion on behalf of Senator Wong to refer this bill to a Senate committee for a decent inquiry. It is what the people of Australia would expect of us on this side and that is why we have moved this motion. That is why I ask the Senate to support it. I know you are going to get up and say that you are not going to support this motion, but I think all government senators should be ashamed of themselves and
hang their heads in shame for the attacks that they continue to perpetrate on ordinary working Australians.

Senator IAN MACDONALD (Queensland) (16:27): Dearie dearie me, if we have not just heard 20 minutes of the old class warfare back from the 1950s and, indeed, the 1890s. We revert back to the days of the squattocracy and the early days of the AWU. I do not think there is a person in this chamber who would not agree that workers in those days had something to collect about and to take on the squattocracy and others.

Indeed, this is a little bit off the track of the debate that I was intending to have but, as Senator Fifield knows, my uncle, Mr Viv Daddow, was the General Secretary of the Australian Railways Union in Queensland. A lovely fellow! He was a communist but a lovely fellow. I have to say that in my own family history I have had another member of my family, my extended family, actually mentioned in the Hansards of this august parliament. That was when Mr Menzies referred to my dear uncle, Viv Daddow, as a fellow traveller when he visited Russia in 1949 at the request of the Communist Russian government at the height of the Cold War. I can understand why Mr Menzies and others at those times thought that my uncle was nothing short of a traitor. But I was not around in those days—well, not around in a way that I took notice of parliamentary debates—

Senator Polley: Madam Acting Deputy Speaker Ruston, I raise a point of order on relevance. I ask you to direct the senator to come back to the topic before the chamber and to keep his comments relevant.

Senator Fifield: On the point of order, Senator Macdonald is being directly relevant. He is providing important context to the subject of the motion that seeks to refer a bill to a committee. The bill relates to registered organisations and Senator Macdonald quite appropriately is talking about some registered organisations that members of his family were part of and I think that is important. Also, I am finding it extremely interesting and I think the chamber as a whole is.

The ACTING DEPUTY PRESIDENT (Senator Ruston): Senator Macdonald.

Senator IAN MACDONALD: I am disappointed that the Labor Party with their union background are not interested in my family's union involvement. But I do want to continue on the motion before us which is the referral of the matter to yet another Senate committee, to do exactly the same job as the other Senate committee has done.

My dear uncle was a lovely fellow. I knew him later in life. He wrote some very good books, including one called The puffing pioneers and Queensland's railway builders. I do, however, point out he was a communist. Remember, the communist unions during the early part of World War II when Russia and Germany were together. The communist trade union movement in Australia combined with Nazi Germany and communist Russia to try to prevent the proper prosecution of the early days of the war. Whilst I am not suggesting at the moment that unions would have that sort of deleterious goal for the Australian economy, I think all of these things need to be taken in context.

Senator McEwen asked why we did not want the unions. I do not agree that we did not want the unions. But the answer to that question is about the general philosophical divide between Liberal and Labor. The Liberal Party believe in the individual. We believe that people should be allowed to work to their capacity and to earn the rewards. They do not
always need big government and Big Brother looking over their shoulder, the collective overwhelming the individual. That is what the Labor Party's philosophy is. I know that is your philosophy. It is a philosophy that most Australians do not agree with, but it is your philosophy. Good on you; continue to have it.

I am told how great the unions are. I do not necessarily disagree. I look at Mr Thomson, Mr Williamson and the HSU and a few other outrageous scandals we have heard about. Talking about ordinary Australians—Mr Thomson and Mr Williamson, ordinary Australians? Not in my way of thinking. If the unions are doing the great job you say they are doing, I ask this of the next Labor Party speaker who gets up to speak: why is it that only 16 per cent of Australian workers in the private workforce think it is worthwhile joining a union? Does anyone have an answer to that? Am I wrong? Is it not 16 per cent? Perhaps it is 17 per cent or 15 per cent. There is deathly silence from the Labor benches for the first time in this debate. Perhaps my figures are correct, that just 16 per cent of workers in private industry who are eligible to join the trade union movement choose to do so. If my arithmetic is right, that is something like 80 per cent of workers who do not see any value in the unions. But for the 15 or 16 per cent who do see value, good on them. I am all in favour of them joining together and doing what they want. But I do not like people being forced into doing anything they do not want to do or things that are contrary to law. Regrettably, I have heard of experiences up in Queensland in the coalfields and elsewhere where people have been ostracised if they chose not to join a union. In fact, I could tell you a story about how the unions ostracised someone simply because a member of their family was an LNP member of parliament. But I will not go there and I will get back to the debate before the chamber.

The legislation under review is legislation which does not do the sorts of things Labor are pretending it might do. What it will do is put union officials in the same category as company directors. If it is good enough to send company directors to jail when they break the law, it is appropriate that anyone who breaks the law should go to jail. It is appropriate that they get very substantial fines. But why does the same not apply to a union director, someone who has the same duties, powers and obligations as a company director but happens to be a director of union? Why should they only be subject to a $10,200 fine when the company director is subject to a $340,000 fine? If a company director breaks the law, he could be subject to a term of imprisonment of up to five years. If a union organiser or a union director breaks the law, there is no possibility of a term in jail.

Any fair-minded person would say that crooks in the trade union movement—and we know there are at least a couple of them—should be subjected to the same penalties as crooks in the corporate world. If you are a crook, you are a crook and you deserve the same sort of punishment. Give me a decent reason why this should be any different. The opposition were very vocal a little while ago, but they seemed to have lost their tongues when I asked them why only 16 per cent of workers in private industry bother to join the trade union movement. That does not make me anti union. If you like, I will tell you the story about my uncle Viv, the communist trade union guy, but you are not interested in that.

Senator Edwards: I would be.

Senator IAN MACDONALD: You weren't here, Senator Edwards, so perhaps I can start again, but that would be repetitive.
The debate before the chamber is about whether this legislation should go to a legislation committee of this parliament or it should go to some completely foreign committee. I take some comfort from a 1996 report of the Senate Economics References Committee, chaired by none other than Senator Jacinta Collins, and Senator Mark Bishop was on the committee. They are the only two members of that committee who are still with us today. The committee indicated that a bill should have gone to a legislation committee and the government senators on that committee issued a report saying: ‘Further it must be fully acknowledged that Senate parliamentary procedures dictate that the bill should have gone to the Senate Economics Legislation Committee. Unfortunately, for short-term political gain the opposition Labor Party has again flouted the parliamentary process by sending this to a references committee where the Labor Party has a majority in its own right.’

This report was released in 1996. The Labor Party was newly in opposition and could not get over being suddenly out of power. It was at the end of 13 long years of the Hawke-Keating Labor government, the recession we had to have and the huge debts the government incurred. The way the Labor Party ran the economy had me paying interest on my housing loan at 17 per cent. This was Labor Party economic management. I tell my young staff about those interest rates and they cannot believe them and, quite frankly, neither can I. Under Labor Party administration of the economy all of us with housing loans were paying some 17 per cent. It is no wonder the last Labor government ran up bills of more than $300 billion and thought it was good financial management.

Back in 1996 the Labor Party could not work out they were no longer in government. They could not quite accept that the people of Australia had rejected them, so they were trying to flout the system. I understand that happened for a short time after the 1996 election, but eventually even the Labor Party worked out that you had to play by the rules that the parliament had set, more often than not when the Labor Party were in government. The rules are that when legislation is referred to a committee, that legislation is referred to the committee specifically set up to deal with legislation—that is, the legislation committee.

That is what legislation committees are for. They also do estimates, but if you are not going to get the legislation committees to do legislation references, as they are supposed to do, what is the point of having them? Perhaps we should look at getting rid of legislation committees if the opposition and the Greens are not going to send legislation committees any work. Why have legislation committees if we are not going to send anything to them? Perhaps we should have just one committee. Is that what the Labor Party are pushing for? Is that what the Greens want? Do they want just one committee, because the legislation committee is not getting any work? Why do we have legislation committees? Just to give the chairman a bit of extra salary? That can be the only reason if the opposition will not send any work which should go to legislation committees to legislation committees.

The other issue in this motion before us is that the work being wrongly sent to the references committee has already been dealt with by the legislation committee. It has been properly assessed by a committee of this parliament, the legislation committee. I understand that Labor Party members could have attended the committee deliberations, but a lot of Labor senators did not bother to turn up. That is how interested they were. The committee had eight days to conduct hearings and arrange for witnesses, I understand. A number of witnesses were called and the committee came to a conclusion.
This legislation refers to some workplace relations legislation. I remind this Senate that when this legislation was previously brought in a couple of years back under the Gillard government, the Senate was only given five days, not eight days, to conduct a hearing. Now, suddenly, five days was good when it was the Labor Party wanting the legislation through but eight days is all far too short when the Labor Party are in opposition. It just shows the absolute hypocrisy of the Labor Party on this particular issue.

You can always tell with the Labor Party when it is legislation or something that will affect their political masters—that is, the union movement—because, gee, do they fight hard. They never fight this hard about anything except issues affecting the good order, wealth and longevity of their bosses in the union movement. I do not say being an official of a trade union is necessarily an evil occupation. Those opposite used to try and hide the fact that nearly every senator in the Labor Party who sits in this chamber is a former trade union official. Nowadays I see it must be the new strategy to get up and say, 'I am unionist and I am proud of it.' Perhaps you should be.

Labor's political colleague, Mr Craig Thomson, made people stop and wonder just how deep the evils that we learnt about go within the union movement. You see every week in the paper different allegations, not from the bosses or the Liberal Party but from people within the union movement, of misuse of union members' funds. The hospital cleaners I heard someone talking about yesterday pay their union fees—I do not know what they pay, possibly $300 or $400 or $500 a year—and then find that their union officials are flying around the world on their money. You can understand then why only 15 per cent of workers in private industry choose to join the unions. Most of them will say, 'I am doing pretty well. Why should I give my hard-earned money to a union and then find the union officials flying around the world, flying around Australia, having lavish dinners, drinking expensive champagne on our money?' That is why I suggest less than 20 per cent of workers in private industry bother to join the union movement. Perhaps when someone in the Labor Party follows me in this debate they might just explain that to me. If the union movement does such a great job, why do people not join?

I have diverted myself slightly from the motion before the chair. This whole issue has been dealt with by a select committee, by the right committee, by the legislation committee of the Senate. Why now are we going to waste time and reduce our productivity by having the same thing done again by the wrong committee of this chamber to try come up with a different result? It is a farce, it makes a farce of the whole project and it makes a farce of any suggestion that the opposition is responsible.

Senator GALLACHER (South Australia) (16:48): I rise to take up the challenge to address some of the comments that Senator Macdonald has put on the table today. I suppose I too will get around to addressing the point at issue but I cannot let some of those comments go unanswered. I do not think being a trade union official is a profession that anybody should be shy about proclaiming their success or otherwise at. It is like every other job in Australia: if you go in in the morning and you do a hard day's work then you are entitled to take your pay at the end of the week.

As Senator Macdonald probably well knows, most trade union officials in this country both historically and currently are people with a sense of community and public spiritedness. They go out of their way to advance the cause of the least advantaged people in the economy,
people who are—as he pointed out—cleaning hospitals, people who are collecting garbage, people who are sweeping the streets, people who are doing all levels of jobs in a very proficient and professional way. The only way of advancing their position in the economy is to become a collective force and bargain for it. That is why there are trade unions, and those trade unions have been around for a very long time. Trade unions are governed, as I can attest, by a very stringent set of rules. The reporting obligations of registered organisations are honoured, complied with and are very stringent.

I believe this piece of legislation would actually affect some registered organisations that are not involved in trade union activity. They do have always a core of people who come to the organisation in a voluntary capacity. I could tell you of organisations in South Australia that only have a couple of trustees. The trustees will look over the accounts of the organisation at the regular meetings, will ask questions about those accounts and on a number of occasions will actually sign the cheques for the organisation. Those people are ordinary workers. They are not paid officials of the organisation. They are ordinary workers who go to work every day and then after hours donate additional time to the betterment of their fellow workers in their industry. They are unpaid trustees, vice presidents, branch committee and management people—genuine salt of the earth working class people. The sole reason for their activity out of their normal working hours is the advancement of their fellow workers in various worksites and in various industries. And this is how it has been for a hundred-plus years. This is how it has always been. And it has always been very heavily scrutinised by the regulator, if you like, and the registrar and also by an independent auditor. Each organisation has an independent auditor who works not for the union but on behalf of the members to give an independent view of the authenticity of the accounts that are presented in the general operating report. The salaries of officials are contained in there and the salaries of staff are contained in there. Despite the best efforts of those on the other side, they have not been able to cast a slur over the whole union movement.

No-one condones the activity that is alleged at the HSU. That is a major issue which I think has been addressed appropriately by the ACTU—the peak council. They should face, if guilty, the full force of the law. No-one is arguing otherwise in any way, shape or form.

To return to the debate today, what we have is a new government that is carefully positioning itself to go from basically deriding and putting out a continual barrage of negativity to actually trying to govern. They figure, 'We'll put this in, we'll slam this in against the registered organisations, we'll try to get some more publicity out of that, try to impugn the reputation of all trade unions and all members of unions, maximise the capacity for bad news to travel fast—and, at the same time, we will whack it in to the legislation committee, have a very short, sharp inquiry and go back and do our business.' Unfortunately, it has been referred to a references committee, where a much more complete examination of the process will occur.

Senator Edwards: You didn't win the election, Alex, you didn't win.

Senator GALLACHER: I am well aware we did not win the election, Senator Edwards. The reality is that you are going to have to be patient before you use this chamber to ram through whatever you feel like. We are going to a references committee. In that references committee some of the dissenting report from the legislation committee will probably get a bit more discussion.
The bill is unnecessary and political in nature. Clearly those on the other side have no interest in anything other than denigrating the cause of working people represented by unions. They have seized on every opportunity to cast in a bad light the whole union movement, using the prism of one particular area of issue. They have used that area of issue and spread it like manure as widely as they could in order to impugn working people, members of trade unions and those who are, as I think Paul Keating said, on the side of the 'angels'—the 95 per cent of people who need a bit of a lift up in the economy, not the five per cent who are already there seeking to get away with the rest of their ill-gotten gains. We are on the side of working people who simply want a fair hearing.

Is it really necessary to put really severe penalties on the activities of unpaid honorary officials of trade unions? I have no problem whatsoever with taking responsibility for my actions as a paid official of a union. I would be appropriately cautioned, I would be appropriately trained and challenged. This legislation will affect people who volunteer their time not only for trade unions; I do not think this will apply only to trade unions. There will be other not-for-profit organisations that might face much more severe penalties than currently exist, and there is no proven evidence of any wrongdoing.

The fact that there are no criminal sanctions against not-for-profit and registered organisations is probably indicative of the history and the fact that there has not been a long history of transgressions—unlike in corporate Australia, where there is a very genuine need for severe sanctions for people who do the wrong thing. But I am not sure that the opposition has made the case that there is a demonstrated need for their bill to apply to registered organisations and not-for-profits. I am not sure that they have made that case at all. We say the bill is unnecessary. Show us the evidence. Okay, you have taken the HSU and you have spread that all across the papers, you have repeated that like a dog returning to vomit. Every time you have had the opportunity you have repeated that. But really, where is the history of it? A hundred years of history for registered organisations and not-for-profits and you cannot come up with too many occasions where there are improprieties.

Trade unions are not corporations. I am happy to get to the stage where trade unions are corporations, I suppose, but at the moment they are not. So why should they be regulated in the same way as corporations are? They comprise a number of people who are paid, elected by the membership. There are honorary people in that mix who are elected by the membership. For those on the other side who do not know, you generally have a president, a vice-president, two trustees, between three and 11 branch committee members, and a secretary/treasurer. They are all elected.

**Senator Ian Macdonald:** How many of them are paid?

**Senator GALLACHER:** I will take that interjection. A secretary/treasury would be paid, the branch committee of management would not be paid and there would be elected organisers. I used to run a small organisation. Five people were paid and 17 were in the mix. Twelve people came in off the job, to run the union as a branch committee of management, look at the accounts and approve the accounts and they were unpaid. The trustees—genuine long-term union members, not normally paid officials—would donate their time to scrutinise the accounts and to sign cheques.

You are trying to regulate organisations which are fundamentally democratic. You go to an election every four years. All of the positions are vacant every four years. There is appropriate
scrutiny and independent elections and you win or lose on the vote. That is how they are structured. If those people have transgressed and not complied with their reporting requirements, they would quite quickly face sanction, including the removal of their positions.

We have this position where the coalition has seized an opportunity to keep on smashing the aspirations of working-class people and their unions. Senator Macdonald asked why the number of people in trade unions is so low. It is a democracy. You can choose either to join or not to join. He would well remember, I would imagine, the Howard government's expenditure of taxpayers' funds, some $3 million per annum, on a mantra which said: 'You don't have to join a union because you'll get everything that you are entitled to even if you're not a member.' I think that mantra was fairly successful. People could take the benefits negotiated by unions without being members. That is one reason why membership is low.

The local bowls club struggles for members and, if this legislation gets up, they might struggle for a treasurer. The local tennis association might struggle for an unpaid trustee to supervise the accounts if criminal sanctions are imposed on not-for-profit and registered organisations. The fact that people could be up for criminal sanctions could impact on the wherewithal of a vast number of not-for-profit organisations, which could be caught up in the scope of this attempt to further the coalition's vested political interest in destroying the aspirations of working people and their representatives.

The fact that we are now going to have a more complete examination of this bill is a very good thing. I do not think that those opposite have to much to fear from letting appropriate organisations come in and make submissions. Let there be a couple of hearings and let the evidence get on the table. They attempted to ram through what they saw was a political advantage. But let us face it, they were basically a one-trick pony in opposition. They simply rose at every opportunity. One would have imagined that the whole trade union movement was afflicted by what has transpired at the HSU. What has transpired at the HSU is appalling and I think the ACTU has made enough comment on that. Those things are in train and being resolved. We just do not think that you need to get a sledgehammer and crack the rest of the place open, looking for things that are not there.

Senator Edwards: It's just governance; that's all.

Senator GALLACHER: Governance and due diligence are the lifeblood of registered organisations. If you have ever been a member of a bowls club, a footy club, a bingo club or a union, you will have found that those people in charge of the till are always meticulous. They volunteer their time, they bring their acumen and governance is complete. The registrar would take reports from any number of registered organisations every year. They scrutinise them in accordance with the legislation and they return a letter. You know you have been successful when they give you a letter which has one line in it: 'Documents have been filed.' That is the complete tick of approval from the registrar that documents have been filed. That means that your general purpose operation statement, your statement of profit and loss, and your balance sheet have all been independently audited by a completely separate auditing firm working on behalf of the members of the organisation. That is all placed in the appropriate statement that the branch committee of management has made and it all goes off to the registrar. If there is a comma out of place, a misspelt name, a paragraph or an answer to one of the questions in the wrong place, you get an immediate letter back, saying, 'Correct it.' As I say, success is: 'Documents have been filed.'
That happens for a great number of registered organisations in this country every year. I am sure that statistics are available for the number of registered organisations which do not get that letter, stating: 'Your document has been filed.' If there are an overwhelming number of organisations not getting that letter, stating, 'Your document has been filed,' there may need to be some examination of what is going wrong. But I can tell you that is not the case. Unions have been fulfilling their obligations in respect of auditing, governance and reporting back to their members for 100 years.

The government may well think that imposition of criminal penalties will make things better. Sadly, I do not think it will change anything. I do not think it is required. Life will just go on as normal. People may become a little more cautious. That rank-and-file member who volunteers his 2½ hours per month to help out his work mates, his industry and his union may think twice about whether he will put his name to being a trustee, because this government has decided to create significant penalties—penalties equivalent to those associated with corporate misbehaviour.

I would like to finish on that. Corporate misbehaviour is documented. There is plenty of evidence that there has been a whole lot of corporate misbehaviour and there is plenty of evidence going back 100 years that substantial penalties are required for that. You could reel them off. That body of evidence has created the need in law for substantial penalties. My position is that there is an absence of a body of evidence that creates the need in law for these substantial penalties to apply to unions. In addition, from the opposition's point of view they may have unintended consequences. You may have not-for-profits that do not get a contribution from people who do not get a salary. You may have a not-for-profit that cannot fill a position because there are penalties in place. You may in the trade union movement get genuine workers who do the right thing and want to do a bit extra for their industry and their work mates considering, 'Should I be a trustee or president? Do I need to get legal advice as to what could happen in the event of a misdemeanour?'

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (17:09): The Senate is currently debating a motion to refer a matter to a committee. The motion before the Senate is that the provisions of the Fair Work (Registered Organisations) Amendment Bill 2013 be referred to the Senate Education and Employment References Committee for inquiry and report by the last sitting day in March 2014.

The motion we are debating is unique for two reasons. The first is that it is highly unusual—in fact, the last time it occurred was in 1996, when a piece of legislation was referred not to the appropriate committee, being a legislation committee, but in fact to a references committee. Basic Senate 101 procedure, which is able to be downloaded from the internet, tells us the purposes of Senate committees. Those opposite clearly have not read Senate 101: basic Senate procedure. The role of Senate committees is very, very clear. A legislation committee has a very specific function, which is to inquire into and report on any bills or draft bills referred to it. The bill that we are currently debating the referral of was appropriately referred to the Senate Education and Employment Legislation Committee. It was not referred to the references committee, as this motion is asking the Senate to do, for a very, very good reason: it is the wrong committee to refer the bill to.
Again, basic Senate procedure tells us the role of a references committee. The role of a
references committee is to inquire into and report upon various general matters referred to it
by the Senate—not legislation, which is very specific, but general matters referred to it. In the
first instance, other than what can only be, as it was in 1996, purely political purposes that the
opposition want to refer this legislation to a references committee, there is actually no ground
upon which to refer it, according to general Senate practice.

The second reason that this motion is so unique is that, if one were merely to refer to the
motion without any history of the legislation itself, one might think that the bill being
referred, the Fair Work (Registered Organisations) Amendment Bill 2013, had not yet been
inquired into. For those who may draw that conclusion from reading the motion, unfortunately I have to inform you that you are completely incorrect. This piece of legislation
has been referred to the appropriate committee. An inquiry has been held into the legislation.
In fact, I have before me the report of the committee. I quote:

On 14 November 2013, the Senate referred the provisions of the Fair Work (Registered
Organisations) Amendment Bill 2013 to the Senate Education and Employment Committee (the
committee) for inquiry and report by 2 December 2013.

An inquiry was then held, witnesses appeared before the committee and the committee has
duly handed down a report.

In listening to the comments on the other side, one might be led to believe that there was
not an appropriate inquiry into this bill. However, again, if you look at the submissions that
were received, you will note that over half of them were from the trade union movement. So
the trade unions have well and truly had their say in relation to this piece of legislation. In her
contribution to the debate, Senator McEwen stated that other senators from the opposition
wanted the ability to participate fully in an inquiry into this legislation, and that is why it had
to be referred to the references committee. Again, though, those senators may want to ask
themselves just why they did not avail themselves of the normal committee procedure and
actually attend the inquiry—which was held, I understand, last Thursday in Melbourne—at
which a number of witnesses appeared throughout the day and at which senators were given
the opportunity to question the witnesses on what they say the impact of the bill would be,
and then were given the opportunity to participate in the inquiry process by writing a report.
In fact, Labor senators have written a report in relation to this legislation. And I do not think it
is a surprise to anybody that the Labor senators have recommended that the bill not be passed.

But, again, if you go back to the motion that we are currently debating before the Senate, it
is incorrect to say that this bill needs to go to the references committee on those two bases.
Firstly, the references committee is not the correct committee to send the bill to. Secondly,
this bill has been inquired into, and the committee has provided a report. One can only draw
the conclusion that the only reasons those opposite now wish to send this piece of legislation
to a references committee are politically motivated reasons—because they just do not like the
legislation. They just do not like the fact that this government promised the people of
Australia prior to the 2013 election:
The Coalition will take strong action to ensure registered organisations are more transparent and
accountable.

We also said that if we were elected this would be one of the first election commitments that
we acted on in this parliament. We also stated, in relation to our commitment:
Australians who join trade unions or employer associations deserve to have confidence in the conduct and administration of those organisations. Registered organisations are a central part of the Fair Work regime and they must operate to the highest of standards.

And we openly acknowledged:

The overwhelming majority of registered organisations already do the right thing.

So for those opposite who continue to stand in this place and say that those on this side of the chamber have a disregard for trade unions: that is just completely, totally and utterly untrue, and it is witnessed by the fact that in our coalition policy we clearly state that in our opinion the overwhelming majority of registered organisations do the right thing and act in the interests of their members—and, of course, those members are working people in Australia. The reason for this legislation, however—which was voted on by the Australian public at the election of 7 September, when they returned a coalition government to power—is not in relation to the majority of organisations who do the right thing; it is in relation to the clear evidence that the money paid by members to some registered organisations is being used for personal gain and inappropriate purposes. Just so people can be very clear as to why the coalition has brought this legislation to the parliament: there is clear evidence. And that evidence, as we know, is currently being played out on the TV stations at night when you see the allegations against Mr Thomson, who did inappropriately use moneys of the HSU workers. That is now being played out as we go home at night and see the full details of the extent of the abuse of union members' funds laid before the Australian public.

That is why we have brought this legislation to the Australian parliament. We said to the Australian people, prior to the election—and this was a coalition policy document that was available to the Australian public before they cast their vote on 7 September:

If elected, a Coalition government will:

• amend the law to ensure that registered organisations and their officials have to play by the same rules as companies and their directors.

I would have thought that was fair, and:

• ensure that the penalties for breaking the rules are the same that apply to companies and their directors, as set out in the Corporations Act 2001 ...

Trade union officials and company directors both have access to moneys that are not their own, so therefore one might think that both should be held to the same account. And, thirdly:

• reform financial disclosure and reporting guidelines under the Registered Organisations laws so that they align more closely with those applicable to companies.

Let us actually look at the motion that is before the Senate. It states the reasons why this piece of legislation needs to go before the references committee and says that the references committee is to inquire into the legislation with particular reference to:

(a) the potential impact of the amendments to interfere with the ongoing operation of registered organisations in Australia; and

(b) the potential of the amendments to impede the ability of employees of registered organisations to carry out their duties.

Apart from the fact that, as I have stated, this bill has already been properly inquired into through the normal Senate procedures and a committee has already handed down a report in the process of which the Labor senators themselves participated, Labor senators themselves
have also handed down a dissenting report in relation to this legislation. But there is nothing to fear from this legislation. It is not going to interfere with the ongoing operation of registered organisations in Australia—unless of course that organisation is doing something wrong, and then it well might, because that is actually the purpose of the legislation, if the registered organisation is doing something wrong: for example, inappropriately using the funds of the members of the organisation.

If the question is: 'Will it impede the ability of employees of registered organisations to carry out their duties?' then the answer is no, because the only people who need to be worried about this legislation are those people who are doing the wrong thing; that is it. As the coalition has acknowledged, in our speeches today and in our election policy, the majority of registered organisations do the right thing. Therefore, it is a little like the Corporations Act: if you are a company director and you are properly discharging your duties—as you should be by law, because you are dealing with someone else's money—then you have no fear of being in breach of the Corporations Act.

All those registered organisations and union officials that do the right thing by their members have absolutely nothing to fear from this legislation. But, as I have stated, if you are a rogue union; if you are a union that is abusing the moneys that are given to you by the workers; if you are, for example, someone like Craig Thomson, who was in a position of power in a union and who took moneys from the members and then abused the trust of the members by using those moneys inappropriately—for example, on prostitutes—then, yes, you have everything to fear from this legislation, because the reason this government has introduced the legislation is to protect vulnerable workers like those in the HSU. We on this side—we the government—do not want to see vulnerable workers, who hand over their money in good faith to registered organisations, abused because a person decides that they are above the law and, at the moment, quite frankly, there is little to no real consequence for that person in relation to the abuse. As I state, officers who are operating within the law, which is the overwhelming majority of them, will have no fear in relation to taking on additional responsibilities.

So when the motion before the Senate says that inquiry should be made:

... with particular reference to:

(a) the potential impact of the amendments to interfere with the ongoing operation of registered organisations ...

the answer is quite simply: no, it will not. If you are doing the right thing, you have absolutely nothing to fear from this legislation. The Australian public know that, because, on 7 September, when the Australian public cast their vote, they cast their vote in the full knowledge of our policies and procedures, and this was one of the very clear policies that we set out prior to the 2013 election, and which the Australian public cast their vote on.

The only reason for which you would support a reference such as this is a politically motivated one: you do not want the unions to be held to account. (Quorum formed)

**The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson):** Senator Cash has the call, and I remind the chamber that Senator Cash has the right to be heard in silence.

**Senator CASH:** As I was saying, any party that supports this motion is clearly doing so only for politically motivated purposes. In other words, they do not want to see the passing of
this legislation. They do not want to see legislation put in place that will protect the workers of Australia from abuse by rogue union officials. Any political party that refuses to support greater accountability and transparency for registered organisations is merely saying to the people of Australia, is saying to the workers, who have been abused by rogue union officials who have taken their money—money they have been given in good faith and spent inappropriately—‘We condone that type of behaviour. We are giving the green light to that type of behaviour occurring again. We are giving the green light to the behaviour of Mr Thomson and Mr Williamson.’

All this legislation does is stand up for the Australian workers, stand up for those people who do not have the ability to stand up for themselves. If those on the other side do not want to stand up for the workers, that is their choice, but we on this side will. As I said, the Australian public, in casting their vote on 7 September, knew exactly what this government’s position was in relation to accountability for registered organisations. The fact that we were elected with an overwhelming majority indicates to me that the Australian people, themselves, voted for transparency and accountability in relation to registered organisations.

Senator FURNER (Queensland) (17:31): It gives me great pleasure to rise in the debate this afternoon to speak on this motion to refer the provisions of the Fair Work (Registered Organisations) Amendment Bill to a Senate committee. In particular there are a number of areas and facts I need to cover off on. This afternoon in this chamber what has been described in many arguments is a fallacy. We heard the view from the previous speaker, Senator Cash, that people, whether they be in organisations or whether they be workers, had nothing to fear. I can speak from some authority after having been for nearly half my working life, 19 years, a union official for three distinguished unions. The first was the Transport Workers Union Queensland branch. The second was the Queensland Police Union where I was the industrial officer. Then I was with the National Union of Workers Queensland branch, initially as an organiser, subsequently moving on as a senior organiser, then becoming branch secretary and then the assistant vice-president of the federal branch of that union. To some degree, even at the age of 18, I was following industrial relations. It was a subject I was interested in and it was an area where I saw changes in regard to what happened to workers and what happened to industrial laws when government changed.

As an example, I will reflect back to 1996 when the then Howard government came into this place and made changes to industrial laws which was the Workplace Relations Act 1996. As a result of that act there were a whole host of changes to the right of entry requirements to workplaces for organisations. There were changes to introduce individual contracts, which were known as Australian workplace agreements or AWAs. The point I am getting to in relation to this particular bill is the consistency with my home state of Queensland. In that year, what followed—

Senator Mason interjecting—

Senator FURNER: Thank you, Senator Mason. No doubt you will know the history that I am coming to. In the following year the then Queensland industrial relations minister—or it might have been the workplace relations minister—Santo Santoro mirrored the federal Workplace Relations Act 1996. He mirrored it to the extent that he did not have the competence to make fundamental changes. All he did was turn it over and add a new title. There were only three changes: the title of the act became the Workplace Relations Act 1997;
the right of entry became 48 hours instead of 24 hours; and the name for Australian workplace agreements changed to QWAs, Queensland workplace agreements. Subsequently, the minister moved on and became a senator. I think to some extent the senator, at the time, fell foul of the standards that Prime Minister John Howard put in place and, I understand, had to leave this chamber. I am sure those on the other side might correct me—

Senator Edwards: You would welcome governance then, Mark.

Senator FURNER: If you want to hear some history, you might get some knowledge. Do not be an oxygen thief all your life.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order! Through the chair please, Senator.

Senator FURNER: The senator was moved on and, as I recall, was replaced by Senator Boyce. That is not what we are in the chamber to talk about, but I am using it as an example of how there are consistencies in place in regard to federal and state legislation.

To some degree I see a similar stench to what is being proposed in this bill to what has been implemented in Queensland under their current LNP government. It is a similar stench as there are now requirements in Queensland for organisations and for organisations' branch committees and management—similar to their executive—on how they conduct their business and the impost placed upon them to do basic functions. We are talking about people in many circumstances who come off the job and put in their own time after work. In many cases they are shift workers and come from various backgrounds. I heard Senator Lines give examples the other day about her union with people like cleaners, cooks et cetera.

I have had the same experience where I have seen people come off the shop floor who are committed to making sure those unions are run appropriately, committed to making sure they are not falling foul of the laws that we have put in place, whether that is this government or previous governments, regarding the obligations of industrial organisations—trade unions, as I know them. They need to fulfil their obligations to report on the activities and the financial status of their organisation. Those reports are submitted, as you would probably know, on a yearly basis to the industrial commissions or, in this case, Fair Work Australia and audited by reputable auditors to make sure they are doing the right thing for their members. I remember when I was secretary of the NUW having that obligation. I took that on board as a responsible task that I was proud to be able to do, and in many cases I fulfilled better financial requirements for the union by investing moneys and looking at different avenues to make sure the union was kept in good stead.

I was an industrial officer with the Queensland Police Union. They refer to their body as the executive of the union. Sworn police officers—in my view, the most reputable pillars of our society—came off the job on a fortnightly basis, heard reports and were responsible for the finances of that union. The legislation in Queensland has put an impediment, an onerous task, upon those people to be accountable for things that really have nothing to do with the day-to-day operations of the union. Consistent with this legislation and that in Queensland, it is an impediment and an onerous impost that is being placed on people who are just trying to have some sort of accountability, some sort of responsibility and competence, in an organisation they love and respect.
Talking about police, we have just gone through a situation in Queensland where the government awarded a 2.2 per cent wage increase to the officers in Queensland. Conversely, the LNP parliamentarians in Queensland awarded themselves an $11,000-a-year increase. So you can see that there is a difference with what the LNP government do for themselves, lining their pockets with substantial wage increases on the back of people like hardworking police officers and providing them with only a 2.2 per cent increase. That is where the consistency sits in these sorts of arguments. If we had an equal playing field across the world, we would not see situations where this type of legislation would be put up. Everything would be fair and reasonable.

Going back to Senator Cash's comments about nothing to fear and trade unions having their say—in particular, in the hearing on this bill—I have a criticism as a senator. I am sure it is something that is recognised by most senators, and that is that, when you go into an inquiry, you are frustrated with the time you have to interview witnesses. In many cases, I have been to hearings where there might be six senators and time is divided up for about 30 to 45 minutes for each witness. That is no fault of the senators. That is a good example of senators showing an interest in attending those hearings. But, in the case of this particular bill, I understand that there was limited time for senators to delve deeply into the concerns that were raised by the trade unions that attended and the trade unions that put in submissions to this inquiry and limited time to look at examples and positions that were presented by some employer groups.

The employer organisation the Australian Industry Group, AiG, which I dealt with when I was an organiser with the Transport Workers Union in Queensland and also as secretary of the National Union of Workers, submitted concerns to the inquiry and said the proposed changes would operate unfairly with respect to officers or registered organisations due to the onerous disclosure regime. In many cases members think employer organisations are the enemy. They are not the enemy; they are organisations representing employers, and, as people who have worked through trade unions, we accept the position of representing members. Employer organisations equally have an obligation to represent the employers that they are entitled to represent. But here you have the AiG coming to an inquiry sounding like a trade union, expressing concerns that issues associated with this particular bill are too onerous. They also expressed concerns that the bill would impede the ability of officers to carry out administration of their organisations and could seriously affect their mostly volunteer membership.

Once again I go back to the argument I put about people who come off their jobs—sometimes shift workers, sometimes day workers—and go into union offices, generally at night, which is when I did my branch committee and management meetings, after doing a hard day's work, having to trawl through reports from officials, look at the finances of the union on a monthly basis and then, of course, at an annual general meeting go through the overall audit and also the annual report of the union. That is sometimes an onerous task and, in the circumstances of that time of the day, it is sometimes difficult for those people to have some sort of understanding of the issues.

Recommendation No. 1 of the committee reads:

The Committee recommends that, consistent with the Corporations Act 2001, material personal interest disclosures should only be required to be made to those officers whose duties relate to the financial
management of the organisation. Such disclosures should be recorded in the minutes of the meetings of those officers and should be made available to members on request.

What we find with the LNP government in Queensland is that there was delving into the personal lives of those people on the branch committee of management or, in the case of the Police Union, the executive—going into whether they have share portfolios and what bank accounts they have. It is so invasive when that sort of position applies to legislation and when people that are not employed by the industrial organisation and are merely on the committee of management are scrutinised to that degree.

It is an absolute disgrace, and this is just another example of what is happening in Queensland. There are numerous examples I could use, but I do not have the time today. There is the bikies legislation, where people who are not even in a bike group are being pulled up alongside the road. Just the other day up in Townsville there was an incident involving a soldier, a member of the Patriots motorcycle club—a club that I have been out to on the north side on many occasions to lay wreaths at functions on Vietnam Veterans Day. A motorcycle rider who had no patch on his back but was a member of the Patriots motorcycle club and a serving Army private—I think with 1RAR in Townsville—was pulled up by the police and scrutinised for about 40 minutes and more or less interrogated because of laws like this that have the capacity to go beyond the reasonable intent that was legislated for.

These are the reasons why, when bills like this appear before committees, they need to be thoroughly examined, not given a five-minute exercise where the committee hears from a couple of witnesses and flicks the legislation through to be gazetted. We need to have time to examine this. That is the intent of the motion on the books today: to make sure that appropriate time is allocated for those witnesses—and there may be others that wish to have the opportunity to come along and provide evidence on behalf of their organisations or on behalf of employer organisations that may express similar concerns to those that have been expressed by AiG at this particular hearing.

When we were in government we introduced the Fair Work (Registered Organisations) Amendment Act 2012. Although I was not a member of the committee that examined that piece of legislation, I recall having a look at the legislation and hearing the debate in this chamber. I believed at that time that that was a fair and reasonable position to come to: to identify unscrupulous organisations and, if they are out there, to make sure they are doing the right thing. But I think it is a bit tough to come in here and paint with a broad brush, saying that unions are corrupt and are doing the wrong thing, and that is the general tone that I hear from some of those opposite. I think that is unfair to organisations that are doing the right thing. Having spent half my lifetime as a trade union official prior to coming to this place, I have never seen any examples where officials, branch committees of management or executives have done the wrong thing in regard to union members. It is such a privilege to be in a position where you are looking after workers who, in many cases, are on the bones of their backside trying to make a living. It is a privilege and an honour to represent those people and make sure you are looking after them. So why would you go out of your way to try to make it more difficult for those members? But when you listen to those opposite—‘You’ve got nothing to fear; all trade unions are corrupt’—you would believe there is some reason to have this type of legislation presented so that the government can fix what all the officials of trade unions out there are perceived to be doing. This is where this type of legislation is wrong.
Before I get on another track, I have one other comment. The AiG suggested that the bill should be amended in accordance with the ILO Freedom of Association and Protection of the Right to Organise Convention, which specifies that 'laws regulating registered organisations must not inhibit the ability of workers and employers to join unions and employer organisations, nor restrict their right to elect representatives and organise the administration of their organisations'. If you examine what happened under those opposite last time they were in government, with Work Choices, there were many breaches of the ILO conventions. We are a signatory to those conventions, and it was probably always embarrassing for those people that travelled to Geneva and had to explain the reasons why those conventions were breached and why a government that was a signatory to the conventions would allow itself to be put in a position where people were denied the right to organise, to have laws on unreasonable and unfair dismissal, to organise and to be represented. Those are four of the ILO conventions that were breached by the previous Howard government when they had Work Choices.

Our concern is that this is just the thin end of the wedge and the start of another wave of Work Choices coming through under this LNP government. People will wise up to the government and realise, as they did in 2005 and 2006 leading up to the introduction of Work Choices, what this government is about. They will understand, when further legislation is presented to this chamber and to the House of Representatives, that this is another agenda of doing away with workers' rights and putting impediments on workers' organisations—and in some cases concerns have been expressed by employer organisations. It will stop, because people will not stand for this sort of legislation and there will be a groundswell of people seeking to make sure it is not implemented.

Senator EDWARDS (South Australia) (17:51): It is a disappointing day when I rise in the Senate to protect the integrity of what this place has come to know as appropriate protocols and behaviours. The Senate currently is debating a motion seeking to refer legislation to a references committee. It is unprecedented in my time here, and certainly if any of you have been around here since 1996 you would not have ever seen it—such is the desperation of the opposition since that not unexpected loss on 7 September. The Labor government was busy, knowing it was going to lose, leaving landmines not only economically but also in the industrial relations environment in Australia as well. We went to the election promising that we would reform governance in this sector and that is exactly what we did. The coalition said that right upfront to the Australian people, and the Australian people voted for the coalition government and not for the Labor-Green's coalition because they were hankering for change.

Despite the unprecedented nature of the reference since 1996—this sore-loser mentality which is still going on with you people in denial over there—I think the Australian public are really welcoming and are deserving in this day and age of governance which the Australian Securities and Investments Commission dishes out and certainly which the union movement should not shy away from. But as I look around the chamber and across the other side, we should not wonder that you are all wriggling with discomfort because none of you have come from outside the union movement. Each and every one of you that has made a contribution today to this debate has come from a trade union background. In fact, you all owe your patronage here to the trade union movement.
We are not anti-unions. In fact I have worked with a number of unions over the years and have seen a valuable contribution from them. Even in Senator Gallacher's old days with TAA when he was a Transport Workers Union rep, they were able to achieve some good reforms. Unfortunately, TAA is no longer around.

I watched the unions make contributions—some good and some bad. I sat in the inquiries when Qantas was shut down and I listened to them making their contributions. Obviously they genuinely feel that they are doing the right thing, but when I hear language like: 'I'll bake you slowly,' to the management of a major Australian company—indeed, what Australians like to call their 'national carrier'—I think they are not helpful. I remember the comments from Mr Purvinas. He said, 'I am going to sit on the bank and watch the bodies of my enemies float by'—quoting The Art of War. These things are not helpful, but unions persist with this kind of dialogue in these environments and so it is little wonder that they are reacting as they are.

I do not intend to take up 20 minutes with this. I am just going to let everybody listening out there to this broadcast know that Australians who join trade unions or employer associations have to have confidence in the conduct and administration of those organisations. Registered organisations are a central part of the Fair Work regime and they must operate to the highest standard. The overwhelming majority of registered organisations do the right thing, but there is clear evidence that the money paid by members to some registered organisations is being used for personal gain and inappropriate purposes.

We were elected on the basis that we were going to reform this, and we have done exactly what we said we were going to do when we outlined this policy. We introduced it to the parliament and it has been referred off. And to all of you out there listening to this, you would think that referral has not happened, but it has actually been referred to a legislative committee and has been reported. The hard copy is here for all of you on the other side to have a look at. But no, no, no, they want to keep this buried for a bit longer. Why is that? I guess you only have to pick up a copy of today's Australian to read about the antics of union heads to know why. There is Mr Thomson with his use of credit cards for nefarious purposes—32 alleged incidents. He happened to be in Sydney, allegedly, and his wallet made it to Melbourne. It got back to Sydney and got put back in his hotel room the same night and he did not know how.

We are looking to amend the law to ensure that registered organisations and their officials have to play by the same rules as companies and their directors. It is only fair: ensure that the penalties for breaking the rules are the same that apply to companies as set out in the Corporations Act; reform financial disclosure and reporting guidelines under the registered organisations law so that they align more closely with those applicable to companies.

In addition, a coalition government are looking to establish this body, the Registered Organisations Commission, to take on the role of registered organisations enforcer and investigator, a role which is currently held by the general manager of the Fair Work Commission. We are also seeking for the Registered Organisations Commission to provide information to members of registered organisations about their rights and to act as the body to receive complaints from their members. Who did the members of the HSU have to go to to see about where their money was being spent? I think it was Mrs Jackson who blew the whistle—and where is she? She is in the political wilderness. Also, the Registered
Organisations Commission will educate registered organisations about the obligations that apply to them. So flitting off and taking escort services and downloading pornographic material will not be part of this. I am absolutely outraged that the Labor Party have used this instrument to try and circumvent publicity for this. I am not sure that they are trying to give Craig Thomson a Christmas present by keeping this all out, but I urge that this motion gets voted down.

**The DEPUTY PRESIDENT:** The question is that the motion moved by Senate Moore be agreed to. A division having been called, I remind honourable senators that, when a division is called on Thursdays after 6 pm, the matter before the Senate must be adjourned until the next day of sitting, at a time to be fixed by the Senate.

**Senator RONALDSON** (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (18:00): I move:

That the vote be taken after the discovery of formal business on the next sitting day.

Question agreed to.

Debate adjourned.

**DOCUMENTS**

**The DEPUTY PRESIDENT** (18:00): Order! It being past 6 pm, the Senate will proceed to the consideration of government documents.

**Department of Foreign Affairs and Trade**

Debate resumed on the motion:

That the Senate take note of the document.

**Senator FAULKNER** (New South Wales) (18:02): I would like to make a brief comment on the importance of the Department of Foreign Affairs and Trade report *Australia in the Asian century: towards 2025—country strategy*. The recently released DFAT country strategies for China, India, Indonesia, Japan and South Korea build on the critically important work of the previous government's Asian century white paper, the objective of which was to strengthen and deepen engagement with growing economies in our region.

The rise of Asia will define the 21st century, and Australia finds itself in a position of great strength to tap into the growing prosperity in our region. Our proximity to the burgeoning economies of China, India, Indonesia, Japan and South Korea already presents exciting opportunities for Australian business. But the future looks even brighter.

These reports provide a snapshot of the very exciting opportunities for Australia in our region from now to 2025. I might quote from the report, because these words say it all. The report states:

Each strategy outlines a vision of where Australia's relationship with the country should be in 2025 and how we, the Australian community, intend to get there. The strategies identify opportunities for community, business and government to participate in and contribute to the process of deepening and strengthening our regional engagement. They reflect the views of Australians, collected during nationwide consultations, and in doing so continue the national conversation initiated by the White Paper, to better identify whole-of-Australia objectives and priorities for the Asian century.

In the very near future, Asia will not only be the world's largest producer of goods and services; it will also be the world's largest consumer of them. It is already the most populous
region in the world. In the future, it will also be home to the majority of the world's middle
class, primarily in India and China.

Australia's proximity to Asian markets, strong economy, highly skilled workforce and
innovative and creative culture put us in the box seat to reap the benefits of the Asian century.
The country strategies contained in the report that I am speaking to provide the road map to
get there. I commend this report to the Senate. I think it is appropriate to acknowledge the
work of the Department of Foreign Affairs and Trade and other participating government
agencies in the preparation of the report. I commend it to all senators. Since the government
whip has requested me to do so, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Productivity Commission

Debate resumed on the motion:
That the Senate take note of the document.

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (18:07): Earlier this year
Goulburn Valley food processor SPC Ardmona slashed its grower contracts, essentially
halving them. There are over 160 growers within the Goulburn Valley in the central heartland
of Victoria supplying SPCA, one of our iconic food processors, and over 870 people work
within the food processor itself. The government documents I am referring to, reports nos 63
and 64, are those which were the accelerated reports into a safeguard inquiry conducted by the
Productivity Commission into imported processed fruit products, specifically peaches and
pears, and an inquiry into the import of processed tomato products, and we have gone on to
have a successful antidumping action with respect to the processed tomatoes.

Today I briefly want to comment on some of the report and outline for the Senate why this
is an important matter. Over the last few years there has been a severe deterioration in the
financial performance of Australia's fruit processing industries coinciding with stringent
competition from low-cost overseas producers. Since 2008, the overall value of processed
fruit imports has risen from approximately $73.3 million to around $113.4 million, an
increase of around 54 per cent. The processed increases has mainly occurred in pears. Like
many other Australian manufacturers, SPC is facing significant challenges, including a high
dollar, cheap imports and increasing energy costs. As a result, SPC chose to pursue under
WTO rules a safeguard action. Within Australia that inquiry is conducted by the Productivity
Commission. The report found that SPC Ardmona’s application for emergency assistance was
not warranted. This is despite finding that there were critical circumstances. They highlighted
within the report that the supermarket retailers’ pricing and fruit sourcing strategies and
private-label strategies had impacted on the success of SPCA, and similarly that technology
aspects within the company itself were an issue. But they did not find that that critical
emergency allowed them to apply the safeguards here. I am looking forward to the final report
on 17 December, which will find in favour of SPCA's application and provide some much-
needed legal assistance within the international trading framework for this business.

Since the Agreement on Safeguards was established in 1994, only one Australian
application for assistance has been considered, before being rejected. Some might remember
the pork inquiry some time ago. Our international competitors meanwhile continue to enact
emergency safeguard measures. Between October 2011 and April 2012, 26 safeguard actions
were taken by WTO members, including our international export competitors Brazil, Israel, Turkey and Indonesia. The commission's interim report admits to applying 'a high standard of evidence' to determine the case for provisional safeguard measures, referring to concerns with 'the poor quality of some countries' and the need to avoid being 'vulnerable to challenge by other nations'. This is highlighting that Australia is a member of the friends of safeguards group within the WTO, and I find that it is an issue that we are applying a higher level of standards than would normally be applied in these measures internationally.

It is important for Australia to continue our strong tradition of trade liberalisation, without using it as an excuse to not support local industry. While the commission recognised that 'serious injury' had occurred, they cited SPC Ardmona's business plans and contract arrangements as evidence that emergency assistance for the industry was not warranted, despite Goulburn Valley growers having to pull up over 750,000 surplus peach and pear trees. With a commercial lifespan of up to 100 years, the removal of these trees is having an immediate impact on industry that will be difficult to repair.

A lot has changed since Australia signed up to the GATT agreement in 1948, and I might agree with previous Director-General Pascal Lamy when he suggested revisiting the existing rules on preferential trade arrangements. Given the increasing global connectedness of international trade, it is difficult to prove that the importation of goods is the single cause of serious injury, which is one of the issues we are dealing with here. I seek leave to continue my remarks on both documents.

Leave granted; debate adjourned.

Australian Pesticides and Veterinary Medicines Authority

Debate resumed on the motion:
That the Senate take note of the document.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:13): I note that many members of my community are very concerned about the health impacts of pesticides used in everyday life. We simply do not know enough about many of the pesticides that are being used every day and the impacts that they have on people and our communities. During the debate recently on the APMVA's review and in fact the changes to the legislation, the Greens did try to change the requirements for the authority to report and made the point that it is important that we look at the health aspects and impacts of pesticides. We wanted to see the authority also report to the health minister so that we can be responsive to the health impacts of pesticides. Unfortunately, as we know, that was not taken up, but we will continue to pursue this issue because we think it is a very important issue.

At present, there is no nationally coordinated biomonitoring program or public health surveillance of Australia's population. We believe that we need to be looking into this to look at the impacts pesticides are having and whether they are turning up in our human systems. The community does have an expectation that public health is adequately protected from pesticide exposure. However, as we saw in the ABC's recent Four Corners expose Chemical Time Bomb, the Australian government has not implemented any biomonitoring programs and, therefore, does not hold data to be able to determine the Australian public's exposure to pesticides or the impacts that they are in fact having on human health.
A lack of evidence is not evidence of the fact that there is no harm from pesticides to our community. There is strong information to suggest that incidences of noncompliance at a state level are underreported and few—if any—penalties are being applied to noncompliance incidents of pesticide use. We believe this results in an incomplete picture of what is actually happening at the risk management level in the environment and in public health.

In Western Australia, and other parts of Australia, we know that organic farmers have daily concerns and that legal challenges have occurred because of organic farms being exposed to drift from adjoining properties that are using pesticides. We are concerned that Australia is lagging behind international best practice in some of the uses of pesticides. Again, this is one of the issues that we raised during the debate earlier in the year on the changes to the APVMA Act. There is ongoing concern about some of the impacts of pesticides and particular components of pesticides and about the impact that carcinogens, endocrine disruptors and neurotoxins are having.

We are extremely concerned about children in particular. There is still a lack of understanding about what risk management actually means. I heard in the debate during estimates some confusion, even from senators, about why decisions are made and what risk management actually means. So we do need to be looking into that in more detail. We also believe that many parents are unaware of the impact that being exposed to certain pesticides can have on their children and their children's development. Sometimes, there is inadequate signage where pesticides are being used, and children may be inadvertently exposed.

Earlier this week, I tabled a petition on this issue that had 168 signatures from people in my home community of Western Australia. The petition warns that petitioners and the community are concerned that this issue is not being taken up seriously enough by governments, that there is a failure to act in the public interest and that there is a failure to exercise a duty of care in the prevention of what are foreseeable harms. I urge the government to think about this and to start looking more seriously into the issues of impacts on public health and how we can assess those impacts.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**Australian Charities and Not-for-profits Commission**

Debate resumed on the motion:

That the Senate take note of the document.

**Senator STEPHENS** (New South Wales) (18:19): This document is the first annual report of the Australian Charities and Not-for-profits Commission, which came into operation on 3 December 2012. So this report reflects on seven months of operation to 30 June 2013. I place on the record my congratulations and my appreciation of the work of Commissioner Susan Pascoe and her team, who have done an amazing piece of work in a very short period of time. They have reported their work so closely and so carefully in a very accessible annual report. Ms Pascoe writes in her introduction:

Charities are essential to the wellbeing of the community—they enrich Australia's culture, strengthen our democracy, contribute to good public policy and advocate on behalf of individuals. They conduct essential work caring for vulnerable people, protecting the environment, educating children, promoting good health and enabling us to practise our faith.
As we all know, so much of the work that our charities do is supported by an amazing number of volunteers. On International Volunteer Day it is distinctly distressing to hear the news today that the minister has moved to end the function of the ACNC. I really need to put on the record that this first report of the ACNC, which may now be a collector’s item, outlines the vast amount of work that has been identified by charities and not-for-profit organisations around Australia since the Industry Commission of 1996 first started looking at the complexity of regulation for charities and the not-for-profit sector. The work that has been done since that time—the massive piece of work that was undertaken by the Productivity Commission—led to the establishment of the Australian Charities and Not-for-profits Commission last year when the act was finally passed through the parliament. It is just a gross injustice to all those who work in the not-for-profit sector here in Australia and all the communities who rely on the work of these organisations to have such an announcement made today that the minister is going to move very quickly to abolish the commission and repeal of the legislation by introducing new legislation into the parliament next year.

The minister has instructed the commission to start winding down its operations. The sector is aghast at what has happened, considering that we had invested so much in determining that the shape of this commission reflected the key challenges of: reducing the red tape and duplication; simplifying the state and territory regulations to allow charities and not-for-profit organisations to get on with the work that they need to do; building trust, confidence and transparency in the sector; and ensuring that there was not duplication.

The ACNC was established to be a one-stop shop for not-for-profit regulation, to deal with the vagaries and madness of fundraising legislation, to assist and support the ATO not being the gatekeeper and enabler of charities. Everybody recognised that those two functions needed to be separated. So the notion that we have the minister today, 12 months and two days after the organisation came into being, formally announcing that he is going to move quickly to remove this very important regulatory body from the Australian landscape is a disgrace.

I am distressed by the fact that the report reflects just how much work the ACNC has done. Around 80 per cent of the people surveyed believe that a charity register is very important. The fundamental thing that the ACNC actually did was to introduce the charity register. All of this work—10 years work—is actually going down the drain. It is an outrage.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:24): I rise, too, to take note of the report of the Australian Charities and Not-for-profits Commission. This is an issue I have invested a significant amount of time and energy into, making sure that we had a strong ACNC. I, like Senator Stephens—and I acknowledge the amount of work that Senator Stephens did in getting the ACNC off the ground—am extremely disappointed to see the announcement today. I am also extremely disappointed to further see that the government amended their own Social Services and Other Legislation Amendment Bill at one minute to midnight to inject another provision into that piece of legislation, which they are rushing through this place next week, or trying to, and where we get less than a week to review it. They snuck in the provision to delay the start of the Charities Act 2013 in order to start doing in the ACNC. This is the bill that we passed in this place not that long ago to put in place a definition of charities and to put in certain other protections for charities, including advocacy.
Last night we had Mr Mal Brough in the other place talking about the need for transparency and accountability of not-for-profit organisations. Haven't we got a body that deals with that right now? It is called the Australian Charities and Not-for-profits Commission. On the same day his minister then introduces legislation to help get rid of the very body that increases transparency and accountability for hundreds of thousands of not-for-profit organisations that operate in this country. This is not about improved accountability and transparency of the not-for-profit organisations; this is about taking it away. When they take away the ACNC what they are doing is taking away the body that ensures that we have better transparency and accountability.

The objects of the organisation are to:

- maintain, protect and enhance public trust and confidence in the sector—

What Mr Brough was doing yesterday and today in the media was smearing the not-for-profit organisations of this country by implying that they use heaps of funds for administration. That is about smearing those organisations, undermining those organisations. The next step will be what they will do about the advocacy of these organisations. Australian not-for-profit organisations should be very concerned that this government is coming for them. By getting rid of the ACNC they are getting rid of the organisation that does ensure and build public confidence and trust in our not-for-profit sector.

The ACNC's other objects are to:

- support and sustain a robust, vibrant, independent and innovative not-for-profit sector

And—get this:

- promote the reduction of unnecessary regulatory obligations on the sector.

If I wanted to tie up the Australian not-for-profit sector, do you know the way I would do that? I would get the ATO to look after them. That is what the government is going to do. It is going to be getting the Australian Taxation Office to do it, because that is inevitably what is going to happen when you get rid of the ACNC. It will take us back to the dark old days when the ATO was the regulator and the decision-maker. It is a revenue raiser but it is also the decision-maker on your status as a tax-exempt organisation or DGR. That is what this government is about.

It is pretending it is about promoting a vibrant sector. It is not; it is about putting it under more red tape. The ACNC has a statutory duty to report to parliament about cutting red tape. That is what the ACNC is supposed to be doing. Why would the government then move to get rid of it? Yes, there are teething problems, as there always are in getting an organisation started. But, as Senator Stephens said, they have now got the register started and thousands of organisations are now registered. They are getting in their information statements and they are starting to run a process that is going to be effective and working into the long term. This government is not about having a vibrant sector. It is about trying to tie them up, it is about smearing them and getting rid of thorns in their side. Nobody should be fooled about where this government is coming from.

Senator BOYCE (Queensland) (18:29): I was going to seek to continue my remarks, as I have in the past on this document, but I feel as though I should speak on it. I think everyone should be properly grateful that I ensured that it stayed on the Notice Paper so that we could debate it tonight. One would get the view that prior to the existence of the Australian
Charities and Not-for-profits Commission, and it has been less than a year, the not-for-profits sector did not exist. I am surprised that they managed to stagger through without the ACNC to assist them.

Once again, the Senate Community Affairs Legislation Committee inquired into the establishment of the ACNC and at that time the then opposition—now government—senators expressed great concern about what was being done here in the terms of empire building. It had been put to me some time previously by the then minister Mr Shorten that the plan was to assist not-for-profits to become more efficient by combining their back-office activities. It was an absolutely great idea. Everyone would be in favour of ways of allowing not-for-profits and charities to perform more efficiently. To suggest that the existence of the ACNC actually does that in any way I cannot imagine because it certainly does not apply.

The annual report of the ACNC is an excellent report for an organisation that has been set up to do what it had been set up to do by the then Labor government. But that does not change the fact that it was not needed to do that job and the money that was spent to establish it. One other thing that the then opposition senators, such as myself, complained about during the inquiry was that the acting CEO had been appointed long before the inquiry had been completed and long before the commission was actually established by law. There were advertisements going out for staff—for dozens of staff—for this commission before it was established by this parliament. So once again we have the former government putting the cart before the horse and spending money unnecessarily to build empires where empires are not needed.

The current minister, Mr Kevin Andrews, plans that there will a centre of excellence to look at research and to suggest other ways to improve the activities and the governance of the charities and not-for-profit sector. They are and have been a very, very strong and integral part of the framework of the centre-right parties for a long time. The history of the establishment of charities would be littered with the activities of the British, in that case, Conservative Party who established the values and the framework that still underpin some of the activities in this area. But it did not need a monolith known as the Australian Charities and Not-for-profits Commission costing the amount of money that it has to achieve a good and functional charities and not-for-profit sector.

The opposition might contemplate the idea that there is going to be legislation put through which will delay the establishment of the organisation so that it can be wound back. Once again, we had legislation after piece of legislation going through this place when the then Labor government came up with a great idea and implemented it, but forgot to put the framework in place to achieve it through the legislative framework. If anyone needed lessons in governance I think it was the former Labor government.

The not-for-profit sector in Australia can be reassured that the current government is very much in favour of a vibrant well-governed sector, and an advocacy sector that functions alongside that is absolutely critical to its good performance.

**Senator MOORE** (Queensland) (18:34): I seek leave to continue my remarks.

Leave granted.

**The DEPUTY PRESIDENT:** I will just remind senators that any document that is not called upon will be discharged from the *Notice Paper* but those we are preserving obviously
will be preserved. Also, for senators, we do not need to move any motions. All the motions have been moved on a previous occasion so this is simply speaking to the document and seeking leave if you wish to return the document to the paper.

Wet Tropics Management Authority and State of the Wet Tropics

Debate resumed on the motion:
That the Senate take note of the document.

Senator McLUCAS (Queensland) (18:37): I would like to take note of item No. 94, which is the Wet Tropics Management Authority and State of the Wet Tropics reports for 2012-13. In doing so, I want to particularly pay tribute to Associate Professor Peter Valentine for the work that he has done as chair of our board for many years. As for Professor Valentine, I will quote the report:
Peter has a profound knowledge of World Heritage management and policy including a particular knowledge of the wet Tropics of Queensland. The directors and staff of the authority are grateful for the leadership and support that Peter demonstrated during his term of appointment.

In saying that, I personally want to thank Peter for his leadership during some difficult times. Frankly, I would have liked to see him continue. He is an inclusive chairperson. He makes sure all people who have an interest in the Wet Tropics World Heritage area are consulted and included in the deliberations of the board and he has been a great leader for our region. One of the significant things that happened during this reporting year was the listing on 9 November 2012 of the Wet Tropics World Heritage area with UNESCO again, for its Indigenous values.

I quote the report again:
On 9 November 2012, the Australian government announced the inclusion of the national Indigenous heritage values as part of the existing national heritage listing for the Wet Tropics World Heritage area. The Aboriginal rainforest people of the wet tropics of Queensland have lived continuously in the rainforest environment for at least 5,000 years and this is the only place in Australia where Aboriginal people have permanently inhabited the tropical rainforest environment.

This took a great amount of leadership to be able to deliver this outcome ensuring that the Bama, which is the Aboriginal word for people, were consulted and included in this final listing. It is very much appreciated by Aboriginal people and now their engagement in management into the future is assured. Also in the report it talks about the fact that on 2 November 2012 there was a field trip of the board to Edmonton, which is south of Cairns, to inspect a yellow crazy ant infestation inside the World Heritage area. This has been a real problem for us in the north. The incursions of these pests, yellow crazy ants, is a real danger to the ongoing strength of the wet tropics but is also a problem for our cane farmers. That is why I was really pleased that before the government changed we were able to announce that we were allocating almost $2 million to the Wet Tropics Management Authority to do the work of eradication of these yellow crazy ants. They are in a very small part of the Edmonton area. It is the view of local people, including cane farmers, that they are eminently eradicable.

I was contacted by a very passionate man, Mr Frank Teodo, who invited me to come out to his property, which I did. He is a very generous man. He wrote me an impassioned letter. He says:
I don't consider myself a "greeny" Jan, but I love the bush as much as anybody.
He goes on to say:
There is over a square mile of country here, where we haven't got a frog or a lizard, the green ants and all the other native ants are all gone... The State Government cut the funding to Biosecurity Qld last year... We've been trying to get the State Gov. to understand that they've made a mistake. The State Gov. has made a mistake. The Wet Tropics Management Authority has applied for Federal funding and we hope to have had some good news in July. The WTMA has been fantastic in in their efforts to eradicate the YCA.

Frank Teodo is a passionate advocate for his country, but also he is a farmer. He wants to grow cane and turn money off it. We are finding we cannot even grow cane where we have yellow crazy ant infestation. That is why this almost $2 million will be fantastic as they are able to do the work that is required to eradicate yellow crazy ants. I am disappointed that the Queensland government are not picking up their part of the load to be able to do the work that they should do in cooperation with the federal government to eradicate this pest.

**DOCUMENTS**

**Consideration**

The following orders of the day relating to government documents were considered:

- Gene Technology Regulator—Quarterly report for the period 1 January to 31 March 2013. Motion of Senator Boyce to take note of document agreed to.
- Australian Human Rights Commission—Audit report—Review into the treatment of women at the Australian Defence Force Academy, dated July 2013. Motion of Senator Boyce to take note of document called on. On the motion of Senator Moore debate was adjourned till Thursday at general business.
- Department of Immigration and Citizenship—Access and equity in government services—Report for 2010-12. Motion of Senator Boyce to take note of document agreed to.
- Australian Institute of Health and Welfare—Australia’s welfare 2013—Eleventh biennial report. Motion of Senator Boyce to take note of document agreed to.
- Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education—Australi

...
—Motion of Senator Boyce to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Tertiary Education Quality and Standards Agency (TEQSA)—Report for 2012-13. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Australian Centre for International Agricultural Research (ACIAR)—Report for 2012-13. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Health Workforce Australia—Report for 2012-13. Motion of Senator Boyce to take note of document called on. On the motion of Senator McLucas debate was adjourned till Thursday at general business.

Australian Research Council (ARC)—Report for 2012-13. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Independent Hospital Pricing Authority (IHPA)—Report for 2012-13. Motion of Senator Boyce to take note of document called on. On the motion of Senator McLucas debate was adjourned till Thursday at general business.


Department of the Prime Minister and Cabinet—Report for 2012-13. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Australian Renewable Energy Agency (ARENA)—Report for 2012-13. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Private Health Insurance Ombudsman—Report for 2012-13. Motion of Senator Boyce to take note of document called on. On the motion of Senator McLucas debate was adjourned till Thursday at general business.

Department of Agriculture, Fisheries and Forestry—Report for 2012-13. Motion of Senator Macdonald to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.


Export Finance and Insurance Corporation (EFIC)—Report for 2012-13. Motion of Senator Stephens to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Aged Care Standards and Accreditation Agency Limited—Report for 2012-13. Motion of Senator Polley to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Australian Curriculum, Assessment and Reporting Authority (ACARA)—Report for 2012-13. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Australian Institute of Criminology—Report for 2012-13. Motion of Senator Boyce to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Australian Transaction Reports and Analysis Centre (AUSTRAC)—Report for 2012-13. Motion of Senator Boyce to take note of document called on. On the motion of Senator Bushby debate was adjourned till Thursday at general business.

Department of Families, Housing, Community Services and Indigenous Affairs—Report for 2012-13, including reports of the Aboriginals Benefit Account and Coordinator General for Remote Indigenous Services, and financial statements for the Aboriginal and Torres Strait Islander Land Account. Motion of Senator Stephens to take note of document agreed to.


Australian Nuclear Science and Technology Organisation (ANSTO)—Report for 2012-13. Motion of Senator Stephens to take note of document called on. On the motion of Senator Boyce debate was adjourned till Thursday at general business.


Migration Agents Registration Authority (MARA)—Report for 2012-13. Motion of Senator Boyce to take note of document agreed to.

NBN Co Limited—
Letter to the Chairman of NBN Co Limited (Dr Switkowski) from the Minister for Communications and the Minister for Finance, dated 24 October 2013.

—Motion of Senator Pratt to take note of documents agreed to.


COMMITTEES

Finance and Public Administration Legislation Committee
Debate resumed on the motion:
That the Senate take note of the report.

Senator FAULKNER (New South Wales) (18:45): The interim and final reports of the Finance and Public Administration Legislation Committee into the performance of the Department of Parliamentary Services are, to say the least, perfunctory. The interim report scores a government response of 23 words. It only notes committee recommendation 1. The final report scores a government response of just 14 words. It does nothing but reject the committee's recommendation numbered 23. Fortunately, the benefit of such reports is not measured by the quality of the government response that they might engender. In the case of the Senate Finance and Public Administration Legislation Committee's inquiry and report into the performance of the Department of Parliamentary Services, I would say that the inquiry process itself was a process of real value.

This was one Senate inquiry which did have an impact. Many matters of concern were raised. They needed to be. Many changes have resulted. So they should have. But parliamentarians in both chambers need to maintain vigilance regarding what happens here in our workplace, Parliament House—in other words, what happens here right under our noses.
We have an obligation to ensure that the administration of parliamentary departments is best practice, that these departments are administered competently, efficiently, honestly and fairly.

Even though the inquiry into the performance of the Department of Parliamentary Services is completed and even though the former government's response to the committee's report, however minimal and inadequate it may be, has been received, the obligation remains on all parliamentarians to ensure ongoing scrutiny of the work of the Department of Parliamentary Services. That is why at the recent Senate estimates budget supplementary round, I raised concerns about the proposed relocation of the Parliament House switchboard and help-desk operators from their current location behind the post office in this building's public area to the basement of the building. These concerns are not mine alone. Other senators around the chamber like me want to be assured that if there is any move such a move would be warranted and necessary, and that if a move goes ahead any staff who would be affected by it have been and would be treated with dignity and respect at all times. So I would say, in my brief contribution on this matter in relation to this particular proposal, that it would be appropriate for both the Speaker of the House of Representatives and the President of the Senate to take a close interest in this proposal and I certainly hope that they do that.

Question agreed.

Environment and Communications References Committee

Report

Debate resumed on the motion:
That the Senate take note of the report.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:51): I wish to take note of the committee's second interim and final reports on recent trends in and preparedness for extreme weather events. This was an issue that Senator Milne referred to the Environment and Communications References Committee. I think this is a very important issue. Since that committee reported, we have had further information produced by CSIRO highlighting the need for preparedness to address extreme weather events, in particular those being influenced by the impact of climate change. The report came out at the end of November and highlights the world-leading work our CSIRO scientists produce.

There was a paper in Nature Geoscience about the Indian Ocean Dipole, or IOD. This paper points out the influence of climate change on the Indian Ocean Dipole and how important the dipole is for weather events and rainfall in Australia. It also warns of the impact of a warming climate, which is predicted to have significant impact on droughts and elevated conditions for bushfires. These events are likely to become more frequent across South-Eastern Australia because of the impact of climate change. The paper warns that warming along the tropics is already creating changes in dominant climate systems, including the so-called Indian Ocean Dipole, which influence rainfall during the key winter and spring periods. It says that in positive-IOD years, sea-surface temperatures are cooler than normal in the eastern part of the Indian Ocean, to Australia’s north-west, and abnormally warm off Africa, to our west. As a result, easterly winds tend to strengthen, pulling tropical rainfall westwards away from Australia and Indonesia.

The report goes on to say that the frequency of these positive years is increasing. Apparently in 13 of the past 31 years there has been a period of three-year sequences,
unfortunately coinciding with some of our droughts. This is in contrast with the early part of the 20th century when only three such events occurred in a 30-year period. The report says there is an alignment between some of the major bushfire events in South-East Australia, such as Ash Wednesday and Black Friday, that have been associated with an Indian Ocean Dipole event in the previous spring and winter. This is evidence that there is an association between these events and more extreme weather due to climate change which potentially has catastrophic consequences.

We need to start planning for these events. We need to be prepared for these events and stop ignoring that fact that climate change will not only have an impact in the future but influence our weather now. Climate change is leading to more extreme weather events and there has been a decrease in rainfall in many parts of Australia. I digress as to my home state of Western Australia, where there has been a significant decline in rainfall since the early 1970s. To give credit where credit is due, in the mid-1990s the Water Authority, as it was known, finally acknowledged that Western Australia's rainfall was decreasing, particularly in the south. When the authority was planning for the provision of water to Perth in 1995, it started taking the declining rainfall into account.

The Department of Water in Perth is now undertaking a water reform process. I was at an information session for that last Wednesday night and a key thing the department acknowledges is that climate change will affect decisions, so the department is planning for this impact. I do not for a minute say that the planning process is perfect, as I have some concerns, but the department acknowledges a drying climate and is planning for climate change.

When will this government get it into its head that climate change is happening? Climate change is real and it is happening. We need to plan for it not only in the way we manage our water resources, our agriculture and invest in renewable energy but also in the way we plan for extreme climate events and how those changes play out in droughts and bushfires. Unless we start taking climate change into account, unfortunately we will see catastrophic weather events we are not prepared for.

It is nonsense to pretend that our climate is not warming and that climate change is not happening and having an effect already. In Western Australia we have had significant ocean warming events that affect ecosystems, as I said in this chamber on Wednesday. Climate change is also affecting the migration of ocean species. There are now tropical species in oceans off Perth that have never been there before, along with invasive species. We do not know how climate change impacts on shark populations. Unfortunately these events will keep happening. We cannot bury our head in the sand. We need to plan and prepare for these events. While we do not acknowledge the impacts of climate change, we leave our communities open to worse impacts. As the Nature Geoscience article points out, the Indian Ocean Dipole is happening more frequently. The dipole is clearly connected to lower rainfall and drought conditions in Australia, and drier conditions lead to greater potential for bushfires.

The Greens referred this issue to the Environment and Communications References Committee to look into. We do not always plan for what is likely or what we know is coming. We know that these situations are going to get worse. We do not know about the events but we know they are going to get worse and we need to be planning to make sure we are able to
be responsive. I sat in on the Perth hearing of this inquiry and it was quite obvious we are not getting ready for the impact of these events. For example, the impacts of climate change on human health have been raised by Doctors for the Environment, who presented evidence to the committee and clearly pointed out some of those impacts. We have seen the increased number of heat stroke and heat related deaths. We have had heatwaves in this country and we have seen them in Europe as well.

Senator Boyce: And floods.

Senator SIEWERT: Those sorts of events are not being adequately planned for—for example, in our health responses. As Senator Boyce just pointed out, we have seen the impact floods and those sorts of catastrophic events have on human life and the disruption to community. All those issues need to be taken into account. We are not adequately planning. While we continue to have a government that is confused at the very least about whether it is in denial or not—half of them are—we will not be adequately prepared and will continue to see the impacts of these catastrophic events and these extreme weather events.

We need to be acknowledging this and we need to be planning properly.

**COMMITTEES**

**Consideration**

The following orders of the day relating to committee reports and government responses were considered:

- Cyber Safety—Select Committee—Report—Options for addressing the issue of sexting by minors. Motion of Senator Bilyk to take note of report agreed to.
- Community Affairs References Committee—Interim report—Care and management of younger and older Australians living with dementia and behavioural and psychiatric symptoms of dementia (BPSD). Motion of Senator Urquhart to take note of report agreed to.
- Rural and Regional Affairs and Transport References Committee—Interim reports (2)—Ownership arrangements of grain handling. Motion of Senator Urquhart to take note of reports agreed to.
- Corporations and Financial Services—Joint Statutory Committee—Report—Statutory oversight of the Australian Securities and Investments Commission: the role of gatekeepers in Australia’s financial services system. Motion of Senator Urquhart to take note of report called on. On the motion of Senator Boyce debate was adjourned till the next day of sitting.
- Community Affairs References Committee—First and final reports—Involuntary or coerced sterilisation of people with disabilities in Australia. Motion of Senator Urquhart to take note of reports called on. On the motion of Senator Moore debate was adjourned till the next day of sitting.
AUDITOR-GENERAL’S REPORTS

Consideration

The following orders of the day relating to reports of the Auditor-General were considered:

Auditor-General—Audit report no. 3 of 2013-14—Performance audit—AIR 8000 Phase 2 – C-27J Spartan battlefield Airlift Aircraft—Department of Defence. Motion of Senator Macdonald to take note of document agreed to.

Auditor-General—Audit report no. 8 of 2013-14—Performance audit—The Australian Government Reconstruction Inspectorate’s conduct of value for money reviews of flood reconstruction projects in Queensland—Department of Infrastructure and Regional Development. Motion of Senator Macdonald to take note of document agreed to.

ADJOURNMENT

World Toilet Day

Senator BOYCE (Queensland) (19:02): You would be aware, Acting Deputy President Fawcett, I am sure—as the vast majority of senators would be—that 19 November was World Toilet Day. Unfortunately, circumstances prevented me from speaking on that day but I feel I should share with you some of the statistics gathered up by my staff who tell me that Parliament House has 533 toilets. The Lodge only has eight—although with the refurbishments going on that may change.

 Whilst we have a rich vein of toilet humour, especially those of us who come from an Anglo-Saxon background, it is not a laughing matter in most of the world. The lack of clean water and the lack of decent loo is a really serious problems. About 2½ billion people—about 40 per cent of the world’s population—do not have access to decent, hygienic sanitation. Over one billion people do not have access to a toilet of any variety whatsoever. They defecate out in the open and experience the likelihood of harm from other people, in some cases even from wild animals. You can all imagine what it is like having to go to the loo outside in the middle of the night wherever you are, perhaps having to walk some large distance from where you live to defecate. The problems are exacerbated if you are someone with a disability.

 In fact, worldwide, contaminated water and poor hygiene kill more people than malaria and HIV and contaminated water is responsible for about 80 per cent of all disease in the developing world. The challenges are particularly difficult in our region, with only sub-Saharan Africa worse off than the Pacific region in the proportion of people without access to decent sanitation. In Papua New Guinea—Australia’s closest neighbour—60 per cent of the population live without access to clean water and a staggering 81 per cent do not have access to decent sanitation. Last year alone, WaterAid assisted just over 7,000 people in Papua New Guinea with sanitation services.

 I must express my admiration for the organisation WaterAid, which was set up initially by a group of British engineers who saw that whilst there were all manner of wonderful things being done in the international aid area, without the very basics being done about decent water and somewhere to go to the loo, it did not matter how much else we did, we were not going to produce long-term positive health outcomes.

 Whilst it might seem quite a simple matter to some of us that you would go to the loo outside, it is not the case at all. It is not just a minor inconvenience; it is a major problem. You often have situations where the place where some people defecate would actually feed into the
water supply of that village, so you end up with a cycle of illness and disease that is not understood and is unable to be fixed until it is understood.

Investing in water and sanitation and hygiene is a smart investment; it makes sense to do. I would argue that if we are to look in any way at rearranging the way we go about our foreign aid, I think it is an excellent idea that we should use our national interest as the focus of how we would go about foreign aid. We should ensure that money that goes into water and sanitation is continued. These are basic projects that assist women in particular, who are often the ones who do the work of getting the water and, surprisingly enough, they even assist with the education of young women. Often if there is not a toilet at the school they will stay home while they are menstruating—which means that they miss school one week out of a month. If there is a toilet that is available exclusively for the use of the girls in a school it actually helps with their education. These are not things anyone in Australia, thank goodness, has to consider, but it is a really important part of the way we should be focusing our foreign aid in the future.

WASH—an organisation that promotes water, sanitation and hygiene—points out that for every dollar invested in water, sanitation and hygiene within the Asian area, more than four per cent is returned to the local economy in increased productivity. The figures that have come out of the UN suggest that universal access to clean water and decent sanitation would deliver a minimum global economic benefit of US$170 billion annually and it would also save the lives of about 2,000 children a day worldwide who currently die from preventable diarrhoea. There is all manner of things we could do to assist those children, but it is such a simple thing to have clean water and a toilet that does not infect the water supply.

The other figures that have come out from WASH tell us that we could halve the number of patients in hospitals in developing countries if there were clean water and decent sanitation, because it is diseases caused by the lack of these things that lead to nearly half the hospital admissions. We would also halve the number of cases of global malnutrition of children who are suffering from diarrhoea and therefore never getting a chance to be properly nourished.

When sanitation facilities at girls schools are made available, the attendance of girls goes up by over 11 per cent—which, of course, makes sense. WASH estimates that children worldwide would spend an extra 443 million more days every year at school if there were sanitation and water at the schools. As well, if water were available locally, women and girls would save 40 billion hours a year that they spend annually collecting water. So they would not only get an education but they would also be able to use that education in a productive way to build their own assets and the assets of their family and their village. They would also avoid the dangers that they often face in the long journeys to get water for the family or to find a discreet place to go to the toilet.

I urge everyone in the Senate to keep in mind that water and research into water is a very important part of our aid effort. I was interested that the Australian Disability and Development Consortium earlier this year made the point that they had assisted 150,000 people with disabilities in Asia in the past 12 months with projects that were based on good water and good sanitation. People with disability, of course, would have even greater difficulty in making the journeys that need to be made. So may I commend World Toilet Day, WASH and water aid to the Senate.
Education Funding

Senator PERIS (Northern Territory) (19:12): I have been told throughout my life never to expect a handout and that from hard work you always get results. While it is a view that I broadly agree with, it did set me wondering: what would be the results of the latest federal education funding deal for the Northern Territory?

Northern Territory CLP Chief Minister Adam Giles made a lot of big-chested political statements when he was first elected, saying he would not accept the Labor government's education funding offer because it was not a good deal for the Northern Territory. I want to make it clear: he chose not to. Labor did not leave the Northern Territory out; the CLP said no. The original Labor education funding offer actually sought to make the Northern Territory government more accountable for education outcomes.

I want to be very clear on the differences between the Labor offer to the Territory and the current coalition offer. The Labor funding offer required the NT government to continue to invest in education. They had to sign up to not sack teachers, to not close schools, to continue to provide secondary education in the bush and to provide resources and support for Territory schoolkids.

The coalition's offer allows the CLP to keep sacking teachers, to close schools and to cut back on education in the bush. And that is what they are doing. Teachers are being sacked. Teachers today in the classrooms in the Northern Territory have been told that they will no longer have a job next year. And the CLP are slashing Indigenous education. The number of Indigenous students enrolled in senior school has decreased by 200 in the last 12 months. That is an 11 per cent cut in just one year.

We will never close the gap on Indigenous disadvantage in Australia if we do not improve education. If Indigenous children are not getting an education then they are missing out on a lifetime of opportunity. If we are not educating Indigenous children then, regardless of all other efforts, we will not close the gap. But this is what is happening: 200 fewer Indigenous students in senior schools in just one year. Remember, it was only 10 years ago that not one Indigenous child had graduated from high school in the bush in the Northern Territory. We have been going forward, but we are now going to go backwards.

The funding model from the coalition allows the CLP government in the Northern Territory to keep ripping funds away from Indigenous education in the bush. The original package—what we know as the Gonski package—was firmly based on the Labor principles. It sought to bring actual equality to the education funding system. This approach remains a real testament to former Prime Minister Gillard and was continued so well by Labor's current leader, Mr Bill Shorten, when he was the education minister. Labor is always more concerned about education than our opponents. We have a much better education record than our opponents. Labor built schools. Labour built homes to house our teachers.

In the Northern Territory, education results are the worst in the country. We know this because of the latest COAG report, which details the difficulties of delivering education in the Northern Territory, particularly in the remote context. We all know that the only way we can get better results is with the distribution of more resources. You can pretend that we do not need more money spent on education. However, we simply do. We must make this happen. We know that from all the evidence gathered by forums like COAG. According to The
Conversation, Mr Bill Fogarty, a research associate at the National Centre for Indigenous Studies at the ANU, said in regard to the most recent COAG education outcomes:

On the less rosy side, we see that from 2008 to 2012 there's been no real improvement in school attendance at all for Indigenous students. And in fact, in the remote and very remote regions we've seen decreases. The Northern Territory as a whole has seen a 14% decrease in year 10 attendance which shows us that we still have a long way to go.

Attendance at school is a measure, and figures like these cannot be ignored. This is a real worry. The CLP are busily ripping the guts out of the Territory education system. They are sacking more than 100 teachers, including many in the most remote and disadvantaged areas. Territory education is currently in a shambles. Teachers have been taking unprecedented industrial action. The education minister has been forced into a humiliating backdown in front of angry education rallies at the front of Parliament House, and Adam Giles is trying desperately to tell mums and dads of Territory schoolkids that it is all okay. Well, it is not, and the CLP are making it far worse. Yet they are getting $272 million over the next four years from Canberra while they are doing it. It does not make any sense. What Mr Tony Abbott and his unhinged education minister are saying is: 'Here you go, Northern Territory. Rip the guts out of a system that is struggling to deliver results, and here's heaps more money while you're doing it.' It is just so wrong on many counts. To quote the blog PoliticOZ:

… but we know precisely how much they cost in monetary terms: $1.2 billion. That's what the Coalition paid QLD, WA and NT governments to sign up to a "national" education funding agreement. This money goes to them with no strings attached. They are not required to contribute anything in return, or even maintain their own funding—it's a gift from the Coalition.

We should fund better results. We should not give more money to the Territory government when its education results are in such obvious decline without demanding rigorous accountability.

The big question really remains around the Northern Territory government's accountability. Is there a proper federal mechanism in place to make sure the education funding is delivered to improve educational outcomes for our Territory kids? I might just add that almost 25 per cent—that is a quarter—of the Northern Territory population is under 15 years old. Education is for life. It is every Australian child's foundation. It is the way to breed a better life for our children. I simply ask the Prime Minister: given your commitment to be the Prime Minister for Indigenous Australians, will you insist that this extra money for education be spent where it is needed most?

Griffin, Erin

Senator XENOPHON (South Australia) (19:19): I rise tonight to pay tribute to a remarkable and brave South Australian I recently had the enormous privilege of meeting, who has been crusading for awareness of childhood cancer and the need to find a cure, all while fighting the most difficult battle of all: the battle for her own life. Erin Griffin is 13 years old. Born in Kilmarnock, Scotland, Erin emigrated to Australia with her family and now live in the southern suburbs of Adelaide. Erin attends Willunga High School when she can, but when she was diagnosed with an aggressive, inoperable brain tumour last year she kept this devastating news to herself. Initially only a handful of closely trusted people, including her
own family, knew of her ordeal. Erin's incredibly hopeful and loving mum, Amanda, says Erin was determined to be treated just like everyone else. Not fond of the spotlight, she was worried people would look at her differently. Whenever her radiation treatment caused her to miss out on school, she would be back in class the same afternoon and would make an excuse about where she'd been. Only her best friend in class knew the truth.

But let us pause and go back to where the struggle began. In February last year, when she was just 12 years old and with her whole life ahead of her, Erin was struck down with terrible headaches and vomiting. Erin had contracted tumours in the stem of her brain, which, because of their location, are the hardest to treat. Her mum, Amanda, scoured the internet to find out more about this puzzling and devastating disease, called DIPG, or diffuse intrinsic pontine glioma. Her family were told she had only months to live. While that would be enough to make even the strongest person crumble, Erin decided to take a different path. She decided to fight. This shy teenager, who had not even told her classmates what she was up against, decided to seize the spotlight in an effort to bring awareness to her disease and to help others. Erin used her wish with the Make-a-Wish Foundation to find a cure for childhood cancer. She selflessly used her own wish for the benefit of others in raising international childhood cancer awareness, which took her all the way to a rally in Washington DC. There she was, halfway across the world away from her home, no longer willing to hide anymore. Erin addressed a crowd of thousands and told them:

All childhood cancers need a cure and it isn't fair that children are dying because there's no treatment for them. Children have their whole lives ahead of them. Kids are our future, but lots of kids with cancer don't get a chance to grow up because there is not enough awareness and not enough funding or treatments.

Obviously, I cannot do justice to what she said because I cannot mimic the beautiful Scottish accent that Erin has!

With no other treatment options available anywhere in the world, Erin took part in a world-first clinical trial at the Westmead Children's Hospital in Sydney. She now spends one week a month in Sydney for the gene therapy trial, funded by The Kids' Cancer Project.

Professor Peter Smith, the Dean of Medicine at the University of NSW and Chairman of the Research Advisory Committee of The Kids' Cancer Project has made this powerful point:

Unlike adult cancers, for which risks can be modified through lifestyle changes like quitting smoking or losing weight, there are no such risk factors for childhood cancers. That means a child's prognosis can only be improved through research advances.

And DIPG is a particularly cruel form of cancer, because the biggest risk factor for DIPG is simply being a child.

The Kids' Cancer Project is an Australian charity supporting the best and brightest research into childhood cancer. And here are some absolutely compelling facts directly from The Kids' Cancer Project which need to be on the public record for as many people to know about as possible: every year 1,400 Australian children are diagnosed with cancer—500 children aged 0-14 years and 900 adolescents and young adults aged 15-24 years. Cancer kills three children per week in Australia, and cancer is the biggest killer of Australian children from disease today. Children get very different types of cancers from adults, and childhood cancer represents a significant number of life years lost, second only to breast cancer in Australia.
Childhood cancer is considered a pharmaceutical orphan; globally it is not considered economic to produce drugs for childhood cancer. Risk factors associated with childhood cancer are unknown. The Australian federal government spends over $120 million per annum in disease prevention and early detection. Adult cancers are the main focus of this program, and I understand that, but these funds have no impact on improving childhood cancer outcomes.

With only $4.7 million out of $559 million in NHMRC research grants allocated to childhood cancer—less than one per cent—research is highly reliant on community support from organisations like The Kids' Cancer Project, and The Cure Starts Now Foundation—two great organisations. Renowned neurosurgeon and great Australian Dr Charlie Teo, whom I am very privileged to count as a friend, underlines the importance of such research. He said:

Brain cancer kills more children than any other cancer. It mostly hits Australians in the prime of their life peaking in incidence in young adults.

Erin Griffin has personally raised $50,000 for The Cure Starts Now Foundation, manages the Facebook page 'Erin Griffin Raising Childhood Cancer Awareness', and started a petition seeking to make childhood cancer awareness a national priority.

Erin has been on the clinical trial for 12 months now and has at least another 12 to go, but the outlook so far is promising, and that is just terrific. Erin's latest MRI results indicate she is stable and symptom-free.

I think it's best that I leave the last words to her:

There are children dying every day from cancer. This is not right and this needs to change. There needs to be more awareness and I'm going to help make this happen.

Well, Erin, you certainly have.

I would like to take this opportunity to honour the amazing Erin Griffin and her wonderful mum, Amanda, for their inspirational efforts to draw attention to this most important issue.

Senate adjourned at 19:26

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislatively instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Broadcasting Services Act 1992—Broadcasting Services (Events) Notice (No. 1) 2010 (Amendment No. 17 of 2013) [F2013L02042].

Carbon Credits (Carbon Farming Initiative) Act 2011—Carbon Credits (Carbon Farming Initiative) (Native Forest from Managed Regrowth) Methodology Determination 2013 [F2013L02036].

Food Standards Australia New Zealand Act 1991—Food Standards (Proposal P1019 – Carbon Monoxide as a Processing Aid for Fish) Variation [F2013L02039].
Higher Education Support Act 2003—
   Higher Education Provider Approval No. 7 of 2013 [F2013L02041].
   VET Provider Approval No. 71 of 2013 [F2013L02040].


Research Involving Human Embryos Act 2002—Declaration of 'corresponding State laws' [F2013L02043].