COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

Senate

Official Hansard

No. 15, 2014
Tuesday, 18 November 2014

FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE SENATE
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SITTING DAYS—2014

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

Senate Office holders
President—Senator Hon. Stephen Parry
Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O’Neill, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
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 the 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 Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Palmer United Party in the Senate—Senator Glenn Patrick Lazarus
Deputy Leader of the Palmer United Party in the Senate—Senator Jacqui Lambie
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston
The Nationals Whip—Senator Barry James O’Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert
Palmer United Party Whip—Senator Zhenya Wang
Deputy Palmer United Party Whip—Senator Jacqui Lambie

Printed by authority of the Senate
## Members of the Senate

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
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<tr>
<td>Back, Christopher John</td>
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<tr>
<td>Bernardi, Cory</td>
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<td>Bilyk, Catryna Louise</td>
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<tr>
<td>Birmingham, Hon. Simon John</td>
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<td>Brandis, Hon. George Henry, QC</td>
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<td>Brown, Carol Louise</td>
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<td>Bullock, Joseph Warrington</td>
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<td>Bushby, David Christopher</td>
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<td>Collins, Hon. Jacinta Mary Ann</td>
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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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<th>Party</th>
<th>Senator</th>
<th>Party</th>
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<td>CLP</td>
<td>Peris, N.M.</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party
Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
# ABBOTT MINISTRY

<table>
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<tr>
<th>Title</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
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<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
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</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
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</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
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</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<tr>
<td>Assistant Minister for Employment</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>The Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon George Brandis QC</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Joe Hockey MP</td>
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<tr>
<td>Acting Assistant Treasurer</td>
<td>The Hon Bruce Billson MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
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<td><strong>Minister for Agriculture</strong></td>
<td>The Hon Barnaby Joyce MP</td>
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<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
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<td>The Hon Christopher Pyne MP</td>
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<tr>
<td>(Leader of the House)</td>
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<tr>
<td>Assistant Minister for Education</td>
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<td><strong>Minister for Industry</strong></td>
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<td>The Hon Bob Baldwin MP</td>
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<td><strong>Minister for Social Services</strong></td>
<td>The Hon Kevin Andrews MP</td>
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<tr>
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<td>The Hon Mitchell Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<td>The Hon Paul Fletcher MP</td>
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<td><strong>Minister for Health</strong></td>
<td>The Hon Peter Dutton MP</td>
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<tr>
<td><strong>Minister for Sport</strong></td>
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<td>Minister for Veterans' Affairs</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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Tuesday, 18 November 2014

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 12:30, read prayers and made an acknowledgement of country.

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

Legal and Constitutional Affairs Legislation Committee

Parliamentary Joint Committee on Corporations and Financial Services

Meeting

The Clerk: Proposals for committees to meet have been lodged by the Legal and Constitutional Affairs Legislation Committee for a public meeting on 27 November from 3.30 pm and by the Parliamentary Joint Committee on Corporations and Financial Services for a public meeting on the 26 November from 6.00 pm.

The PRESIDENT (12:31): I remind senators that the question may be put on any proposal at the request of any senator.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:31): by leave—The government will not be opposing either of the propositions for committees to sit while the Senate is in session, but I just want to take a moment to draw the chamber's attention to the fact that one of these propositions relates to the Legal and Constitutional Affairs Committee to sit as a Senate estimates committee while the Senate is sitting.

While I understand that on this occasion that it is to the convenience of the senators on that committee, I do think that it is something that we as colleagues should watch as to whether there is a tendency developing for Senate estimates committee to sit while the Senate is in session. While I am sure we all appreciate that there is the need for committees to sit whilst the Senate is in session I think that Senate estimates committees fall into a slightly different category and can have the potential to wreak havoc with the work of the Senate chamber itself, given that at estimates committees you have ministers who are required to be at the table, for instance.

I just thought that I should flag that because it is something that we, collectively as colleagues, should keep an eye on.

BILLS

Australian Education Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.
Senator MOORE (Queensland) (12:33): I am in continuation on the Australian Education Amendment Bill 2014, Mr President. I just felt that as I finished in the middle of a sentence it would be appropriate to come back and wrap it up, just for the history!

What I was saying last night about this bill was that, of course, this side of the parliament is supporting the bill. It raises important issues about support for Indigenous students in boarding schools. It also talks about the incredibly important element of providing effective support for students with disabilities and it talks about maintaining discussion so that there can be effective discussion about what happens in this area.

As I was saying last night: despite efforts from people on the other side there has never been any doubt about our position on this bill. What we have said consistently, though, is that we wish that the bill did not have to be discussed. If, in fact, the promises that were made, not just to us but to the community, around the Gonski reforms were actually maintained by the government of the day there would be no need to be discussing this bill. Each of the elements that are the core elements of this bill were part of the agreed Gonski process. There was a clear understanding around the issues of Indigenous education and boarding school support. There was an acknowledgement of the special needs for people with disabilities and the need to ensure that that was actually tied down so that the appropriate support would be identified, resourced and implemented.

As I was saying last night, a practical issue—an issue that actually did take sensitive negotiations over a period of time—was the implementation of school improvement plans. This was actually a practical aspect of making sure that across the board—across all elements of schooling and across state borders—there would be an agreed process. One of the ideas was—and we said it consistently through our process in education—that it does not matter what kind of school you go to and it does not matter where you live; you should be confident that you will have an effective, a responsive and a personal education that gave you options. That was the basis of the Gonski process. I know I should be talking about 'Better Schools' but I think Professor Gonski is now going to be in history as linked to these school reforms! So just for the sake of process I will continue using that term.

There is no doubt about our position. We continue to raise our concerns. We continue to hope that many of the things that were negotiated through those many years of discussions—with considerable difficulty in some cases—will be implemented and that through the ongoing process of funding, not just in the first four years but in the following years of a long-term investment in the nation, that the outcomes will be achieved; that the effort and hope that went into the development of the education plan will be fulfilled and that we will have the kinds of adaptations that are in this bill as a matter of course.

So we support the bill. We regret that we had to be doing this process, but there has never been any doubt that we would put it in danger. It has been said that we were somehow 'endangering the future' by not supporting it. That was never a point, and I hope that will be understood when we vote on the process.

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (12:37): I rise to speak to the Higher Education Support Amendment (Savings and Other Measures) Bill 2013. Before I describe the purpose of this legislation I will make this general comment about relevance. Members of the Australian Defence Force have children who are participating in higher education courses or aspire to participate in
higher education courses. This debate is relevant to them on two important levels. Now that it is official that they will have less income and entitlements—thanks to this Liberal government—any additional cost or lost opportunity to save on higher education expenses is very important and relevant to them. They know that if my 'vote no' campaign against government legislation in this Senate succeeds in shaming this government into offering a fair pay for our military then our ADF families will have more funds to invest in their children's higher education.

Therefore, whether I directly speak to provisions of this legislation or I speak to the Liberal betrayal of the ADF's pay and entitlements, I consider that I am being relevant to this legislation and respecting the standing orders of this Senate. I will be very disappointed if any member of this place, in order to gag me and silence the voices of women and men in the ADF in this Senate, claims that I am not being relevant to provisions of the Higher Education Support Amendment (Savings and Other Measures) Bill 2013.

The purpose of the bill is to amend legislation—

**The ACTING DEPUTY PRESIDENT (Senator Bernardi):** Order! Senator Lambie, resume your seat.

**Senator Payne:** Mr Acting Deputy President, I understand the point that Senator Lambie is trying to make, but the bill, as I understand it, which the Senate is currently addressing is the Australian Education Amendment Bill 2014.

**The ACTING DEPUTY PRESIDENT:** Indeed you are right. The Senate is considering the Australian Education Amendment Bill 2014. Senator Lambie, I think you were addressing a higher education bill. Is that correct? I would ask you to refer to the Australian Education Amendment Bill 2014.

**Senator LAMBIE:** Sorry. The purpose of the bill is to amend legislation in order to remove the Higher Education Loan Program upfront payment discount of 10 per cent for payments of $500 on loan debts by students.

**The ACTING DEPUTY PRESIDENT:** Senator Lambie, I am sorry to interrupt you again, but I am advised that that is not the purpose of this bill. Perhaps you may have the wrong brief.

**Senator LAMBIE:** Okay.

**The ACTING DEPUTY PRESIDENT:** Thank you, Senator Lambie.

**Senator O'NEILL** (New South Wales) (12:40): It is a privilege to rise to speak once again on that most important matter for the Australian population: the education of our nation and the investment in the education of our nation. In particular, I am speaking to the Australian Education Amendment Bill 2014. The reality is that, if the government had just kept its promise to the Australian people to honour the Gonski arrangements, we would not have to be here giving this bill its consideration today.

I want to do a potted history of how we have arrived at this point. If we go to 6 September, that fateful day, the day before the last federal election, there was a profound commitment made by the man who would be the Australian Prime Minister, Mr Abbott, who said there would be 'no cuts to education'. Let me say it again. There was a commitment to the Australian people on national television on 6 September, the day before the federal election:
'no cuts to education'. On 7 September there was a vote, and people were entitled, in good faith, to believe that the now Prime Minister actually meant what he said. But, sadly, it was not very long afterwards that things changed.

People might remember that after the election in September there was quite a period of quiet while the government went away and prepared themselves to come to this place and to the other place, and that was as late as November. It is hard to imagine that, between September and November, the whole nature of Australian education changed to a point that it required the Prime Minister to make a statement—an announcement, in fact—as early as 25 November, announcing that they could not go ahead with the Gonski funding arrangements.

If we look at some of the language that was used to lull the Australian people into a sense that the Gonski funding—which they increasingly understood—meant that funding was going to go to every school and to those children who needed additional funding and support to overcome disadvantage, learn and become the best learners that they could be, we can forgive the Australian people for thinking that they were going to get that policy. As he entered polling booths on election day, the now minister, Minister Pyne, said that Liberals 'will match' Labor's school funding 'dollar for dollar'. On 6 September, the now Prime Minister said that there would be 'no cuts to education'. On 7 September, with bald-faced shamelessness, the member for Sturt was going into booths saying that Liberals would match Labor's school funding dollar for dollar. He said on 30 August:

We are committed to the student resource standard. Of course we are. We're committed to this new school funding model …

On 29 August, he said:

We have agreed to the government's school funding model …

And I think perhaps the most disgraceful of all—because, clearly, to make a change as early as November he must have had some plan in his head—is that, when the words came out of the member for Sturt's mouth, he said:

… you can vote Liberal or Labor and you'll get exactly the same amount of funding for your school …

He could not have been more wrong, more deceptive, if he had tried. There is a long, long distance between the journey that Labor took in that last election, the last parliament, to deliver needs based funding, to develop and negotiate a model where funding for education needs was going to those who most need it—sector-blind funding.

The reason we are in here today debating this amendment to the Australian Education Amendment Bill is the announcement on 25 November that, despite all that rhetoric, all those promises, all those deceptions as they appear now, this government said on 25 November they could not go ahead with the Gonski funding arrangements.

Not so very long after becoming a senator for New South Wales I came to this parliament on 13 November, and at that stage I did still have some small element of hope that the commitment to the Gonski funding was so public, so clear and so often repeated that the government might just feel it had to honour its word to children, to young teenagers, to every parent and every teacher who believed them. But I did have my fears; and, in the space between 13 November, when I took my place here, and 4 December, when I gave my speech, indicated in that speech my grave concern about what might happen.
I want to return if I can to the issues that are before us right now with this amendment. In the period between the election and now, with this incredible backflip and the removal of $30 billion for education funding by this government, we have seen a whole lot of programs, a whole lot of funding that is required to make the system function and to get the education out to our young people, under threat. Let's be clear, because I understand there has been some attempt by those opposite at, dare I say, more confusion: the government requires this piece of legislation now to be passed because we need to facilitate a payment of around $6.8 million to support boarding schools in the next year, 2014-15. Labor is happy to support these 50 Indigenous boarders from remote communities or where more than 50 per cent of boarders are Indigenous and come from remote communities. Of course that is not going to solve all the problems of disadvantage that we see evidence in the results that we have around our Indigenous students, but Labor is happy to support this amendment which will allow money to flow to give those students some certainty about the educational future that they have a right to believe will continue, some certainty about an educational future that they and their parents and teachers believed might be improved and met by a government that committed on 6 September and on multiple occasions prior to that and even for a short period afterwards to adequate funding.

Despairing as I am of the wholesale destruction of the needs based funding that this government is undertaking, I am delighted to stand to support the certainty for these students who require it. The Australian Labor Party will be supporting this amendment.

But there is a big difference in what we believe about education and what those opposite believe about education. We have senators from this place constantly saying it is not about the money and we just have to get better teachers in there. I have heard it repeated over and over. Not only is it an insult to the amazing teachers out there who do wonderful work; but parents know they are there and when they get a quality teacher. They constantly say it is not about the money and that the Australian education sector can actually survive with less money than it currently has, that the Australian education sector can manage without the Gonski reforms. That is really what they believe. That is what they say they believe. I have already, hopefully, made the case pretty clearly that what they say should never be believed, because there is a massive gap between what they tell you before you vote and what they do after you give them that opportunity. I think it is very telling that, while those opposite bleat and whine about investing in Australia's young people through school funding and education, nearly every single one of them is paying an awful lot of money or paid an awful lot of money for their own children to get a good education. Sadly, that is the reality that has been forced upon many parents in this country, because they do know that money invested in education bears great fruit.

The great shame is that individuals in this country have to invest so much in their own children because our public education system is in such a state of decay and underfunding that it needed a wholesale reform. That is what the Gonski review was doing.

Having gone around the country and found out what was happening in our schools, the tales of the Gonski review panellists going into our public schools and seeing for the first time firsthand the degraded situation in which many students were learning, seeing the situation where children were coming to school and the resources they need were not available for them, the Gonski panellists were touched in their hearts to see that Australia's whole
education system needed massive change. It needed the money to go with it to make that change possible.

They found where the greatest disadvantage was. They saw it in six places where we need to put the money where the needs are. Those six areas that Gonski alerted us to, documented for us and proved in his documentation include small schools, where there is a different need from your average school in the main street of a city suburb. Small schools need a higher level of resourcing to give the kids there a chance. Remote schools need a higher level of resourcing to give the kids there a chance. Schools with large numbers of Indigenous students need more resources to give the kids there a chance. Schools with students with low English capacity need more resources to give those kids a chance. Students from disadvantaged backgrounds need more resources to give them a chance. Students with disabilities need more resources to give them a chance.

Labor believes that each of those groups, born into this country, have the right to go to school and get an education where they are adequately resourced to do the learning that will allow them to be the best Australian they can be. Gonski once and for all proved to us as a nation that we need to change funding. We need to make sure we have a needs based program where money goes to those who need it most.

The government understood that this appealed to Australians' sense of egalitarianism. We believe that, if a child is Indigenous and is born in the country and goes to a small school, they as an Australian have equal rights to those who are born into privilege. We believe that. That is why the Australian people decided that they would support the Gonski reforms. That is why, in the most disingenuous, sneaky, tricky and exploitative way, Minister Pyne tried to create the impression that the government were going to honour the Gonski reforms.

Senator O'Sullivan: Mr Acting Deputy President, I rise on a point of order. These imputations and improper reflections on, in this case, a minister of the other house should be considered highly disorderly, according to the standing orders. I would ask they be withdrawn.

Senator Moore: Mr Acting Deputy President, I rise on a point of order. I hear the point of order that has been put forward, in this case, a minister of the other house should be considered highly disorderly, according to the standing orders. I would ask they be withdrawn.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator O'Sullivan, I have an acute ear for offence in this chamber, and nothing I have heard thus far has contravened the standing orders.

Senator O'Neill: Thank you very much, Mr Acting Deputy President. I know it must have been painful for you to say that; I appreciate your generous ruling!

I will just continue to state that that we as a Labor Party are in this chamber today supporting an amendment to a piece of legislation to make sure that some of the money—they have ripped $30 billion out—that is necessary for Indigenous students in remote settings to be able to access education goes to those students and the schools that are going to look after them.
The other element of what we are doing here today is that we are attempting to support students who have a disability in independent special schools. If we do not support this amendment, the money that they need will not get to them. The reason it will not go to them is that as soon as this government got into power they turned their backs on the commitment to the Gonski funding mechanism. In their budget, they showed us exactly why they did that. It was because they could see a saving of $30 billion. That is what they pulled out of education.

Today we are here cleaning up some of the mess of the Gonski walkaway by this government. But there is so much more that needs to be done. This is a government that committed to the first four years of Gonski. But it is in years five and six when we see the real commitment and change and the increase in funding that is necessary to transform Australian education funding into a genuine needs based funding structure.

A baby that is born today cannot choose its parents. It cannot choose what postcode it has. In the Australia I was born into and grew up in, I experienced the opportunity to get a great education. I think it is the right of every child that is born. It is not their responsibility to choose a good postcode. It is not their responsibility to choose the right school. It is their responsibility to go to school and do the best they can but in a context where they are provided with the right tools for their learning.

In my opening speech to this Senate I made some comments about the funding models. I want to revisit parts of those. I said then that money is part of the answer. So many of the contributions from those opposite would lead us to believe that money is not an essential ingredient in the provision of good schooling. Money is part of the answer. We must all get that here. Everyone else gets it. Every parent, every teacher and every business person knows that money is always part of the answer. Why? You cannot pay for more, better qualified and equipped teachers if you do not have the money. You cannot offer a level of professional salary for teachers if you do not provide adequate money as a reward for them. You cannot pay for professional development to keep teachers up to date or for learning resources. It is terrible to be in a school and see a wonderful professional teacher—a teacher who can teach reading to a brilliant group of young first graders and, without NAPLAN, determine who needs funding—find out that they cannot get funding for a reading recovery program. They might have five kids and only be able to help two of them.

That is why we are in the mess that we are in in terms of our current status in international testing. The PISA report, released on the very day that I gave this speech, indicated that, in the areas that are measured in international tests, Asian countries—like China, Singapore, Korea and Japan—are pulling ahead of Australian students in maths and reading. Our students' performances as learners in these national tests are in decline, especially our girls, our Indigenous kids and young people who have been born into a family with a low socioeconomic status. Australian students from wealthy backgrounds show a difference of about two and a half to three years of school, compared to students from the lower socioeconomic group.

Today, while we fix up a mess of this very bad government's making, we are only doing a tiny bit of the work that needs to be done in implementing the Gonski funding model. We need to watch this government very closely, because in this area of policy education they have
revealed every single day since their walk away on 25 November that they have no commitment to equity, excellence and education.

Senator PAYNE (New South Wales—Minister for Human Services) (13:01): I thank all the speakers on the Australian Education Amendment Bill 2014 for their contributions to the debate. I would like to take this opportunity to put some facts on the record.

The coalition government is of course absolutely committed to supporting the delivery of quality schooling, and to providing funding and regulatory certainty for all Australian schools. We are committed to making sure every Australian child has the opportunity to reach their potential through a great education. In government, we have invested a record $64.5 billion over four years in schooling. This includes the $1.2 billion this government restored for schools in Queensland, Western Australia and the Northern Territory when we came to office in 2013.

We were very clear in the lead-up to the 2013 federal election, including in our Students First policy, that we would maintain the funding arrangements enacted by the 43rd Parliament for the four years from 2014 to 2017. We have kept this commitment through the delivery of funding that is needs-based, and in fact we have exceeded our election commitment by reinstating $1.2 billion that the previous government removed from schools in Queensland, Western Australia and the Northern Territory.

This bill enables additional targeted support for schools, so that we can provide the much-needed services to support Indigenous boarding school students. This money was provided in the budget by the Abbott government in response to a shortfall not addressed by the previous government. The bill creates a new mechanism to make payments to schools in prescribed circumstances. The supporting regulations will prescribe the specific Indigenous boarding circumstances that will attract the funding support and the matters the minister is to have regard to in making payments. Regulations for prescribed circumstances will be subject to review and disallowance by the parliament.

The Indigenous Boarding Initiative, announced as part of the 2014-15 budget, will provide funding support of $6.8 million in 2014 for non-government schools with more than 50 Indigenous boarding students from remote or very remote areas, or where 50 per cent or more of their boarding students are Indigenous and from remote or very remote areas. This additional funding will assist non-government boarding schools to provide these students with a high quality education and educational support.

We are providing more funding for students with disabilities than ever before, including an extra $100 million in the funding loading for students next year. As part of this, the bill provides funding certainty for certain independent special schools and special assistance schools that would otherwise see their funding reduced to the schooling resource standard from 2015. This was a significant oversight from the 43rd Parliament that would have seen more than $2.4 million removed from these schools. This bill restores these funds, and these schools will now transition towards the schooling resource standard consistent with other schools. The bill corrects the location loading for schools to ensure the proper identification of inner regional schools, and inserts the final 2014 amount for capital funding for block grant authorities.
While we negotiate with states and territories and the non-government schools sector on the command and control aspects of the act, the bill amends the Australian Education (Consequential and Transitional Provisions) Act 2013 to extend to 1 January 2016, or a later date determined by the minister by legislative instrument, the commencement of school improvement planning requirements under the act. This is to provide regulatory certainty to schools while consultations with stakeholders occur in relation to possible adjustments to this requirement.

This bill provides additional funding support for remote Indigenous students, prevents funding reductions for schools catering to students with a disability, delivers regulatory certainty and improves the overall operation of the act. Taking action to address these will strengthen the legislative framework that underpins the Australian government's significant investment in schools and contributes to improving the quality of school education in Australia.

I would also say in closing that the good name of the Chancellor or the University of New South Wales, David Gonski, was invoked repeatedly by people in the chamber in earlier debate and again today. In relation to some of Mr Gonski's observations concerning education, it will be interesting to see how those opposite deal with this quote:

I think that the government are correct in this—
The deregulation of university fees—
and I think that there is a real chance that the deregulation of fees — rather than making universities richer and so on — that they could produce further monies from doing that to be ploughed back to make them even greater … To improve the student experience, have higher teacher-student ratios, etc. Those are the words of Mr Gonski, the Chancellor of UNSW, much vaunted, much held up by those opposite as an expert in Australian education. It will be interesting to see which lines those opposite draw on that particular matter.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Dastyari) (13:07): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator PAYNE (New South Wales—Minister for Human Services) (13:07): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Private Health Insurance Amendment Bill (No. 1) 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator MOORE (Queensland) (13:07): The bill before us is a bill amending the Private Health Insurance Act 2007 to pause the income thresholds that determine the tiers for the
Medicare levy surcharge and the rebate on private health insurance at 2014-15 rates for three years. We know this is part of a wider plan from the government to pause all increases across the board across various elements of legislation. We will be supporting this legislation. We on this side have actually looked at the budget very carefully and we had determined that there were elements of savings that should be supported, and this is one. So before there is any confusion in the chamber about what the position of Labor is on this point, and before we hear any strong contributions be urging us to support this very important piece of legislation, I just want to make it clear at the start: we are supporting it. However, in supporting the bill, we want make it very clear that we think that this is a context and we want to talk about the context in which this particular piece of legislation is brought forward.

I cannot help but remember when we as a government brought forward the legislation in 2012 to introduce means testing to private health insurance and heard the portents of disaster, the allegations and the accusations that reverberated around this chamber that that would be the introduction of a means test—a means test that we thought was fair and necessary to be scrupulously looking at budget issues across our system. We brought forward the means testing to this place and we heard debate here that said that this would be ‘the end of private health insurance in our nation’.

The bill was sent to the Community Affairs Legislation Committee to consider the impact of introducing the means test—the means test that we are looking at today in terms of freezing the rates. In those hearings we had across the country streams of witnesses were brought forward to us saying that introducing a means test into the private health insurance sphere would be completely negative; that we would not see any further progress in private health insurance in this nation; and we would see queues of people at all the public hospitals across the nation because they were being forced out of private health insurance by this outrageously—and I use the adjective which I hate, but it is a direct quote from *Hansard*—‘draconian’ piece of legislation that the evil government was imposing on the community. In fact, I draw people's attention to some of the comments that were being put around at that time. In the other place we had quotes by the opposition health minister of the time quoting from analysis. He said that they predicted that:

… in the first year, 175,000 people would withdraw from private hospital cover and a further 583,000 people would downgrade their private cover. Over five years, they predict that 1.6 million Australians would drop cover and 4.3 million would downgrade their cover.

I think it is important in this debate, where we as a considered opposition are supporting the government in this process to effectively look what is happening in our medical system across the country and in particular in private health insurance, that we have a look at what the reality was as a result of the 2012 changes. It is a fact that those portents of disaster that were put in this chamber just did not happen. The number of Australians with private health insurance continues to increase. In fact, it is at its highest level ever and continued to increase in spite of that change. So Labor at that time was able to introduced changes that improved the budget bottom line by more than $20 billion without gutting Medicare and without hundreds of thousands of people that were supposed to be going to cancel their claims cancelling their claims.

However, one of the deep concerns that I raised at the time of that debate—and I continue to raise—is that I am unsure and continue to be unsure about the confidence that people in
this country have in private health insurance. I am concerned that people do not understand their own cover. I believe that there continues to be confusion in that area. I am not going to go into that debate now, because it is not of automatic relevance to this process, but I think it is an ongoing discussion for us. We support private health insurance. We support the fact that that is an integral part of our health system. However, I am deeply concerned and continue to be that, while people talk a lot about their cover and talk a lot about private health insurance, there continues to be some lack of knowledge in the community about exactly what their cover includes. It continues to be an issue. We have raised this at times certainly with Medibank Private while they still continue to be able to come to Senate estimates and we can talk with them. That may not be the case for much longer—and that is a piece of government legislation that the opposition will not be supporting. We have raised this consistently in terms of people understanding exactly how the system works and operates. One thing at this stage when we are freezing the rates of increase is that there could be an element of explanation required for the wider community to make sure that they know exactly what is happening and exactly how the process is going to operate.

Apart from my general concern and I think everyone's concern about the impact on the community of freezing the rate, one of the things that does worry me is that this, yet again, has been proclaimed by the government as savings that will be 'harvested' but will not be going back into the wider Medicare or wider medical system.

We know that the reason the government have put forward consistently for all these changes, the reason for all these savings, is the lack of sustainability of our current health system. We have heard statements made in this place and others about the dire state which our health system faces at the moment and into the future. These are facts that have been continually questioned, most recently in Australian Institute of Health and Welfare studies which do not reveal a crisis or a lack of sustainability in our medical system. Nonetheless, the government continue to say that they need to make these savings to ensure that our medical system continues to operate. However, the savings out of this measure to freeze rebate rates are not being returned to our medical system across the board; they are going to the Medical Research Future Fund.

Labor strongly support medical research. Look at our history; you will see that we have strongly supported medical research. However, this fund is one that we are still trying to understand. We are still trying to understand how this Medical Research Future Fund is going to operate.

We know that there are a whole range of savings measures proposed that are impacting on our health system. There is the $7 GP tax for every single person that goes to visit their GP—and, as we have found out through continually asking questions, it is not limited to savings that will be made by the government when they harvest all the $7 paid out by people going to see their GPs; it also relates to the pharmaceutical savings that are there, by increasing the amount of money people have to pay. But also, as we have found out and as has come out in quite a few contributions recently, the fact is that the new GP tax will not just be on visits to the GP. We know that it is going to be applied every time anyone accesses medical imaging services or any kind of testing.

Through the Senate Select Committee on Health and evidence from the Australian Diagnostic Imaging Association, information has come out which is extraordinarily
confronting in this context, because one of the areas where people often do use private health
insurance—and complain about the lack of the return—is when they are going through the
complexities of having medical tests. Documents tabled by the Australian Diagnostic Imaging
Association showed that previously bulk-billed patients will now face up-front costs of up to
$1,263 for liver cancer diagnosis, $1,326 for thyroid cancer diagnosis, $2,207 for liver
metastasis diagnosis and $712 for breast cancer diagnosis. These are deeply concerning
figures that have been put out, and people have had to look at their own circumstances to see
how they would cope with this kind of impost in terms of their own medical costs when they
are desperately seeking services.

Those are the kinds of savings the government is talking about. But all of those savings,
rather than going back into the medical system—which the government has described as
being unsustainable and a danger into the future—is all going into the Medical Research
Future Fund, and we still do not know how it is going to operate. What we do know, and we
found this out through Senate estimates, is that not a lot of consultation went on to establish
what this medical research fund will look like, how it will operate and who will be deeply
engaged in it. If we are talking about savings, significant savings—not as significant as the
means test that we introduced in 2012 in the budget but, nonetheless, significant savings,
which we are supporting in this case alone, in this particular process; we are not supporting
the others—we should know, we should have some certainty about, where the money is going
and how it is going to benefit the community.

One of the things that did concern me is that through the Senate estimates process we
found out that medical research bodies, including the highly regarded National Health and
Medical Research Council, which is one of the bodies that have the greatest knowledge of and
expertise in research needs in Australia, were not consulted on how this new medical research
fund is going to operate. They were not deeply involved in the process when it was actually
announced to the community.

Subsequent to that decision being in the budget, subsequent to the decisions about the
savings that are apparently desperately needed in the medical system, subsequent to all those
decisions being made, maybe now the government will actually work on engaging more
people across the board on the area of medical research. It is a passion that we all share. It is
not a contest—that my knowledge and support of medical research is bigger than your
knowledge and support of medical research. It is a fact that we as a nation do respect medical
research and do feel that there should be funding of the medical research industry so that we
can continue to celebrate advances and the professionalism of medical researchers in our
nation, such as the kind of work that is done in my own state, at the University of Queensland.
I know that Professor Ian Frazer's ears have been burning for years as we praise his work!
Only recently, on Saturday, President Obama pointed out when he was at the University of
Queensland the work that Professor Ian Frazer has done, through that wonderful organisation,
on Gardasil and other vaccines to fight the horrors of cancer.

We all know that there needs to be continuing support for medical research in this nation.
What we on this side of the chamber do not understand is how that will occur. The
government puts forward arguments for what the value of the savings will be from this
measure and other measures at the same time as the debate goes on about the need for those
savings to improve our wider medical system.
The proposal put before the community is that all that money that is gathered in this way will go into this medical research fund for which we have no detail, for which we have no plan, for which we have no actual knowledge about what that will do to benefit us as a community or what all the savings will do to prop up—using the government's own language—the current medical system. In this savings measure, we are concerned about that.

We are also concerned generally that the government is putting in danger—and I use that term quite considerably—the ongoing health of Australians in the kinds of savings it is purporting to put forward in the areas of the GP tax and also, as I pointed out, the whole area of medical imaging, which, again, will impose a cost on people that may affect their own decisions about their health. This is at a time when we have said for many years that we are encouraging people to take ownership of their own health, to actually take notice of their own symptoms, to learn about their own symptoms and to seek help at the earliest possible time. Consistently, the message over the last few years has encouraged people in Australia to understand their own bodies, to actually take ownership of their health and to use their medical system effectively and personally so that people can actually have the kind of health system that we all expect and we all deserve.

One of the other important things in our health policy over many years—a shared policy among governments of all flavours—is that we do want to ensure that people can trust the health system and know that they will receive good service, the best service they can possibly get no matter where they are.

As I said, we will be supporting this particular proposal because we do think it is a savings measure that we can understand and can actually point out to the community the way it will operate as it goes forward. It is also important that we actually do accept that the health system that we have is sustainable. We are not in a crisis in our health system. Certainly, this is not my own opinion—I would never pretend to have that professional knowledge—but I do think that we should take some notice of organisations such as the Australian Medical Association.

We know that the government, when they are in government and also when they were in opposition, have been very open to advice and information provided to them by the AMA. In fact, the AMA has been crucial to the development of health policy from the current government. We know that the Australian Medical Association President, Associate Professor Brian Owler, has talked about the Australian Institute of Health and Welfare's report, which I mentioned earlier, about the sustainability of our health system. Professor Owler said at the time:

The AIHW's report really makes a mockery of the government's claim that health care spending is out of control.

He went on to say:

There is absolutely no need for them to introduce the GP co-payment.

I am actually making that comment in this debate on the issue of the Medicare levy surcharge and the rebate on private health insurance rates because I believe that the government has put forward the argument for this change in line with all the other changes they put forward in the health budget on the basis that there is this crisis in health care and that our current system is not sustainable. We reject that proposal.
However, we believe that in looking to see where we can have the most effective delivery of service and the most effective budget decisions, pausing the income thresholds that determine the tiers for the Medicare levy surcharge and the rebate on private health insurance is something that we will support. It will provide some savings to the budget, which we hope will actually go to improving the whole of our health system—though we remain sceptical at best about the operations of this research fund for which we are yet to see detail or plan.

Senator DI NATALE (Victoria) (13:27): I would like to begin by explaining what this Private Health Insurance Amendment Bill (No. 1) 2014 does. Pausing the income thresholds will mean that more people will be punished for not taking out private health insurance through an increase in the Medicare levy and fewer people will qualify for the private health insurance rebate. It is pretty straightforward: you pause income thresholds; there will be inflation bracket creep; fewer people will qualify for the rebate and more people will be pushed into the higher income bracket, which means that they will be charged an additional Medicare levy.

When we look at the impact of the private health insurance rebate, the Greens believe it is a good thing that there will be a saving of $600 million over the next four years as a result of fewer people qualifying for the health insurance rebate. But when it comes to the additional Medicare levy linked to private health insurance cover, we do not think that is a good thing. Let me explain my reasoning on that issue. Private health insurance should be a choice. It is not the role of government to create incentives and penalties when it comes to whether people take out private health insurance. It should be a choice for them, not a government policy.

I think we forget the history of how we got to this point where we now spend $5 billion of public money on subsidising people who take out private health insurance. It is interesting that we are having a lot of discussion about the historic free-trade agreement with China—and there is another one touted for India. Yet here we have got one of the biggest subsidies paid by the government to an industry that is providing very little benefit when it comes to the alternative of where that money could be spent. The private health insurance industry can set its fees knowing that every time it increases its premiums, it is the taxpayer that underwrites a third of that increase in costs. What a great business. What a terrific business. Every time I increase the cost of my product, I know the government will pay one third of that increase in cost. Terrific business if you can get it.

Let's have a little history lesson here. This was introduced by the Howard government. At the time, I remember that the Labor opposition—I think it was Jenny Macklin—suggested that this was one of the greatest public policy disasters in her memory. Many people on the Labor side indicated that they believed this was a serious mistake, and yet here we are, years on, and John Howard introduced the notion of a rebate and disincentives under the guise of 'taking the pressure off our public hospital system'. We had a big debate. We had the debate for decades: hospital waiting lists, emergency departments, health system under strain—sound familiar? We are there again. At the time, the solution from the Howard government was that we needed to increase the uptake of private health insurance: 'That is the solution to the health crisis that we are facing, to the increases in waiting lists and to the time that people have to spend in emergency departments.'

John Howard introduced a system of measures. The first was Lifetime Health Cover, which basically means: the longer you wait to take out your private health insurance the more you
will have to pay for it down the track. That was followed by the 30 per cent private health insurance rebate. It is true: those measures did increase uptake of private health insurance. But, when you look at the main driver for the increase in uptake of private health insurance, it was not the rebate; it was Lifetime Health Cover. You only need to look at the graphs which chart the increase in private health insurance uptake to know that Lifetime Health Cover was the driver. The rebate was a little bonus to people who had already decided that they were going to take up private health insurance.

Here we are, decades down the track, having the same debate that was the genesis for the $5 billion subsidy of the private health insurance industry and nothing has changed. People are still waiting in emergency departments and waiting lists for elective surgery continue to blow out. Where were the purported benefits of this $5 billion subsidy to private health insurance? They have not materialised. Why? There are a number of good reasons for that. The first is that a lot of people just do not use their cover when they need it. People who have private health insurance who end up in emergency departments and then have surgery in public hospitals do not use it. So the taxpayer is paying a third of their premium for a product that they do not use. It makes absolutely no sense.

We know that having a public insurer like Medicare allows us to keep prices down. Private health insurance cannot compete because it does not have the monopoly that Medicare has over what it is prepared to pay for medical services and devices. That is one of the great things about Medicare: we have a monopoly insurer that can set a price. Private health insurers do not do that. It is the doctors in the system who can set the prices for the services that they provide. When you put together the fact that people do not use it and the many things we pay for through private health insurance cover, like some of the extras—gym memberships, the opportunity for people to see complementary health practitioners, and so on—it is no wonder that we have ended up with a situation where we are spending $5 billion and not getting a return for that money. You do not have to take my word for it. Any health economist worth their salt would tell you that, if you want to talk about fixing the health system, you have to start with a massive public subsidy to the private health insurance rebate.

The health economist Terence Cheng at Melbourne university did a study of this and said, basically, if you take the $5 billion that we now have going into private health insurance and invest that in the public health system, you get a dividend of about 2½. Let me give you an example. Dr Cheng says that, if you reduce the subsidy, you will generate a huge reduction for the taxpayer. Regarding direct savings from reducing the subsidy—let’s say by 10 per cent, in his words, which is $359 million—if you needed to spend money directly on the health system through the public hospital system, you would spend $144 million. So, instead of spending $359 million in subsidising private health insurance, you could spend $144 million directly through public hospitals. On the whole, savings from reducing spending on rebates outweigh the predicted increase in public hospital costs by a factor of 2.5. So we are blowing good money after bad. There are a number of health economists who have done the same analysis. It makes sense when you understand the way the health system works and when you understand the monopoly that Medicare has as an insurer over the cost of services. It makes sense when you understand that a lot of people do not use their cover, and when they use their cover they use it on a range of benefits that do not add much value to the health system.
If private health insurance were an appropriate vehicle through which to get good value for money and fairness, I would be all for it. I do not have an ideological view that says we should or should not spend money on private health insurance; I just think we want to get value for money out of it, and we are not. We had John Howard, over a decade ago, telling us that the reason to introduce this policy was that we had a public health system under strain and we needed to spend $5 billion of public money on private health insurance to increase private health insurance uptake in order to fix the system, and we are having the same debate here now. In fact, with this policy we are going in the opposite direction, which is why the Greens will support this bill. It is not just an issue of value for money; it is an issue of fairness. Why should every taxpayer in the country have to subsidise the people who take out private health insurance? Why should somebody who makes a decision, based on their level of income, not to take out private health insurance contribute to the private health insurance cover of someone who does?

When we look at people who take out private health insurance cover the data is very clear. People who take out cover, on average, are much wealthier than those who do not. So we also have this massive redistribution of wealth. We have wealth being funnelled away from people on low incomes to people on high incomes to pay for a third of the cost of their premiums. What benefit do we get? We do not get one. If that money was spent directly in the public health system we would get a dividend of 2.5. For every additional $10 that we spent on private health insurance we would get $25 worth of the value out of the public system.

We have got ourselves caught in this idea that increasing private health insurance cover—that is, more people taking out private health insurance—is a de facto indicator of a health system that is functioning well. It is not. Private health insurance should be a choice. Anybody who wants to take out private health insurance cover should be afforded that choice, but it is not the role of government to create a system of incentives and penalties to allow that to happen, because we do not get the value that we would get if that money was spent directly in the public system.

What is worse is that we are now on a path that is taking us towards not just allowing private health insurance to cover services delivered in a hospital but the rollout now of trials that would allow people to use their private health insurance to cover services delivered in primary care—that is, when they go and see a GP. If you have private health insurance cover that might sound like a good thing; if you do not have private health insurance you are part of the 50 per cent of Australians who will be disadvantaged because of the implementation of a two-tiered, American-style health system, where you get one level of care if you can afford it, and another level of care if you cannot.

In closing, if we want to make use of the private sector in health then we should be engaging our private hospitals—there are many of them—directly. We should not use private health insurance as the vehicle for doing that. A government could easily contract a number of services through private hospitals—in fact, it does in many instances. That is the best way of guaranteeing value for money. But, when we are having a debate about the sustainability of the health system, to embark on a course that says the way to fix the problem is with a solution that failed 10 years ago is a mistake. It is ludicrous. It is nonsense thinking.

We should be looking at the $5 billion we now spend subsidising private health insurance cover for those people who decide to take it out and we should recognise that rather than
spending our money in an area that fails both the fairness and value-for-money proposition and we should be redirecting that money directly into the public health system and our public hospitals. We know that for $5 billion we can get $10 billion of value. That is the proposition that faces us. It is a proposition that is backed by research.

If we are going to have a meaningful debate here let's not talk about freezing income thresholds. Let's be a little bolder, let's be a little more ambitious, and let's start talking about the sort of value for money we are getting out of this huge subsidy to the private health insurance industry, which knows that every time they decide to put up their premiums every sucker in this place is going to be paying for it. Every person in the country will be underwriting the increased cost of that premium. What a great business that is to be in! Increase your costs and charges and know that the taxpayer is going to be footing a third of the bill. Good work if you can get it!

We have a big choice in this country. The question now is: are we going to tackle the question of what a sustainable and fair health system looks like? If we going to do that we have to take on this inequitable, inefficient, unfair subsidy that delivers very poor value for money for the Australian consumer.

**Senator XENOPHON** (South Australia) (13:41): I indicate that I will not be supporting this bill—for very different reasons, in a sense, to those of Senator Di Natale, who, I must acknowledge, brings to this chamber a lot of very valuable public policy contribution in the area of health. His work on the issue of Ebola was nothing short of outstanding. His advocacy in respect of that is to be welcomed but on this issue we will disagree, for a number of reasons. But I welcome the debate. I think it is important that we have a debate on these issues in terms of the public and private systems.

I will not be supporting this bill. I have spoken many times in this place about the need for balance between our public and private health systems. In fact, when the ALP was in government, as part of the negotiated agreement in respect of the Medicare surcharge the government and the then health minister Nicola Roxon agreed to the Productivity Commission undertaking to report on public and private hospitals. The report was issued in December 2009 and that did add to our understanding, which was hitherto quite lacking, about the benefit of having an integrated and symbiotic relationship between the public and private systems.

We need a strong private health system in order to provide good and better outcomes for Australians in conjunction with a strong and viable public health system. So I see the issue of a subsidy quite differently from my colleague Senator Di Natale, who I have great respect for in the contribution that he brings. I urge my colleagues to have a very close look at the Productivity Commission's very comprehensive report of December 2009, which indicates the importance of having two systems working in tandem—competing with each other, in a sense, and providing greater initiatives.

In an ideal world, where our public hospitals received all the funding and support they need, getting a balance between public and private would not be an issue but we have to accept that the public system is struggling and that we need to encourage people to take up and retain private health insurance to reduce that burden. It is a careful balancing act between using the rebate to support low- and middle-income earners in their private insurance, and using the levy to discourage higher-income earners from dropping their cover.
It is vital that we get the thresholds right for both the levy and the rebate. According to figures from Private Healthcare Australia more than two million Australians have either dropped or downgraded their private health cover since the former government's decision to means test the rebate in 2012. That is not good news in terms of having a strong private and public hospital system. That is nearly 36 per cent of the policies held during that time. The changes proposed in this bill by a coalition government will only exacerbate the problem. The impact of dropped or downgraded policies is felt by everyone. People who drop or downgrade their policies face significant out-of-pocket costs or long waits in the public system; private health insurers have to raise their costs to offset the drop in coverage; and the public system is put under more strain. The government has estimated that only four per cent of policyholders will be impacted by these changes as they get pushed into lower rebate tiers due to so-called bracket creep. But four per cent means about 520,000 people—over half a million people. If this measure is supposed to save $600 million over the next three years then we can extrapolate that each person will be over $1,150 worse off.

It is also worth noting that, at the coalition campaign launch in August last year, the then Leader of the Opposition, Mr Abbott, promised to fully restore the private health insurance rebate within a decade. In introducing this piece of legislation, which I see as retrograde and short sighted, the government is now even further from achieving that goal.

I would like to put the minister on notice for when we get to the committee stage—and I hope we do have a committee stage where she can answer this—or in her winding up of the second-reading stage of this bill: does the coalition still stand by that policy announced at the campaign launch for the coalition, in August last year, of fully restoring the private health insurance rebate within a decade? And, if so, does the minister acknowledge that this goal, this key election promise, of the coalition will now be even more difficult to achieve because you are actually going backwards? You are actually walking away from that promise made to the people of Australia at the last election.

It is also important to note that the government has sought to justify this move by stating that the savings from this measure will be allocated to the Medical Research Future Fund—a bit like the whole issue of the $7 GP co-payment. All I ask of the coalition is that they talk to some wise heads in the medical profession. Talk to someone like Dr Rodney Pearce—he is not a member of the Labor Party; in fact, I think he may have been a member of the Liberal Party. He is a former president of the AMA in my home state, a very highly regarded general practitioner and co-chair of a national group of GPs. He made the point that, when Michael Wooldridge was health minister, the GPs and the then government, the Howard government, worked together on an immunisation program that cost, I think, $30 million or $40 million, where rates of immunisation dramatically increased amongst children. The money that was saved with fewer kids going to hospital, fewer kids dying and fewer kids' parents having to take time off work because their kids were seriously ill from preventable diseases and illnesses was in the millions, if not billions, of dollars.

Do not turn GPs in this country into an enemy, and do not use this medical research fund as an excuse for some pretty awful policy. I just want to flag to the government, in case there is any ambiguity, that I will not be supporting the $7 co-payment, because it is a retrograde move. Listen to wise heads such as Dr Rodney Pearce, who say there are better ways to save money in the health system and get better outcomes. Respectfully, in terms of this measure
and this excuse—this feeble, shallow, sham of an excuse—that we need to bring these changes through for this medical research fund, it is my belief that we should not be funding medical research by punishing people who are trying to do the right thing and protect themselves and their families by taking out private health insurance. We should be funding medical insurance in any event, and we need to be smart about that. As such, I will not be supporting this bill. Further, I call on both the government and the opposition to consider the findings of the 2009 Productivity Commission inquiry into the public and private systems and to come up with comprehensive policies to address the serious problems with our healthcare system.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:48): I would like to thank all the senators for their contributions to debate on this bill. The purpose of the Private Health Insurance Amendment Bill (No. 1) 2014 is to pause the income tiers for the Australian government rebate on private health insurance and the Medicare levy surcharge at the 2014-15 rates for three years. These amendments will be made to the Private Health Insurance Act 2007. These changes will impact individuals marginally below each income threshold whose income increases and who, as a result, will move into the next income tier sooner. These changes will not affect individuals with an income that remains $90,000 or below or couples and families with an income that remains $180,000 or below. It is estimated that the changes will impact on four per cent of policies.

The pausing of the income tiers is estimated to result in net savings to the government of $599.3 million over the four years from 2014-15. These changes will ensure that, as incomes rise, people contribute more to the costs of their own health care. This will contribute to fiscal consolidation and sustainability of the healthcare system in the future. These savings will be invested by the government in the Medical Research Future Fund, and I can indicate to Senator Xenophon that the government intends to honour all its election commitments.

In summary, this bill will pause the income thresholds for the Australian government rebate on private health insurance and the Medicare levy surcharge at the 2014-15 rates for three years.

The ACTING DEPUTY PRESIDENT (Senator Dastyari): The question is that this bill be now read a second time.

A division having been called and the bells being rung—

Senator Rhiannon: Mr Acting Deputy President, there was a misunderstanding. I request that the division is cancelled and apologise for the inconvenience.

The ACTING DEPUTY PRESIDENT: With the concurrence of the Senate, the division is cancelled. Order! The question is that the bill be now read a second time.

Question agreed to.

Bill read a second time.

The ACTING DEPUTY PRESIDENT: As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in committee of the whole.
Senator XENOPHON (South Australia) (13:55): I do have some questions to ask in the committee stage—just one or two.

The ACTING DEPUTY PRESIDENT: We will form into committee.

In Committee

The TEMPORARY CHAIRMAN (Senator Dastyari) (13:56): The question is that the bill stand as printed.

Senator XENOPHON (South Australia) (13:56): I just want to restate the questions that I asked during my contribution to the second reading debate. They are very simple. At the coalition campaign launch in August of last year, then opposition leader Mr Abbott promised to fully restore the private health insurance rebate within a decade. Is that still coalition policy?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:56): I did actually indicate to Senator Xenophon in my response in my speech—perhaps he did not listen—that the government does intend to honour all its election commitments.

Senator XENOPHON (South Australia) (13:57): The supplementary question to that is: does the government acknowledge that this measure in this bill will make it even more difficult—that the government is now even further from achieving that goal as a result of the measures in this bill?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:57): Senator Xenophon, I can indicate that the government believes that this is entirely the appropriate course of action to take at this point in time and certainly backs the legislation.

Senator XENOPHON (South Australia) (13:57): Respectfully, to the minister, through you, Mr Temporary Chairman: that was not the question. The question was: does the government acknowledge that the coalition's policy statement at their campaign launch in August last year to fully restore the private health insurance rebate within a decade is now going to be more difficult to achieve or that it is now further from achieving it as a result of the measures contained in this bill? It is a fairly straightforward proposition.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:58): Senator Xenophon, I can indicate that I have answered that in the previous two answers.

Senator XENOPHON (South Australia) (13:58): For the record, the minister has not answered that. I cannot take it any further, but clearly the government is walking away from its commitment to the people of Australia at the last election.

Honourable senators interjecting—

The TEMPORARY CHAIRMAN: Order! The Senate will come to order!

Senator Kim Carr interjecting—

The TEMPORARY CHAIRMAN: Order, Senator Carr! The Senate will come to order!

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:58): That is clearly not the case, Senator Xenophon.
Senator XENOPHON (South Australia) (13:58): I will help the minister. In August last year, then opposition leader Mr Abbott promised to fully restore the private health insurance rebate within a decade. The measures in this bill actually claw away from that promise and will make keeping it more difficult. Unless I am missing the logic in terms of what this bill is intended to achieve, I cannot see how the minister can deny that proposition.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:59): Senator Xenophon, I have answered the questions and I do not have anything further to add.

The TEMPORARY CHAIRMAN: The question is that the bill stand as printed.
Bill agreed to.
Bill reported without amendments; report adopted.

Third Reading

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:00): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

MINISTERIAL ARRANGEMENTS

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:00): by leave—I advise the Senate that the Minister for Finance, Senator Cormann, will be absent from question time today as he is representing Australia at G20 related events in Sydney. In his absence I will take questions in the Treasury, finance and environment portfolios and the Deputy Leader, Senator Brandis, will represent the minister on trade and investment. The Minister for Defence, Senator Johnston, will also be absent from question time today. He is accompanying the President of the French Republic on an official engagement. Senator Brandis will represent the defence portfolio and Senator Scullion will represent the infrastructure and regional development portfolios.

QUESTIONS WITHOUT NOTICE

Migrant Workers

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:01): My question is to the Minister representing the Prime Minister, Senator Abetz. Can the minister confirm that the China-Australia free trade agreement will permit temporary migrant workers to be employed on development projects worth over $150 million? Will employers be required to test whether suitable Australian workers are available before they employ Chinese workers on these projects?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:02): I can confirm that any overseas worker who might come into Australia—under the Chinese free trade agreement or, indeed, any other arrangement—will need to be paid Australian market salary rates and adhere to Australia's wage conditions and employment laws. Temporary visa
arrangements under the China trade agreement will be consistent with Australia's existing immigration and employment frameworks.

Senator Cameron interjecting—

Senator ABETZ: Senator Cameron interjects. As his leader in the trade union movement said earlier today, it is very difficult not to sound xenophobic. Do you know why? Because it is xenophobic.

Senator Wong: Mr President, I rise on a point of order that goes to relevance. Mr President, you could ask the Leader of the Government to reflect on accusations of xenophobia; they are not worthy of this debate. I asked a very straightforward question that goes to whether employers will be required to test whether suitable Australian workers are available before they employ Chinese workers on these projects. That is the question that the minister ought to be able to answer.

The PRESIDENT: That was the second part of your question, Senator Wong.

Senator Wong: Mr President, in fact the first part of the question is on the same point. I simply referred the minister to projects worth more than $150 million and asked him whether—

The PRESIDENT: And you asked the minister to confirm that matter; that was the first part of your question. Minister, you have one minute and seven seconds left to answer the question.

Senator ABETZ: I indicated to the senator—but she does not seem to understand—that the existing immigration and employment frameworks will continue. If she had any understanding of what those existing immigration and employment frameworks were, she would understand that the circumstances under which the Labor government allowed workers from overseas to come into Australia will remain the same under the Chinese free trade agreement that we have just been able to negotiate. So what we have here is a Leader of the Opposition, a shadow minister for trade, who is willing to run a scare campaign completely ignorant of the regime that she was part of when she was a minister in the previous six years. Can I say to Senator Cameron, Senator Wong and the ACTU—(Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:05): Mr President, I ask a supplementary question. Can the minister confirm that, under the China-Australia free trade agreement, Australia will provide 'guaranteed access to Chinese contractual service suppliers'? Will employers be required to undertake labour market testing before they are able to employ Chinese contractors under the agreement?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:05): I invite Senator Wong to read what a former Australian trade minister engaged in these negotiations, Mr Crean, said. He said that he wholeheartedly welcomed the agreement. A former ACTU president no less has welcomed this agreement. Can I confirm—

Senator Wong interjecting—

The PRESIDENT: Pause the clock.

Senator Wong interjecting—
The PRESIDENT: Order! Senator Wong! Minister, there is a point of order. Senator Moore.

Senator Moore: Mr President, I have a point of order that goes to direct relevance. As the minister continued speaking when I was standing, he may have been getting to it; if I have pre-empted his answer, I apologise. Nonetheless, I have a point of order that goes to direct relevance in relation to Senator Wong's question about labour market testing.

The PRESIDENT: Senator Moore, I note your comments and your point of order. I call the minister.

Senator ABETZ: Clearly a former ACTU president has welcomed this agreement—

The PRESIDENT: Pause the clock. Senator Wong.

Senator Wong: Mr President, I think every senator—

Senator Ian Macdonald: Do you have a point of order or are you just having a chat?

The PRESIDENT: Order on my right!

Senator Wong: Mr President, I rise on a point of order that goes to relevance.

Senator Ian Macdonald interjecting—

The PRESIDENT: Order, Senator Macdonald!

Senator Wong: Thank you, Mr President. I think senators are entitled to have ministers at least be relevant to the question. What I would say to you, Mr President, is that I have asked a very simple question: will employers be required to undertake labour market testing before they are able to employ Chinese contractors under the FTA? I would ask you, Mr President, as President of the Senate, to remind the minister of the question.

Honourable senators interjecting—

The PRESIDENT: Order on my left and my right!

Senator Ian Macdonald: Mr President, I rise on a point of order. I just want to do what the Leader of the Opposition did. I just want to stand up and have a bit of a chat, without raising a point of order, as the Leader of the Opposition did.

The PRESIDENT: Senator Macdonald, Senator Wong did raise a point of order on relevance. I call the minister.

Senator ABETZ: Mr President, as the Leader of the Opposition well knows, the investment facilitation arrangement—

Senator Wong: That is not what I am asking about.

The PRESIDENT: Senator Wong, cease interjecting.

Senator ABETZ: Mr President, if I could get out more than half a sentence at any time it would be of some benefit.

Honourable senators interjecting—

The PRESIDENT: Order! Pause the clock. Order on both sides!

Senator ABETZ: As Senator Wong well knows or should know as the shadow minister for trade, under our arrangements employers will be expected to demonstrate an ongoing labour market need before being able to sponsor overseas workers. *(Time expired)*
Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:09): Mr President, I ask a further supplementary question. Can the minister confirm that the China-Australia Free Trade Agreement includes an investor state dispute mechanism which will allow Chinese investors, including state-owned enterprises, to take action against the Australian government. Could future changes to the renewable energy target or carbon farming schemes give rise to liabilities under this dispute mechanism?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:09): The ISDS to which the senator refers is a provision in free trade agreements that I think have now been part and parcel—and I stand corrected—in about 20-plus arrangements, including ones that the former Labor government negotiated. So this is a classic case of Labor does something, it is perfect; if the coalition does something, by definition it must be wrong. This is the sort of immature and very un-Australian approach that Senator Wong is taking to these free trade agreements.

Senator Moore: Mr President, my point of order is on direct relevance. Perfect or not, the question was around the impact of renewable energy targets or carbon farming schemes under the new arrangement. That was the question. Could I ask that the minister be reminded of the question.

The PRESIDENT: Again, the question contained two elements. The first element was asking for confirmation. I cannot be across all the technical detail in every answer, but the minister has been answering the question in relation to the question that was asked. If the detail is incorrect in the minister's response, that is not an issue for me to arbitrate. The minister has been directly relevant. The minister has the call.

Senator ABETZ: Yet again, the Labor Party are very sensitive to be reminded that these ISDS provisions are common in these agreements—agreements to which the Australian Labor Party themselves signed up the Australian nation. We agreed with that approach. Now that we do it, the Labor Party cannot reciprocate. (Time expired)

Trade with China

Senator McKENZIE (Victoria) (14:11): My question is to the Leader of the Government in the Senate and the Minister representing the Minister for Agriculture, Senator Abetz. Yesterday the Prime Minister and President Xi announced the outcome of negotiations on the Australia-China Free Trade Agreement, which was brought home by the Minister for Trade and Investment in the last 12 months. Can the minister outline to the Senate the benefits which the Australia-China Free Trade Agreement will deliver for Australian agricultural products.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:12): Mr President, it is appropriate that a coalition senator from the state of Victoria should be asking this question, because Victoria is Australia's largest food and fibre exporting state and so it is particularly well placed to reap the benefits of this free trade agreement. China is Australia's most important agriculture market, with exports worth around $9,000 million and growing rapidly. The opportunities are massive. China is expected to account for nearly half of global growth in food demand to 2050.
This free trade agreement positions Australian farmers and exporters to take advantage of China's growth. It addresses our current competitive disadvantage in some products such as dairy, lamb and wine, with New Zealand and Chile, who have free trade agreements with China. It locks in an advantage on products such as a beef against the United States and Brazil. This is a great deal for Australian dairy, with all tariffs being eliminated. China's wine import market is growing dramatically—$1.6 billion worth in 2013. Of course, Senator, that will benefit the Yarra Valley in your home state of Victoria.

Under the agreement, the tariffs on beef exports to China, worth $722 million, will be eliminated. And similarly, all tariffs on horticultural products will be eliminated. Tariffs on hides, skins and leathers will be eliminated. The list goes on: barley tariffs will go, tariffs on live animal exports will go, tariffs on orange juice, pasta, chocolate, canned tomatoes— you name it—will go. This is a great agreement for the state of Victoria and for our nation. (Time expired)

**Senator McKenzie** (Victoria) (14:14): Mr President, I ask a supplementary question. Following New Zealand's conclusion of an FTA with China, New Zealand sales of dairy products increased sixfold. Can the minister inform the Senate how the Australia-China FTA will help Australian dairy farmers, particularly those in my home state of Victoria, access the Chinese market.

**Senator Abetz** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:14): There is no doubt that our dairy farmers will benefit enormously from this agreement. Indeed, the Australian Dairy Industry Council chair, Noel Campbell, expressed it like this:

[The free trade] agreement will allow the [Australian dairy] industry to flourish and capitalise upon robust demand in the Chinese market.

[It] will strengthen Australian dairy’s competitiveness by providing [the Australian dairy] industry with a significant advantage compared to other countries in the market that do not have a FTA with China …

China is already Australia's second largest market for dairy exports. New Zealand's dairy produce already receives a considerable tariff advantage under its bilateral free trade agreement with China. This free trade agreement will progressively close this gap. Tariffs will be eliminated across all dairy products. This is great news for Victoria. (Time expired)

**Senator McKenzie** (Victoria) (14:15): Mr President, I ask a further supplementary question. It is not only my home state that will benefit. I recently enjoyed some fabulous fresh produce from Mures, and I can attest that Tasmania's seafood industries enjoy an international reputation for clean, quality produce.

**The President**: A question, Senator McKenzie.

**Senator McKenzie**: Can the minister inform the Senate how the FTA will help the Tasmanian seafood industry increase its exports to China?

**Senator Abetz** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:16): Mr President, the senator is quite right to concentrate on issues Tasmanian, but there are also other advantages that flow to the rest of the nation. The China-Australia Free Trade Agreement is unequivocally good news for all Tasmanians, especially job seekers and small and big employers in Tasmania. And the seafood industries being included in this free trade
agreement is genuinely a breakthrough. I know that Senator McKenzie and her coalition Senate colleagues were very anxious to achieve this outcome. I pay particular tribute to Senator Richard Colbeck, who championed this cause within government to ensure this outcome. It is a great outcome, because right around Australia—something that is often forgotten—an estimated 8,500 jobs rely on this sector and they now have—(Time expired)

Defence Procurement

Senator DASTYARI (New South Wales) (14:17): Mr President, my question is to the Minister representing the Prime Minister, Senator Abetz. I refer the minister to the Senate report into the Future Submarine project tabled yesterday. The report includes evidence from Dr John White, an expert chosen by the government to review the Air Warfare Destroyer project. He said:

There is still sufficient time available, with adequate contingency, for the competitive [project definition study] to be carried out and to build the Future Submarines in Australia.

Will the government listen to this expert advice and conduct a competitive tender process, including a project definition study for the Future Submarine project?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:18): As always, the government will listen and take into account all of the competing views and interests. At the end of the day, we will make a decision which is in the national interest. And so as my colleague Senator Johnston and the government weigh up all of the competing requests and interests in relation to this important project, we will seek to ensure (1) that our national security is protected to the highest level possible and (2) we will seek to ensure that Australian taxpayers get best value for money. And let us not forget that every single dollar that is spent on this project will need to be taken out of the pockets of our fellow Australians before we can spend this money. So let us make no mistake: we have a huge duty to the Australian taxpayer to ensure value for money.

Part and parcel of that whole arrangement will be to seek to maximise what employment opportunities might arise in relation to this project. The one thing we do know is that the vast majority of jobs in fact are in the after purchase and in the maintenance throughout the lifetime of the particular project.

Opposition senators interjecting—

The PRESIDENT: Order! Pause the clock!

Opposition senators interjecting—

Senator Cameron: We clean the toilets!

Senator ABETZ: Mr President, isn't it a terrible reflection that Senator Cameron should interject that the only maintenance work would be cleaning the toilets. What a disgraceful interjection. How he plays down the work of our defence personnel, who maintain these vessels from a weapons point of view, from a mechanical point of view—(Time expired)

Senator DASTYARI (New South Wales) (14:20): Mr President, I ask a supplementary question. I refer the minister to further evidence in the Senate report by retired Commodore Paul Greenfield, who said:

There does not have to be a capability gap if we get on with it now.
Minister, why won't the government listen to the experts and get on with a competitive tender process, including a project definition study, immediately?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:21): Mr President, what absolute audacity from an opposition senator to raise the prospect of 'if we get on with it now'. What happened during the six years of the previous Australian Labor Party government? Absolutely nothing; they never got on with anything, other than raising the debt! So for Senator Dastyari to seek to come into this place and assert that we as a government should 'get on with it'—the simple fact is, as Senator Johnston said in an earlier question time, we were left with a blank sheet of paper in relation to this project. We had to start from scratch. And in starting from scratch in the past 12 months, we have sought to do everything we possibly can to ensure that our nation's defences are protected and that we get best value for money. What an audacity to say 'get on with it'. We actually are— (Time expired)

**Senator DASTYARI** (New South Wales) (14:22): Mr President, I ask a further supplementary question. Given that the expert evidence provided to the Senate committee stated that there are no strategic, no capabilities and no economic impediments to building our new submarine fleet in Australia, Minister, why aren't you prepared to stand up today and recommit to your earlier promise to build Australia's 12 new submarines here in Australia?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:22): I have always wondered why the honourable senator reminds me of a certain actor, Rowan Atkinson. You know why? He is at his best when his mouth is shut.

**Senator Moore:** Mr President, on a point of order.

**The PRESIDENT:** Pause the clock. I think I can deal with this Senator Moore. Minister, you were reflecting improperly on the member. I would suggest that you consider withdrawing that remark.

**Senator ABETZ:** Mr President, allow me to withdraw but it would be exceptionally difficult for anybody, especially on the other side, to say that Senator Dastyari is at his best when he has got his mouth open. But, nevertheless, Mr President, I indicate to the senator that this is a government concerned—

**Senator Dastyari:** Mr President, on a point of order going to relevance: I asked Colonel Klink on the other side moments earlier a very specific question about the future of the Australian submarine project. I would like the colonel to give me an answer.

**The PRESIDENT:** I remind senators to refer to senators by their correct title. Minister, you have 27 seconds left to complete your answer.

**Senator Abetz:** Are you going to allow that?

**Senator Bernardi:** Mr President, on a point of order: Senator Dastyari used most unparliamentary language, and you quite rightly pointed out to the Senate that you should refer to senators in the appropriate manner. I would now ask you to invite Senator Dastyari to withdraw his comments and reflections on Senator Abetz.

**The PRESIDENT:** Thank you, Senator Bernardi, and I will take the advice from Senator Bernardi, Senator Dastyari, on the same matter as Senator Abetz.
Senator Dastyari: I withdraw the comments.

Senator Conroy: It's about time you took advice from Senator Bernardi!

The President: Senator Conroy, I will not be taking advice from you. Order! I know it is the second-last day for this week. Minister, you have 27 seconds

Senator ABETZ: Mr President, the government is absolutely concerned to get this project right. We were left with a blank sheet of paper when we came into government in September last year. We will seek to do everything we possibly can to deliver the best possible project for the Australian taxpayer and for Australia's defence needs, and they are the promises we will keep.

Trade with China

Senator WHISH-WILSON (Tasmania) (14:26): My question is to the Minister representing the Minister for Trade and Investment, Senator Brandis. Yesterday's announced Chinese-Australian deal to have a trade deal did not deliver a final negotiated outcome on lowering Foreign Investment Review Board approval barriers for Chinese state owned enterprises. It has been reported that this is part of a second stage of the trade negotiation process. Why wasn't this potential risk to our national interest resolved; and when will you finally be able to rule out that you will not trade away important existing foreign ownership protections?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:26): Senator Whish-Wilson, I am disappointed but I am bound to say I am not surprised that you take such a negative dog-in-the-manger view of what has been almost universally received as one of the great achievements in Australian trade policy: the China-Australia free trade agreement.

I will come directly to your question in a moment, Senator Whish-Wilson but, by way of prologue, might I remind you that, as a result of the free trade agreement with China, more than 85 per cent of Australian goods exported to China will be tariff-free immediately—immediately upon the entry into force of the free trade agreement.

Senator Ryan: You won't like it.

Senator BRANDIS: You are right, Senator Ryan: of course the Greens hate the concept of trade, because they hate the concept of commerce and they hate the notion of prosperity. Senator Whish-Wilson, within four years of the agreement coming into force, 93 per cent of Australian goods exported to China will be tariff-free and, ultimately, 95 per cent—

Senator Whish-Wilson: Mr Speaker, on a point of order going to relevance: you did hear me ask a very direct question to Senator Brandis: why weren't the Foreign Investment Review Board barriers that the Chinese have been so sensitive about in these negotiations resolved at this stage of the trade agreement?

The President: Thank you, Senator Whish-Wilson, I noted your questions and I particularly noted the Attorney-General indicated that he would come to the subject matter. I invite the Attorney-General to do so.

Senator BRANDIS: Let me finish that last point: ultimately, 95 per cent of Australian exports to China will be tariff-free. Senator Whish-Wilson, you and your Greens colleagues may not regard that as an achievement but, universally, it has been regarded as an
achievement and the praise that has rightly been lavished upon my colleague Andrew Robb in the last 24 hours is richly deserved.

Senator Whish-Wilson, in relation to the particular matter, the FIRB thresholds, you have pointed out that the text of the free trade agreement has not been released. It will be released in due course, and I am not going to comment on what may or may not be in the text of a yet-to-be-released treaty.

Senator WHISH-WILSON (Tasmania) (14:29): Mr President, I ask a supplementary question. I refer the senator to government statements yesterday. It was all over the front page of national newspapers that the Chinese trade deal will boost exports by $18 billion over the next decade. Why is the government quoting figures from a 10-year-old, 2005, study that included the now-false assumptions that wheat, rice and sugar would be part of the deal? Surely you have done some modelling since 2005 on the potential risks and benefits of this trade deal.

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:30): I am sorry, Senator Whish-Wilson, but you do betray a certain ignorance of the modelling. Might I remind you, in relation to rice, that rice has never been admitted to the Chinese market. There has never been an FTA agreed to by China which has included rice. In relation to sugar, Australia already has very, very good access to the Chinese market for sugar. We export 100,000 tonnes of sugar into the Chinese market already on the most favourable terms that are allowed to any sugar exporter under WTO rules. In relation to wheat, the tariff on Australian wheat going into China is only one per cent. (Time expired)

Senator WHISH-WILSON (Tasmania) (14:31): Mr President, I ask a further supplementary question. I note the Abbott government has also signed on to dangerous and undemocratic ISDS clauses and has therefore given Chinese investors special rights to sue future Australian governments for changes to policy or legislation that impact their interests, such as investments in agricultural enterprises. Can the minister guarantee that the Chinese government will not use its state owned enterprises to sue future Australian governments over decisions made in this very chamber that may impact on their investments and therefore override our national interest? (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:31): Senator Whish-Wilson, I should not have to point out to you, but obviously I do, that dispute resolution mechanisms are a commonplace and indeed a necessary element of any trade treaty. As Senator Abetz pointed out in his answer to Senator Wong’s question earlier in question time ISDS provisions have been a commonplace feature of Australia's trade agreements—

Senator Whish-Wilson interjecting—

The PRESIDENT: Senator Whish-Wilson, you have asked your question.

Senator BRANDIS: for some 25 years. The ISDS provisions, which, when the text of the treaty is released, no doubt you will be at liberty to consider, are a commonplace feature of any sound trade agreement and a commonplace feature of all of the trade agreements into which Australia has entered.
Climate Change

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:32): My question is to the Minister representing the Minister for Foreign Affairs, Senator Brandis. Can the minister inform the Senate of any recent bilateral agreements between the governments of Australia and China relating to climate change?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:33): Indeed I can inform Senator Ruston of the MOU on Climate Change Cooperation, which was announced by the Chinese government and my colleague Ms Bishop on behalf of the Australian government yesterday. The government reaffirmed its commitment to real and effective action on climate change. At the centre of the government's response to reducing emissions is the $2.55 billion Emissions Reduction Fund. The MOU signed yesterday with Mr Zhu Zhixin, vice-chairman of China's National Development and Reform Commission, is an example of our readiness for constructive engagement with major partners to address the challenge of climate change. The NDRC is China's primary economic planning body. It is a powerful player in China's economy.

The MOU was first signed by Foreign Minister Downer in 2004 and has developed to include an annual ministerial dialogue and regular officials meetings. Under the MOU, the Chinese and Australian governments have conducted ongoing dialogue on a wide range of issues, including energy efficiency, technology cooperation, agriculture, climate change science and, most recently, collecting and managing greenhouse gas emissions data. No matter what ambitious emissions targets you aspire to and the policies or laws you introduce to reduce our greenhouse emissions, you must be able to measure and account for them in a reliable way. Our work with China is helping to set up the systems that are required to do that and to guarantee Australia's compliance with its obligations.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:35): Mr President, I ask a supplementary question. Can the minister explain to the Senate the importance of working with China to reduce carbon emissions?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:35): It is very important indeed. As Prime Minister Abbott said, if I may quote him: 'The Australian government accepts the science of climate change and is committed to reducing Australia's carbon emissions by five per cent below 2000 levels by 2020.' China is the world's largest emitter, contributing around one-quarter of all emissions. Australia accounts for about 1.3 per cent of global emissions. China's emissions are currently around 20 times as large as Australia's annual emissions. China also consumes almost 50 per cent of the world's coal, and that is expected to increase. We know from the US-China announcement the other day that China's emissions will continue rising for the decade ahead before peaking in or around 2030. By contrast, Australia's electricity demand and emissions are falling. We are committed to working with China on emissions reduction.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:36): Mr President, I ask a further supplementary question. Can the minister advise the Senate how Australia's cooperation with China demonstrates our government's commitment to action on climate change and what value Australia brings to this agreement?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:36): Yes, Senator Ruston, I can. The Chinese value Australia’s experience in the collection and management of greenhouse gas data. They are interested in learning from the experience we have gained from the National Greenhouse and Energy Reporting System that was introduced by the Howard government in 2007. One project that is coming to a conclusion involves the development of methodologies for the calculation of emissions in four sectors where Australia has particularly valuable experience. Those sectors relate to oil and gas and coal mining. A new project the government is now finalising is to help four provinces in China develop emissions reporting systems for use by companies that will have to report on their emissions. Australia will continue to do its bit to work with our partners, including our Chinese partners, in taking strong and effective action on climate change.

Australian Broadcasting Corporation
Special Broadcasting Service

Senator LUDLAM (Western Australia) (14:37): My question is to Senator Fifield, representing the Minister for Communications. Before last September’s election, the then opposition, now government, guaranteed there would be no cuts to the ABC or SBS. Then came the cancellation of the $220 million Australia Network contract and the so-called $43 million down-payment cuts to the two broadcasters. All along the government has maintained there will be no programming cuts and that cutting back-office and admin functions would be sufficient. Does the government seriously expect us to believe that the cuts that now cumulatively amount to around nine per cent of the ABC’s overall annual budget will not lead to cuts to programming?

Senator Bernardi interjecting—

Senator LUDLAM: Senator Bernardi says it is a good thing. If so, will the minister give the Senate a guarantee to this effect?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:38): I have good news for you, Mr President, and Senator Ludlam and colleagues—that is, the government is absolutely committed to the health and vibrancy of the ABC and SBS.

Opposition senators interjecting—

The PRESIDENT: Order! Pause the clock. Minister.

Senator FIFIELD: The government is also committed to ensuring that we repair the budget situation which we inherited courtesy of Labor and the Australian Greens together in coalition in government. It is important to make clear that the ABC and SBS are in no way, shape or form being singled out. All government bodies have been asked to play a part in achieving our goal of fiscal repair. Earlier this year, you would be aware, Mr President, that the government, in cooperation with the ABC and SBS—

Opposition senators interjecting—

The PRESIDENT: Order! Pause the clock. Minister.

Senator FIFIELD: As I was saying, the government, in cooperation with the two public broadcasters, conducted an efficiency study of the national broadcasters' back-of-house
operations, and the purpose of the efficiency study I think is well known. It was to assist both the ABC and SBS to manage their businesses more efficiently, to examine their costs of operations and to identify savings through increased efficiencies and reduced expenses without impacting on the quality and extent of program content. The government's position was not that the ABC and SBS should be immune to savings but that those savings should be achieved and effected in an informed manner, hence the purpose of the efficiency review.

As Mr Turnbull indicated—

The PRESIDENT: Pause the clock. Senator Ludlam on a point of order.

Senator Ludlam: Mr President, my point of order, if I may, is on relevance. I asked directly whether the government would guarantee there would be no programming cuts. The senator has only 11 seconds left on the clock. That is a very simple 'yes' or 'no'.

The PRESIDENT: Thank you, Senator Ludlam. The minister does have 11 seconds left to answer the question. I remind the minister of the question.

Senator FIFIELD: The government cannot direct the ABC as to what to do with their funding. Programming decisions are, as they always have been, matters for the board and management of the ABC. (Time expired)

Senator LUDLAM (Western Australia) (14:41): Mr President, I ask a supplementary question. Minister, the Trans-Pacific Partnership Agreement, in draft, allegedly contains clauses relevant to the operation of state owned enterprises which are seen as a barrier to unregulated trade and competition. We also understand that states' parties can submit a list of exempted enterprises. Has the government placed the ABC and SBS on its exemption list or is the government intending to use the Trans-Pacific Partnership as a lever to privatise or part-privatise the operations of the ABC and SBS?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:42): As colleagues would appreciate, negotiation of the Trans-Pacific Partnership is a matter for Minister Robb in the Trade portfolio. To the extent that I may have anything to offer or that Minister Turnbull may have anything to offer in his capacity as the Minister for Communications then I will happily take that on notice.

Senator LUDLAM (Western Australia) (14:42): You could have ruled it out, but not to worry. Mr President, I ask a further supplementary question. Finally, the government is also reportedly considering forcing a doubling of the quantity of advertising that SBS has to run. Could the coalition provide an estimate of the amount by which this will dilute the amount of money that SBS can charge for its advertising and by how much this dilution of ad revenues will also hit other commercial broadcasters?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:43): The efficiency review which I referred to earlier did have some comments and recommendations in relation to the potential rebalancing of SBS advertising. That is a matter that the government has not taken a decision on.

Trade with China

Senator WILLIAMS (New South Wales) (14:43): My question is to the very alert Minister, Senator Ronaldson, representing the Minister for Industry. Will the minister advise
the Senate how the China-Australia Free Trade Agreement will benefit the Australian energy and resources sector?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:44): I can only hope that I can aim to be as alert as Senator Williams is. It is with a great deal of pleasure that I will answer this question. The signing of the historic China-Australia Free Trade Agreement, ChAFTA, will unlock significant benefits in export opportunities for the Australian energy and resources sector.

Our exporters will benefit from greater certainty, with ChAFTA locking in zero tariffs for major resources and energy products, including iron ore, gold, true petroleum oils and liquefied natural gas. Other energy and resources products will be duty free within four years. At present, tariffs on these products are as high as eight per cent.

Australia's third-largest export to China, coking coal, will have its three per cent tariff eliminated on day one of the agreement. This represents exports worth around $6 billion. Tariffs of six per cent on non-coking coal, an industry worth $3 billion, will be eliminated within two years. Transformed resources and energy products will also benefit massively under ChAFTA. A large number of tariffs will be eliminated immediately on the agreement coming into effect. These include tariffs on unwrought refined copper and all alloys, an industry worth $2 billion; alumina, an industry worth around $1.3 billion; nickel metals and oxides, an industry worth $662 million; unwrought zinc, worth about $300 million; unwrought nickel, worth about $154 million; titanium wires and titanium dioxide, with exports worth $154 million; and copper waste and scrap, with exports worth $295 million.

The Australian aluminium industry will also enjoy far greater access. Indeed, ChAFTA gives our energy and resources sector an unprecedented and unrivalled level of access to the Chinese market. 

(Time expired)

Senator WILLIAMS (New South Wales) (14:46): Mr President, I ask a supplementary question. Can the minister outline to the Senate how the China-Australia Free Trade Agreement will benefit Australian manufacturers?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:46): Again, I thank Senator Williams for that excellent question. As with the energy and resources sector, this agreement represents an unprecedented level of access to the Chinese market, helping to ensure that Australia's manufacturing sector will continue to thrive into the future.

This agreement creates new opportunities for Australian manufacturers, including those seeking to supply goods to China's rapidly-expanding middle class. Tariffs of up to 10 per cent on pharmaceutical and vitamin products will be phased out within four years. The automotive sector will gain from the elimination of a 10 per cent tariff on Australian-made engines. There will be even further gains for Australian aluminium in the form of finished products, such as plates and sheets, worth about $31 million.

In addition, manufacturers and other industries will benefit from greater certainty by the locking in of zero per cent tariffs on a range of other manufactured products, including woodchips, pine products, some electrical and communications equipment and some paper based products. 

(Time expired)
Senator WILLIAMS (New South Wales) (14:47): Mr President, I ask a further supplementary question. Will the minister further advise the Senate of the importance of the Chinese market for Australia's energy, resources and manufacturing sectors and how these sectors will benefit from the China-Australia Free Trade Agreement going forward?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:47): Again, I thank Senator Williams for that excellent question.

As I said earlier on, access for the Australian market is unprecedented. This historic agreement will give all sectors of the resource and energy industries greater access. We are set to go from strength to strength in relation to these two areas as a result of the removal of these tariffs. Access to the Chinese market, as I said, will provide a huge boost, and on full implementation of this agreement a staggering 99.9 per cent of current exports will be totally tariff free.

This agreement again shows that Australia is open for business. The Australian people only need to look today at who asked what questions about this Chinese FTA. The Australian Labor Party and the Australian Greens—negative and carping, refusing to acknowledge—(Time expired)

Australian Defence Force

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (14:49): My question without notice is to the minister representing the Minister for Defence. I refer the minister to his government's disgusting pay offer to the men and women of the Australian Defence Force, which targets them with an effective pay cut and strips them of Christmas holidays and leave while it steals thousands of dollars worth of entitlements. I also refer the minister to pictures of the Prime Minister in the media, using members of our military as extras in a Liberal Party publicity stunt. Can the minister detail why the government cannot afford an extra $121 million to ensure a fair pay offer to our Australian Defence Force personnel?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:50): Thank you, Senator Lambie, for your question. It is an important question and, if I may say so, I have a very great deal of respect for the sincerity you bring to this issue as a former servicewoman yourself.

The answer to your question why the government cannot afford to be as generous as it would wish to be is because we inherited public debt peaking at $667,000 million when we came into office a little over a year ago. Let me just say that figure again, because it is hard to appreciate the massive debt that we inherited from the Labor Party: $667 billion projected public debt inherited from the Labor Party—inherited from the worst of finance minister in Australian history, Senator Penny Wong.

So, in this area of policy and in many other areas of policy, the government has had to find a economies, not because it wants to but because it has to. I know, Senator Lambie, that you do not want to leave your children and your grandchildren burdened with debt for generations, as far as the eye can see. So that is why these hard choices have to be made.
Senator Lambie, let me deal with a couple of particular issues you raised. There will be no reduction or effect upon the overseas pay and allowances. They are not part of the government's submission on defence forces remuneration. So for our brave service men and women who are deployed overseas, their allowances will not be affected. You raised the question of Christmas Day allowances—nor will that allowance, the allowances specifically provided for Christmas leave, be affected. (Time expired)

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (14:52): Mr President, I ask a supplementary question. Just while we are on that, first of all I remind you that there are veterans who are not serving anymore who served their country overseas and were prepared to take rounds for it. I refer the minister to the fact that an additional 1.5 per cent pay offer to the men and women of our ADF would cost approximately $121 million. I also refer the minister to the fact that Australia gives Indonesia more than $500 million of foreign aid each year. Can the minister explain why the extra funds for a fair ADF pay offer cannot be taken from Indonesia's foreign aid budget, given that Indonesia has a military almost 10 times the size of ours? (Time expired)

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): Thank you, Senator Lambie. Senator Lambie, as I said in my answer to your primary question, we have had to find economies in almost every area of policy. We have found economies in the foreign aid budget, by the way, and we have found economies on the topic that you raise, in our proposal for Defence Force remuneration. The reason we have to find economies across all areas of policy is that when we came into government this country was over its head in debt inherited from the Labor government. Senator Lambie, let me remind you that when the Howard government went out of office there was no public debt in Australia—none. When the Labor government went out of office six years later, our public debt was approaching $667 billion. As I say, we do this not because we— (Time expired)

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (14:54): Mr President, I ask a further supplementary question. Given that the minister's slippery answers to the previous questions prove that the disgusting Liberal ADF pay offer is not really about protecting our budget—rather, it is about protecting the Liberals' plan to attack Public Service and other Australian workers' pay and conditions—what is the price you are prepared to pay for the morale of our Defence Forces and in the name of our national security?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:54): Senator Lambie, I am sorry, but I cannot accept the premise of your question. We have to find savings because we cannot pass on to the next generation the debt that the last Labor government shouldered our generation with. It would be wrong to do so—not just economically irresponsible but morally wrong to ask our children and our grandchildren to pay for our overindulgence over the past six years. We do not want to have to do this, but we have to do this. But you would also know, Senator Lambie, that one area which the government have quarantined is overall Defence spending because we were concerned for the national security of our country about allowing the percentage of the Defence budget—

Opposition senators interjecting—
The PRESIDENT: Pause the clock. Order!

Senator BRANDIS: We were concerned that under the previous government the percentage of GDP spent on Defence overall had fallen to the lowest level since 1938. I am sure, Senator Lambie, you would support the government's measures to rebuild our Defence capability. (Time expired)

Australian Broadcasting Corporation

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:55): My question is to the Minister representing the Prime Minister, Senator Abetz. Minister, what is the status of the Prime Minister's pre-election promise that there would be 'no cuts to the ABC'?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:56): The Prime Minister made a promise to the Australian people that we would get the budget back into shape. Part of getting the budget back into shape has required us to consider an efficiency dividend. Indeed, anybody—

Opposition senators interjecting—

The PRESIDENT: Pause the clock.

Senator Cameron: Why don't you say you just told lies?

The PRESIDENT: Senator Cameron, we are waiting on you—

Senator Conroy interjecting—

The PRESIDENT: and Senator Conroy.

Senator ABETZ: A one per cent efficiency dividend should not be beyond the wit of any manager of an enterprise to be able to achieve without cutting the services or programs. We say that you can make those savings in the back office operations. Indeed, one of our tasks as a government—and I remind honourable senators on that side that they still do not get it. After having delivered the biggest legacy of deficit and debt that this country has ever seen, they still do not get that every single dollar that a government spends first has to be taken out of the pockets of one of our fellow Australians. When the Labor Party say that they do not want efficiency dividends, they are saying that they do not want the ABC—

The PRESIDENT: Pause the clock. A point of order, Senator Moore?

Senator Moore: Yes, on direct relevance, Mr President. The specific question was around the status of the promise of no cuts to the ABC.

The PRESIDENT: Senator Moore, the minister was addressing that in his opening remarks in the answer to the question.

Senator ABETZ: You always know when the Labor Party are under stress because they will come up with a point of order to try to stop the flow of information to the Australian people. Let us be very clear: every single dollar that we as a government spend first has to come out of the pocket of one of our fellow Australians.

Honourable senators interjecting—

The PRESIDENT: Pause the clock.

Senator Wong: 'We broke the promise.' That is the answer: 'We broke the promise.'
The PRESIDENT: Senator Wong!

Senator ABETZ: Depicted by the person—

Honourable senators interjecting—

The PRESIDENT: Order! Senator Abetz, you do not have the call at the moment. Order!

Senator Conroy interjecting—

The PRESIDENT: He is not the only one in the chamber, Senator Conroy.

Senator ABETZ: Every single dollar that we as a government spend, first of all has to come out of the pockets of our fellow Australians. That is why any prudent government would seek to ensure that every single government enterprise is run in an efficient manner. Why is it that the Labor Party are against an efficiency dividend of one per cent on the ABC? (Time expired)

Senator Wong: Why did you lie?

The PRESIDENT: Senator Wong, that is disorderly.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:59): Mr President, I ask a supplementary question. I refer to comments by the Minister for Communications, Mr Turnbull, who said on Q&A last night that funding for the national broadcaster would be cut, and 'it will average over five years about five per cent off the top'. Will the minister confirm that the Prime Minister's promise of no cuts to the ABC has been broken and tell us how much the cut will be in dollar terms each year over the five-year period?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:00): I confess along with many other Australians that I am not necessarily an avid watcher of Q&A, especially in recent times; but, if the Minister for Communications has made certain comments on Q&A, I will acquaint myself with them. In the event that the minister wants to provide an answer in relation to that which Senator McEwen has raised, I am more than happy to inform the chamber of that.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:00): Mr President, I ask a further supplementary question. How many ABC jobs will be lost and which services will be cut as a result of the Prime Minister's broken election promise, and will these cuts result in the closure of the ABC studios in Adelaide with the loss of up to 100 local jobs and the axing of all state based 7:30 programs?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:01): As everybody in this chamber actually knows, those decisions are left with the ABC and not with the government. Indeed, we got a question earlier on today about programming from the Australian Greens as though somehow government could determine programming. Sometimes I wish! But we accept that programming and those decisions are left with management of the ABC, and it is appropriate that it be left there. Therefore, to assert that somehow there would be 100 jobs lost here or there—I am surprised that Senator McEwen did not raise the chestnut of Peppa Pig, which was tried on earlier and fell completely flat.
I say yet again: this government is committed to the efficient administration of Australia's hard earned tax dollars and, as a result, we want every area of government to operate as efficiently as possible. On that note, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Defence Procurement

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (15:02): 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 Dastyari today relating to the manufacture of the next fleet of Australian submarines.

I wanted to take note of the future of our submarines because it is too important for this government to cut corners when it comes to our naval capabilities. The government has the power under Defence procurement guidelines to ensure a funded project definition study is undertaken for our future submarines. This is what the government should do. It is deeply troubling that Senator Abetz refuses to match Senator Johnston's refusal to commit to this simple recommendation made by the Senate committee report. In fact, it would be a national scandal if the government did not undertake a competitive tender including a funded project definition study for this multibillion-dollar acquisition.

We have heard all the excuses so far. The latest is that going through a proper process may lead to a capability gap. This is just absolute nonsense and rubbish and was demonstrated to be so by expert witness after expert witness at the Senate committee hearings into this issue. These experts testified that there remains sufficient time to conduct a competitive tender including a project definition study for the future submarines while avoiding the capability gap. These were experts like retired Commodore Paul Greenfield, who said:

… there does not have to be a capability gap if we get on with it now.

The government should listen to the experts and get on with this vital project.

To give you an example of the sheer incompetence of this government, last week the Minister for Defence announced that he was ruling out a military off-the-shelf option for a new submarine fleet, but this was a decision that we took 18 months ago. So it has taken this government nearly 15 months to make the same decision that we took 18 months ago. So congratulations; you've had the foot to the floor, you're on top of your brief! Eighteen months ago the previous government took this decision. The minister went on to say at the Submarine Institute speech last week that Australia's next submarine will have a longer range and endurance than any diesel electric submarine currently available off the shelf. Twelve months wasted. Twelve months pursuing another thought bubble of the current Prime Minister, who went off to Japan, had a bit of a chat with the new Prime Minister up in Japan, came back, ordered Defence, overruled the minister, ordered DMO: start looking at buying Japanese submarines; they are pretty good, and we should grab hold of them. Twelve months later—12 months of wasted time—what we see now is the minister ruling out the option of buying existing Japanese submarines.

Under the Defence procurement guidelines, the minister could put in place a funded project definition study and he could do it immediately to ensure there is no capability gap. But just
like when it came to the Prime Minister telling Defence he wanted jump jets—or STOVLs, as they are known—to be used on our LHDs, and Defence said, 'Oh, my goodness!', we have seen in this morning's paper that they are going to be a waste of money. *(Time expired)*

**Senator Williams** (New South Wales) (15:07): I am just amazed at Senator Conroy saying that the government has not acted on the Senate inquiry's recommendation. I recall back in 2009 when I launched an inquiry into liquidators and insolvency practitioners that there was a unanimous recommendation from the committee, then chaired by Labor senator Annette Hurley from South Australia. The previous government did absolutely nothing. Thank goodness we will be acting on those recommendations in, I believe, the very near future. For Senator Conroy to say that we should be acting on this specific recommendation of a Senate inquiry is so ironic having seen what those opposite did when they were in government.

It is just amazing how those opposite have little or no understanding of money and money management. The debt that we inherited at a growing rate—and this was reaffirmed here today in question time by Senator Brandis—was rising to a projected $667 billion. Mr President, you were probably around in this place at the time we heard that there was going to be a budget surplus under the previous government. The then Treasurer, Mr Wayne Swan, was going to deliver a surplus. The last time we saw a surplus from a Labor government was in 1989 when Senator Dastyari was just six years old. I have raised that before in this chamber.

**Senator Ryan:** A very small one.

**Senator Williams:** Exactly, Senator Ryan—a very small one. I will take that interjection. The word 'surplus' does not exist in the Australian Labor Party's dictionary.

**Senator Ryan:** It would have been by accident.

**Senator Williams:** Yes, it would have been by accident. Something would have gone wrong! So here we are cleaning up their financial mess. That is what this whole issue about Defence spending comes back to. We inherited such a mess. To me, being in this place and being part of government and the parliament is about being a caretaker for future generations of Australians, whether it be protecting our borders, bringing the asylum seeker boats to a stop, funding our Defence Force or managing the money and not leaving future generations of Australians wallowing in debt while mortgaging their futures away.

Every time we as a coalition get into government following a period of Labor government we see that the chequebook has been simply splashed around. There is a debt. The bank account is empty. It does not matter whether they are state or federal Labor governments. In the history of the last 40 years, that is how it has worked. Hence, we have to make sensible budget decisions, no matter in which portfolio, in relation to how we spend the taxpayer dollars here in our nation. As Senator Abetz says, the government do not have money. We take money off the people or we borrow it. When we borrow it, it is up to the people to pay it back with interest. We are now paying $1,000 million a month interest on the debt that that lot over there built in just six years in government. Here they are saying, 'Let's build the submarines. Let's get it moving.' 'Let's do it properly,' is what I say. Let's get the best result we can for the Australian dollar to give us the best defence possible and to create jobs here locally as well. It does not matter whether the submarines are wholly and solely built here or
whether there is a mixture of building overseas and installations here—whatever it comes out to be—so long as it is the best result for the Australian taxpayer and for the defence of our nation.

I find it so ironic when Senator Conroy says, 'Here's the Senate report,' and yet, when I instigated a Senate inquiry and we gave a unanimous recommendation from all sides of politics, the previous government did nothing. As I said, that was on the situation of insolvency practitioners where we have such a farcical system in many respects. People are overcharging and the little creditors—the Aussie battlers, as I call them—are getting less than 10c in the dollar for 96 per cent of liquidations. What did the Labor government do? They did nothing.

Amazingly, when those opposite were in government the percentage of GDP for Defence spending was the lowest since 1938, prior to the Second World War. Yet here they are lecturing us on what we should be doing as far as establishing, maintaining and growing our Defence mechanisms and assets here in our nation. I find it amazing. This is a situation where those opposite suffer so much amnesia. They have simply forgotten what they did in government and here they are lecturing us on getting it right. They have always got it wrong when it comes to managing money. That is a history that they are known for right throughout the nation. We as conservatives have the job to clean up their financial mess, as we will do.

Senator KETTER (Queensland) (15:12): I rise to make a contribution to what tragically appears to be another broken promise in the making by this government of twisted priorities. I rise to talk about the issue of the submarine program. Yesterday we had the economics committee's inquiry into naval shipbuilding release its second interim report, which focuses on Australia's Future Submarine project. I am privileged to be a member of the committee. The committee heard from well-respected and senior industry experts on the importance of our submarine building industry. They overwhelmingly told us that building, maintaining and sustaining our new submarines in Australia is in our country's long-term economic and national security interest.

The government has argued there would be a capability gap if a tender process were undertaken rather than their intended option of buying off the shelf. Over the course of the committee's public hearings, we heard from expert after expert that a competitive tender process should not be bypassed. Importantly, evidence to the committee also made clear that, if the government moved now to conduct a competitive tender process, Australia would not suffer from a submarine capability gap.

But you do not have to take my word for that. What did the experts say on the need for a competitive tender? We have heard reference to Dr John White here today. He is a well-recognised expert in the field. He said:

There are significant technical, commercial and capability gap risks invoked by prematurely and unilaterally committing to a preferred overseas, sole-source supplier.

The Hon. Martin Hamilton-Smith, South Australian Minister for Defence Industries said:

It just beggars belief that you would go with one provider without testing the market.

Mr Chris Burns, Defence Teaming Centre, said:

You will never know the true potential cost of a project until you get multiple companies to put their names to dollar figures on firm tender bids.
And what did these experts say on the supposed capability gap? Dr John White said:

There is still sufficient time available, with adequate contingency, for the competitive PDS to be carried out and to build the Future Submarines in Australia. When visiting our submarines in Adelaide I was filled with an overwhelming sense of pride at what we are capable of building, right here in Australia. As witnesses at the inquiry said, we can and we should continue to build and maintain our submarines in Australia. There are a number of experts who made similar comments. Mr Malcom Jackman, Defence SA, said:

A vibrant and sustained naval shipbuilding industry of all shapes and forms is vital to our self-reliance.

Retired Commodore Paul Greenfield said:

The future submarine should be designed specifically for Australia and built here in Australia. A sail-away cost of $20 billion for 12 submarines built in Australia is entirely feasible, and Australian industry has much to offer in solving the truly unique engineering challenges.

Mr Chris Burns, Defence Teaming Centre, said:

Australian industrial tenacity and innovation turned the project around to the point where we now operate among the most capable conventional submarines in the world.

It seems the government have tied themselves into strange knots in their wildly varying positions on this issue.

At times, the dissenting report from the coalition senators contradicts itself. In one part it argues against a competitive tendering process due to lack of government oversight:

In theory a competitive tender process can lead to the lowest price for government and potentially value for money. In practice, the contractor almost always has more information than the government about the costs and risks of a project.

But then later on in the dissenting report they argue for a competitive process; then they argue against more oversight:

Imposing direct managerial oversight by government would be counter-productive to maintaining these competitive efficiencies.

Australia's future submarines are one of Australia's largest ever defence acquisitions and will be crucial for our national security for decades to come. I have visited the Collins class submarines at ASC in Adelaide and, unlike this government, I could not help but be impressed and incredibly proud of what we are capable of building in Australia.

The experts are on board; the industry and the public are on board. It is time the government got on board. (Time expired)

Senator CANAVAN: I will start by following on from Senator Ketter's comments. I do not think he quite understands the point we were making in the dissenting report. It is not that the coalition senators were against competitive tendering per se; it is just that those on other side are very naive about how contracting works in these situations.

All they are arguing for is competitive tendering now, before a contractor signs; they are seemingly not concerned with what happens after a contract is signed. That is sometimes more important in situations such as this when you are looking at multibillion dollar deals—very complex and technical information. You must be sure about creating that competitive tension, or some kind of cooperative arrangement after a contract is signed. The majority report is silent on those issues.
Clearly the other side do not get these issues. I note that Senator Conroy was saying that it would be a national disgrace if we followed our approach. But the only disgrace would be if we continued on with their approach. The Labor Party's approach was to cut the budget of Defence by $16 billion. The Labor Party's approach was to do nothing on these decisions for years, to make no decisions. In the evidence we got in the committee, the Labor Party made a big deal that they would spend millions of dollars on the submarine project, and all that did was create reports; more and more reports but no decisions on submarines needed for our future defence needs.

Senator Ketter said there was some contradiction in the government senators' report. Actually I think there is a glaring contradiction in the majority senators' report. We just heard from Senators Conroy and Ketter how we need to have this 'open and competitive tender process'. And Senator Conroy is nodding—we need an open process. On page XIV, of their report it says:

Given the evidence provided to the committee, particularly in relation to the inadequacy of the current Japanese Soryu submarine to meet Australia's needs, there does not appear to be any benefit in reopening this option for further consideration.

So they have decided. We have decided—

Senator Conroy: Don't misrepresent!

Senator CANAVAN: That is a direct quote, Senator Conroy.

The PRESIDENT: Order!

Senator Conroy interjecting—

Senator CANAVAN: You want an open and competitive process but you do not like the Japanese. What is wrong with the Japanese?

Senator Conroy: The Japanese can tender.

The PRESIDENT: Senator Conroy, you have had your contribution.

Senator CANAVAN: Senator Conroy, there is something wrong. We heard questions earlier today on other matters; they are worried about the Chinese too. They are worried about the Chinese and the Japanese. Over here, we look to our north and we see opportunity: we see the ability to trade; we see the ability to have our defence needs met. Over there, all they see is risks and threats. They are the negative party about Asia and they are not willing to connect with it.

What is wrong with the Japanese sub? We have had four hearings, I believe, on the submarine side of this report. We have heard from a few people. Yes, some of them are experts in their field. But we have not heard the evidence to make judgements like that, and that is why we need to remain open-minded about other options.

The other thing their report did not do was quote Mr Warren King. They spent their whole executive summary, which is the reasoning behind their recommendations, and they did not quote from Mr Warren King once. Mr Warren King is the CEO of the Defence Materiel Organisation. He is responsible for the running of this project. I think all senators would agree that he gave authoritative and expert evidence to the committee. But they provided no evidence. In our report we did quote from him. Mr King was asked about what he found or what the situation was when the government changed. He said: 'I was worried about our lack
of progress on Future Submarines over many years. I was worried about how we were going to break the deadlock of the—

**Senator Conroy:** But you have done nothing for 14 months.

**Senator CANAVAN:** 'I was very worried about how we were going to come up with solutions to meet Australia's needs.' That was from the CEO of DMO.

**Senator Conroy interjecting—**

**The PRESIDENT:** Order, Senator Conroy!

**Senator CANAVAN:** Apparently Senator Conroy does not take the CEO of DMO as expert evidence. Clearly they did not want to quote from that particular witness, but we know why: because he belled the cat on exactly what was left by the former government. But they refuse to acknowledge that now.

There is another thing they refuse to acknowledge. We never hear anything from the other side about what we really need when we make these decisions. What we really need is a very clear focus on making the decision based on our defence needs. That is how we should make this decision. We should be looking at what we need to meet Australia's future defence needs and evaluating it on that basis. They want to stand outside inquiries with the workers, they want to shout solidarity, but they never really come to the crux of the matter that this is a multibillion-dollar decision for the future of our nation's defence. It is too important to be left to the Labor Party.

**Senator McEWEN** (South Australia—Opposition Whip in the Senate) (15:22): Mr President, today I asked a question today about one of the Abbott government's many broken election promises that threatens jobs in South Australia, and that question of course was about budget cuts to the ABC. And now I am going to contribute to the debate about yet another broken election promise, and that is the failure of the government to honour its commitment to the people of South Australia to build the 12 Future Submarines in my state of South Australia.

I have spoken about this before—about how before the federal election the then shadow minister for defence and the Prime Minister wrapped themselves in the Australian flag and promised South Australians that the 12 new submarines would be built at the ASC in Adelaide; and how straight after the election the government started looking around to purchase those submarines from overseas. The government tried to paper over its broken promises by making outrageous claims about the capability of the workforce at the Australian Submarine Corporation. The government fudged the truth about the improving productivity about the AWD built at Submarine Corp. as well. The government tried to hoodwink the people of South Australia into believing that buying an off-the-shelf submarine from overseas would meet our capability and our security needs and would be cheaper than building in Australia, a claim that it made without any pretence of testing those premises by doing what should be done, and that is entering into a proper, competitive tendering process. Then, faced with a backlash from the people of South Australia, who do not like being lied to, and faced with a revolt within its own ranks of South Australian senators and members—

**Senator Conroy:** They have gone missing now.

**Senator McEWEN:** Yes, they have gone missing, Senator Conroy, that's for sure—the government had to keep coming up with excuses for reneging on its election promise. Now
it's only argument is that if something is not done soon there will be a capability gap at Submarine Corp. that will not be able to be bridged. However, even this fig leaf that the government is now using to cover up its broken election promise has been revealed for what it is—a cover-up.

Yesterday, as we heard earlier on, a report of the Senate economics references committee was tabled in the Senate. That clearly debunks that idea that the government is clinging as it tries to justify breaking its promise to the people of South Australia to build the Future Submarines in my state. The Senate inquiry heard evidence from expert after expert after expert who demolished the government's arguments about the lack of competitiveness, about the quality of Japanese submarines versus Australian submarines, and about the ability of the Australian workforce to build and maintain these submarines. When asked about the potential for a capability gap if the submarine project does not come online in time to ensure the workforce and skills needed to build the subs in South Australia are retained, the committee heard from genuine experts like Commodore Paul Greenfield, Rear Admiral Peter Briggs and Dr John White who all said that there does not have to be a capability gap if we get on with the competitive tender process now. These are the experts to whom we should be listening. For example, as we heard at the inquiry, Dr John White, the expert chosen by the government to review the Air Warfare Destroyer project said:

There is still sufficient time available, with adequate contingency, for the competitive PDS (Project Design Study) to be carried out and to build the Future Submarines in Australia.

Or, at the same inquiry, retired Commodore Greenfield, who said:

There does not have to be a capability gap if we get on with it now.

And we should be getting on with it now. That is what the Senate Economics References Committee report that was tabled yesterday clearly states. It is very disappointing that Liberal senators who participated in that inquiry are backing away from the recommendations in that report to get on with it, to start the competitive tendering process so that we can fulfil the government's promise to build those submarines in my home state of South Australia.

Even Mr Martin Hamilton-Smith, the minister for defence in South Australia, a former Liberal himself, has seen the light. He clearly stated to the Economics References Committee that he believes the submarines can be, should be, must be built in South Australia.

The PRESIDENT: I gather, Senator Whish-Wilson, your motion is on a separate matter. I will put the first motion. That is, that the motion moved by Senator Conroy be agreed to.

Question agreed to.

Trade with China

Senator WHISH-WILSON (Tasmania) (15:28): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Whish-Wilson today relating to the China-Australia Free Trade Agreement.

Amongst Senator Brandis's pompous prattle, I do not think I got an answer to my—

The PRESIDENT: Senator Whish-Wilson!

Senator Conroy: Truth is not a defence in the chamber.

The PRESIDENT: Order, Senator Conroy! You do not assist at all.
Senator Whish-Wilson, firstly you have to move the motion and secondly you were reflecting adversely on Senator Brandis. So if you would like to move the motion and note the answer you are taking note of.

**Senator WHISH-WILSON:** I move:

That the Senate take note of answers in relation to my question on free trade agreements.

What this calls for is a reality check—or a raincheck. This government said in their very first speech, the address-in-reply to the Governor-General's speech, that the mark of their time in government was going to be on signing free trade deals. Regardless of what Senator Brandis said, the Greens are not opposed to trade. We have very clear, longstanding policies supporting trade, but we want to see fair trade. Fair trade is when you take into account the environmental, social and ethical factors in business decisions, because, as we know, environmental problems, social problems and a lot of ethical problems tend to be economic problems—which has been repeated by the CEO of Wesfarmers this week on this exact issue. So, when we do trade negotiations, we need to be very careful about what is taken into account in those negotiations and the final outcome. So I asked three very important questions in question time.

I think Australians are rightly sceptical and cynical about yet another trade deal being announced with all the usual pomp and ceremony, as another visiting dignitary comes into the country—promises of roads being paved with gold in this country and of endless bounty, with no detail; secret negotiations done behind closed doors, with no modelling and no evidence whatsoever that this trade deal will deliver what is promised. We had the same thing in 2004, with the US fair trade agreement. Tens of billions of dollars it was supposed to deliver to this economy; but, as has been proven by the Productivity Commission in their analysis of trade, there is no evidence at all that it delivered. So let us take a reality check.

One of the very important questions that I asked Senator Brandis was: what is happening in the negotiations around Foreign Investment Review Board approval processes and the barriers that they present to Chinese state owned enterprises? And it is not just the Greens who are asking this question. I want to read from an article by Dr John Lee, a professor at the University of Sydney and a senior fellow of the Hudson Institute in Washington DC, who wrote:

Finally, one should note that the real prize that China wants out of this FTA is for its SOEs—state owned enterprises—to be exempt from FIRB—Foreign Investment Review Board—scrutiny for investments of $1bn or less. … China is desperate that this concession be eventually made since it is determined that its SOEs be allowed to invest in leading Australian firms to hasten the technology and know-how transfer that they desperately need.

In this article, he goes on to talk about what the Chinese government are seeking. That is also a very big issue in the bush in terms of the purchase of agricultural land.

**Senator Williams interjecting**—

**Senator WHISH-WILSON:** The FIRB protections in place at the moment about state owned enterprises are there for a reason. All I asked was: when was this negotiation going to be completed? This is a trade deal, supposedly; but what we got yesterday was a photo
opportunity, a headline, a deal to sign a deal. Negotiations have not concluded on what is probably the most controversial and most sensitive issue in this trade deal, and that is: are we going to give state owned enterprises access to buy the farm in this country? It is also a big issue in the Trans-Pacific Partnership Agreement. This is the first trade agreement that includes state owned enterprises and attempts to restrict their operations. I asked about that.

I also asked: what happens when we have investor-state dispute settlement clauses in these deals? And we do have them in this China deal. By the way, Senator Williams—through you, Mr President—John Howard refused to put these ISDS clauses in the US free trade agreement because they were dangerous, they were unnecessary and they were undemocratic. They have been included in this China trade deal. This gives a foreign investor the right to sue Australian governments if they enact legislation or policies that are not in the interests of that foreign investor. So what happens when that foreign investor happens to be the Chinese government, through a state owned enterprise?

Senator Ian Macdonald: You really are xenophobic, aren't you?

Senator WHISH-WILSON: No, this is not xenophobic. This is the first time this issue has arisen. What happens in that instance? Are we going to put restrictions in place for the use of ISDS by state owned enterprises? That is what I would like to know. Are we going to put those restrictions in place? It adds a huge layer of complexity to Foreign Investment Review Board approval processes and what is and is not in our natural interest. That is all I asked Senator Brandis: why hasn't that issue been sorted out? It certainly has not even been raised—let alone all the bloated, overinflated estimates of what this is going to deliver to the economy, with no details of the downsides or the risk to Australian industries.

Question agreed to.

PETITIONS

Norfolk Island

The Clerk: Petitions have been lodged for presentation as follows:

To the Honourable President and members of the Senate in Parliament assembled:

This petition of Norfolk Island residents and descendants of the original settlers of Pitcairn Island draws to the attention of the House the pending proposal to Cabinet to change governance arrangements on Norfolk Island. The Norfolk Island Chief Minister and the

Minister for Finance left the meeting with the Assistant Minister, the Hon. Jamie Briggs MP, on 8 October 2014 with the view that the new model will not be the subject of community consultation before, or after, the Cabinet's and Parliament's decision on such changes.

Your petitioners ask that the Senate: Before voting on any Bill to change governance arrangements for Norfolk Island established by the Norfolk Island Act 1979 of the Commonwealth, that the residents of Norfolk Island have the right to be provided the facts and consulted at referendum or plebiscite and have a democratic say on the future model of governance for Norfolk Island before any proposed changes are voted on by the Senate.

by Senator Lines (from 830 citizens).
NOTICES

Presentation

Senator WILLIAMS (New South Wales) (15:34): On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, on the next sitting day, I will withdraw business of the Senate notice of motion No. 1 standing in my name relating to the disallowance of Financial Management and Accountability Amendment (2014 Measures No. 6) Regulation 2014. I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator WILLIAMS: The committee has been making inquiries about the authority of expenditure program specified by regulation under section 32B of the Financial Framework (Supplementary Powers) Act 1997. Based on information received from the minister, the committee has concluded its examination of the regulation. The committee's report on this matter is contained in Delegated Legislation Monitor No. 15 of 2014.

The following notices were presented—

Senator O’Sullivan to move:

That the Senate—

(a) notes the support that the Queensland Government is giving to the coal industry in that State;

(b) acknowledges that this support has created thousands of employment opportunities, which in turn has greatly nourished the economies of the towns and communities associated with that industry; and

(c) further notes the balance that the Queensland Government is achieving between these investments and significantly important environmental protections.

Senator Rhiannon to move:

That the Senate—

(a) notes that:

(i) the Federal Government has provided $1.5 billion in funding for the WestConnex motorway, plus an additional $2 billion in the form a concessional loan; and that this funding was awarded despite the lack of a detailed business case, including the assumptions behind the project’s cost-benefit analysis, being made available to Infrastructure Australia or the public,

(ii) the WestConnex motorway, if built, will negatively impact residents and commuters across Sydney by increasing traffic congestion and air pollution; and the main beneficiaries of the project will be private businesses who will profit from new tolls while the public wears the financial risk, and

(iii) the Federal Government has not spent a single dollar on public transport projects in Sydney; and

(b) calls on the Federal and NSW Governments to abandon their plans to construct the WestConnex motorway and commit to building public transport in Sydney to minimise congestion, improve environmental sustainability and boost productivity.

Senator Carr to move:

That there be laid on the table by the Minister representing the Minister for Immigration and Border Protection, no later than 3.30 pm on Monday, 24 November 2014, the report of the investigation by Transfield Services of allegations regarding the treatment of asylum seekers in the Manus Island regional processing centre, as referred to in a statement released by the Minister’s office on 3 November 2014.

Senator Ludlam to move:
That the Senate—

(a) notes that:

(i) polling consistently shows that the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS) are the most trusted media outlets in Australia and two of the most trusted organisations of any nature,

(ii) the then Leader of the Opposition, Mr Abbott, stated categorically before the 2013 federal election that there would be ‘no cuts to the ABC or SBS’, and

(iii) on 1 September 2014, the Minister for Communications refused an order of the Senate to lay on the table a copy of Mr Peter Lewis’ efficiency review into the ABC and SBS; and

(b) condemns the Abbott Government’s:

(i) unjustified budget cuts to the ABC and SBS, and

(ii) deception of the Australian public in promising no cuts to the nation’s public broadcasters.

Senator Wong to move:

That the Senate—

(a) notes:

(i) the role of the Australian Electoral Commissioner (the Commissioner) is essential to the performance, transparency and accountability of the Australian Electoral Commission (AEC),

(ii) the need to maintain community confidence in the ability of the AEC to carry out its statutory responsibilities, including the upcoming redistributions in Western Australia, New South Wales and the Australian Capital Territory,

(iii) the Special Minister of State advised the public that the previous Commissioner, Mr Ed Killesteyn PSM, tendered his resignation to the Governor-General on 21 February 2014,

(iv) the position of Commissioner has formally been vacant since the resignation of Mr Killesteyn took effect on 26 June 2014,

(v) the statement of the Special Minister of State to the Finance and Public Administration Legislation Committee at the 2013-14 additional estimates on 25 February 2014 that ‘The intention is to have someone in place by about 4 July if humanly possible’,

(vi) the position of non-judicial member of the AEC has been vacant since the resignation of the Australian Statistician, Mr Brian Pink, on 12 January 2014, and

(vii) the position of Australian Electoral Officer is also vacant in two states and one territory; and

(b) calls on the Special Minister of State to take immediate steps to ensure the appointment, as a matter of priority, of suitably qualified and experienced people to the roles of:

(i) Australian Electoral Commissioner;

(ii) non-judicial member of the Australian Electoral Commission, and

(iii) Australian Electoral Officer in Queensland, Western Australia and the Northern Territory.

Senator Rhiannon to move:

That—

(a) the following matter be referred to the Education and Employment References Committee for inquiry and report by 10 August 2015:

The operation, regulation and funding of private vocational education and training (VET) providers in Australia, including:

(i) the access private VET providers have to Commonwealth and state public funding,
(ii) the cost of education at private VET providers,
(iii) the regulatory regime private VET providers operate within,
(iv) the operation of VET-FEE-HELP,
(v) the quality of education provided by private VET providers, volume of learning requirements and graduate outcomes,
(vi) marketing and promotional techniques employed by private VET providers and education brokers both domestic and international,
(vii) any incidents or allegations of non-compliance with regulation and funding arrangements at private VET providers,
(viii) political donations made by private VET providers,
(ix) international comparisons to the Australian funding and regulatory regime,
(x) the operation, regulation and funding of private VET providers specifically offering courses in aged care and early childhood education and their labour market outcomes, and
(xi) any related matters; and
(b) the committee will table interim reports to the Senate on 2 March 2015 and 15 June 2015.

Senator Fifield to move:
That the proposed amendments to the Tax Laws Amendment (Research and Development) Bill 2013 circulated by the Palmer United Party on sheet 7618 be referred to the Economics Legislation Committee for inquiry and report by 26 November 2014.

Senator Milne to move:
That the Senate—
(a) notes:
(i) the Free Trade memorandum of understanding signed between Australia and China, and
(ii) that climate change, with its consequent global food insecurity, is driving governments to acquire land and water outside their own borders as sources of food supply; and
(b) calls on the Government to:
(i) create a register of foreign ownership of agricultural land and water assets to continuously track overseas purchases,
(ii) lower the threshold from $248 million to $5 million for consideration of the national interest by the Foreign Investment Review Board (FIRB) for purchases of agricultural land and water by a foreign private entity,
(iii) legislate a stronger national interest test to be applied by the FIRB for purchases of agricultural land and water resources, and
(iv) prohibit the purchase of agricultural land and water by wholly-owned subsidiaries of foreign governments.

Senator Conroy to move:
That the Senate calls on the Abbott Government to immediately request that the Defence Force Remuneration Tribunal reconsider the Government’s pay offer, which cuts the real pay and conditions of Australian Defence Force (ADF) personnel, for the following reasons—the original offer:
(a) was unfair and wrong, particularly in light of the 2014-15 Budget allocating funding for an above-inflation pay rise for ADF personnel;
(b) is affecting morale and is likely to affect recruitment;
(c) has caused a backlash amongst ADF servicemen and women, their families, and the wider community; and

(d) should be changed to ensure a fair deal for our ADF personnel.

Senator Siewert to move:

That the Senate—

(a) acknowledges:

(i) that being understood is essential in accessing justice,

(ii) the importance of interpreting services in the justice system, and

(iii) the unacceptable rate of Aboriginal and Torres Strait Islander incarceration;

(b) notes:

(i) the Kimberley Interpreting Service (KIS) has around 100 interpreters who speak over 30 Indigenous languages,

(ii) that in many Western Australia communities English is not the first language, and

(iii) since 2006 KIS has been funded through a state and federal government partnership which ended in June 2014, and the Western Australian Government has said it was not in a position to provide any more funding; and

(c) calls on the Commonwealth Government to work with the Western Australian Government to ensure ongoing funding for essential interpreting services.

BUSINESS

Leave of Absence

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (15:35): I move:

That leave of absence be granted to the following senators:

(a) Senators Edwards and Reynolds from 17 November to 19 November 2014, on account of parliamentary business;

(b) Senator Birmingham from 17 November to 19 November 2014, for personal reasons;

(c) Senator Heffernan for 18 November and 19 November 2014, for personal reasons; and

(d) Senator Cormann for 18 November 2014, on account of parliamentary business.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

General business notice of motion no. 503 standing in the name of Senators Leyonhjelm, Madigan, Day, Xenophon and Back for today, proposing the establishment of a select committee on wind turbines, postponed till 24 November 2014.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Reporting Date

The Clerk: Notifications of extensions of time for committees to report have been lodged in respect of the following:
Rural and Regional Affairs and Transport Legislation Committee—Rural Research and Development Legislation Amendment Bill 2014—extended from 24 November to 3 December 2014.

The PRESIDENT (15:36): As no senators have requested that that question be put, we will deem that to be carried.

MOTIONS

Resources Sector

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (15:36): I move:

That the Senate acknowledges the fact that, according to the Bureau of Resources and Energy Economics, over the past 12 months over $50 billion worth of resource projects have been finalised across the nation, with increases in production, including over 200 million tonnes of iron ore, 40 million tonnes of coal and more than 1,000 petajoules of gas, creating jobs and boosting the economy of thousands of small businesses and by extension, nourishing the nation's economy.

Question agreed to.

G20 Leaders' Summit

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:37): At the request of Senator Wong, I move:

That the Senate commends the outstanding contribution of officials and volunteers to the staging of the G20 Leaders' Summit and other G20 events in Australia in 2014.

Question agreed to.

National Apology to the Forgotten Australians and Former Child Migrants

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:37): I seek leave to amend general business notice of motion No. 507 standing in my name and in the name of Senator Moore relating to the anniversary of the apology to forgotten Australians and former child migrants.

Leave granted.

Senator SIEWERT: I move the motion as amended:

That the Senate—

(a) acknowledges:
   (i) the 5th anniversary of the National Apology to the Forgotten Australians and Former Child Migrants on 16 December 2014,
   (ii) that over 500,000 Australians experienced care in an orphanage, or other form of out of home care during the past century and many of these experienced distress, neglect, abuse and assault, and
   (iii) That the child migration scheme during the 20th Century is now universally recognised as having been fundamentally flawed with tragic consequences;

(b) notes:
   (i) the 16 recommendations of the Community Affairs References Committee's report, Lost innocents and forgotten Australians revisited: Report on the progress with the implementation of the recommendations of the lost innocents and forgotten Australians reports (the report), and
   (ii) the current Royal Commission into Institutional Responses to Child Sexual Abuse but that there are a range of issues identified by the Senate inquiries that are beyond the issues covered by Commission; and

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(c) calls on leadership from governments and former providers to work towards the implementation of the remaining recommendations of the report, including the sensitive issues of redress, identity documentation and the need for responsive support for health and housing.

Question agreed to.

Mental Health

Senator WRIGHT (South Australia) (15:39): I, and also at the request of Senator Di Natale, move:

That the Senate—
(a) notes that four out of five Victorians believe mental health must be a top priority in the upcoming state election and that almost 92 per cent say regional mental health services need to be extended;
(b) recognises that mental illness in 12 to 25-year-olds is costing Australia an estimated $10 billion each year and people do not have access to the services they need; and
(c) calls on the Federal Government to fund the mental health system commensurate to the significant burden of disease associated with mental illness and to work with states in addressing chronic underfunding of the mental health system.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The Australian government is committed to building a world-class mental health system that delivers appropriate services to support people experiencing mental ill health and to their families. It was the Howard coalition government that first recognised the need to do more to support people living with a mental illness, to better support their families and carers and to invest more in mental health research. The Commonwealth spends more than $2.5 billion on mental health programs. The National Mental Health Commission is currently undertaking a review of mental health and suicide prevention programs. The review is looking at whether services are being properly targeted, that services are not being duplicated and that programs are not being unnecessarily burdened by red tape.

The review is important to ensure that services are being properly targeted and that funding is going to programs that have proven most effective. Future decisions on how the Australian government should fund mental health and suicide prevention and post intervention programs will be informed by the National Mental Health Commission's review. It is due to report to government at the end of November.

Question agreed to.

2022 FIFA World Cup

Senator DI NATALE (Victoria) (15:40): I move:

That the Senate—
(a) notes that:
   (i) a report commissioned by the Fédération Internationale de Football Association (FIFA) into the awarding of 2018 and 2022 World Cups casts doubt on the integrity of Australia's bid to host the 2022 World Cup,
   (ii) the report concludes that Australia's bid included funding soccer development projects around the world, creating the appearance benefits were conferred in exchange for a vote,
(iii) the report also concludes that Australia's bid involved redirecting funds. That the Australian Government had committed to existing development projects in Africa toward initiatives in countries with ties to FIFA Executive Committee members, and

(iv) more than $45 million of taxpayers' money was spent on the Australian 2022 World Cup bid; and

(b) calls on the Government to establish an independent investigation into allegations of corruption into Australia's bid for the 2022 FIFA World Cup.

Question negatived.

Queensland Government

Senator WATERS (Queensland) (15:41): I seek leave to amend general business notice of motion No. 506 standing in my name relating to ruling out using federal money for private coal infrastructure in the Galilee Basin.

Leave not granted.

The PRESIDENT: You can still proceed with your original motion unamended if you wish to.

Senator WATERS: May I seek leave to amend the motion in an alternative means to that circulated in the chamber?

The PRESIDENT: You can seek leave to make a different amendment.

Senator WATERS: May I first seek clarification for on what basis the leave is denied?

The PRESIDENT: There is no provision for that unless a senator wants to make a statement.

Senator Conroy: That is not very nice.

The PRESIDENT: Order! Senator Conroy. At this point, you can either seek leave to move a different amendment or you can make a statement on your own if you wish to.

Senator WATERS: I might take the opportunity to make a short statement with the intention that I will be resubmitting this motion in the terms that I deem appropriate.

The PRESIDENT: Are you seeking leave to make a statement now?

Senator WATERS: I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute

Senator Conroy interjecting—

The PRESIDENT: Order! Senator Waters, you have one minute.

Senator WATERS: Thank you, Mr President. I find it very convenient that the government has denied leave for me to amend this motion because of course it means that they do not have to place themselves on record as to whether they intend to use federal taxpayer money to bankroll private coal infrastructure to open up the Galilee Basin, which is the whole intention of this motion—to seek clarification on that very point. So it seems that we can only draw the conclusion that they do intend to so use federal money to prop up an ailing industry that the rest of the world is already declining in its demand for.

Following the terrible decision of the Queensland Premier, Mr Campbell Newman, yesterday to not only sell or long-term lease Queensland's public assets but to then use that revenue to fund a coal railway to open up the Galilee Basin because none of the other private
investors will touch this, I will be pursuing this matter. But we can only conclude that federal money indeed will be committed to this disastrous development. *(Time expired)*

**Senator IAN MACDONALD** (Queensland) *(15:44)*: I seek leave to make a statement on the same matter.

**Senator Conroy:** You have 20. You are up, Macca.

**The PRESIDENT:** Because of the noise coming from here, when I asked was leave granted, there was no objection. Leave is granted for one minute.

**Senator IAN MACDONALD:** I did not hear that, Mr President. That seems to be your intervention.

**The PRESIDENT:** There was a clear indication to me that leave has been granted for one minute.

**Senator IAN MACDONALD:** Thank you, Mr President. First of all, Senator Waters should be aware that this was not the government denying leave; this was me exercising my right as a private senator to deny leave on yet another Greens motion seeking to denigrate my state of Queensland. The Newman government won an overwhelming majority at the last election on the basis of development, including the development of coalmines, in Queensland and the development of Abbot Point. The Greens simply cannot accept this. The Greens, who have no members in the Queensland parliament, no members at all, seek to determine the Queensland government's decisions on what the Queensland government should do with Queensland government assets. Every time I can point out the hypocrisy and uselessness of the Greens, I will.

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) *(15:45)*: Mr President, I seek leave to make a short statement.

**Senator Waters:** No, one is enough!

Leave not granted.

**MATTERS OF URGENCY**

**Australian Defence Force**

**The PRESIDENT** *(15:46)*: I inform the Senate that I have received the following letter, dated 18 November, from Senator Moore:

Pursuant to standing order 75, I give notice that today I propose to move "That, in the opinion of the Senate, the following is a matter of urgency:

The Government's unfair pay deal for Australian Defence Force personnel which cuts real pay and takes away vital Christmas and recreational leave".

Is the proposal supported?

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

**The PRESIDENT:** I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) *(15:46)*: I move:
That, in the opinion of the Senate, the following is a matter of urgency:

"The Government's unfair pay deal for Australian Defence Force personnel which cuts real pay and takes away vital Christmas and recreational leave".

I rise to support this urgency motion. It is an urgent matter that this government be held to account for its disgraceful decision to cut the real pay and conditions of our servicemen and women. It is being condemned for this. This government is being justifiably condemned across the country, across the defence community; it is right that it also be condemned in this parliament.

This disgraceful decision will see more than 55,000 ADF personnel take a real pay cut every year for the next three years. And what do they get in return? They have to give up— that is right, Mr President, give up—leave and other entitlements. This includes Christmas leave and five other days of leave. Christmas is when all of us spend our time with our loved ones. This time is precious. It is particularly precious for our ADF families, whose fathers or mothers can be away for so much of the year. They are away from home serving our country, keeping our country safe. What kind of government thinks that this type of deal is acceptable? What kind of values does a government have when it thinks a deal like this is acceptable? It should hang its head in shame, and each and every one of those opposite who is not prepared to vote in support of this resolution should hang their head in shame as well.

There has been community outrage at this decision. The Defence Force Welfare Association has condemned the government's pay offer. One soldier said this deal is:

… essentially a kick in the teeth to every Soldier, Airmen, & Sailor.

A petition on Change.org for a better deal has more than 22,000 signatures. And people are right to be outraged because before the election, in a speech to the RSL National Conference, the now Prime Minister—that serial liar, Mr Abbott—said this—

Sensor Fifield: Point of order, Mr President.

The President: I do not need a point of order. Senator Conroy, you have to withdraw that.

Senator CONROY: I withdraw. This is what the now Prime Minister said to the RSL:

A “fair go” is the least a grateful nation can offer to serving and former military personnel.

That is what he said. Where is the fair go in cutting the real pay of our soldiers, sailors, airmen and women? Where is the fair go for ADF families in the cuts to leave and other entitlements? This is, yet again, another government broken promise, another government lie. And that tally is mounting up: already today we have discussed three or four others. To promise a fair go for our military personnel before the election, then slug them with a real pay cut after the election—'no surprises' the then opposition leader said before the election. There will be no excuses, no blaming the others, no blaming anybody else; no surprises for the Australian public. Well I have got to tell you: there are 55,000 bloody surprised service personnel in this country today!

This is, unfortunately, a pattern of behaviour when it comes to this government. The first decision, the very first decision, taken by this defence minister was to cut the pay and conditions of ADF personnel serving in Afghanistan and the Middle East. And now in the first chance they get to put in place an ADF pay deal, the Abbott government cuts the ADF's real pay and conditions again.
This is despite—and here is where the real deceit comes into play and not one of the speakers who are going to follow on the other side will be able to explain this—in the 2014-15 budget already having allocated funding for a fair pay deal for ADF personnel. So they put in the budget four per cent. It is in the budget papers. It does not add to the deficit. It does not add to expenditure: it is in the budget. What do we see? A pay increase of 1.5 per cent already allocated, already decided, but they budgeted for up to four per cent. So they cannot try and blame previous governments. They cannot try and blame the deficit. They cannot try and blame all of the expenditure on other programs in their own budget: they allocated for up to four per cent. They are just being mean, tricky and deceitful.

I spent weeks exposing the fact that it is a real pay cut. I have had the minister saying, 'It's not a pay cut at all; they are getting a pay rise.' They are all playing with words and semantics. It is real pay cut—

Senator Ian Macdonald: It's a 1½ per cent pay rise.

Senator CONROY: I thank you Senator Macdonald. Come on in, spinner; come on in. He wants to try and pretend that if you give someone a 1.5 per cent pay increase in nominal dollars and inflation rises three per cent, that that is not a real pay cut. That is what those opposite are going to stand up here and try and argue today.

What is the situation when it comes to hypocrisy and inconsistency from those opposite? When Labor was in government over the past three years, ADF pay increased by an average of three per cent—double what you are supporting today. What did the Liberals say when Labor was putting in place a three per cent pay increase? They railed against it. The now assistant minister for Defence called it 'outrageous'—three per cent was outrageous. If a three per cent increase is outrageous, what does the assistant Defence minister call a real pay cut—which is what he is handing to our serving personnel? It is disgraceful. It is an absolute disgrace what has gone on and the hypocrisy, the attack and the criticism of just three per cent, keeping up with inflation, but then offer a real pay cut.

This motion is urgent today, because if the government wanted to, if those opposite had the guts to stand up on behalf of Defence personnel, if the minister and the assistant minister had the guts, they would vote for this. It is time the Prime Minister showed some leadership, because the clock is ticking. The government has until 1 December to ask the Defence Force Remuneration Tribunal to reconsider its determination and, in doing so, the government is able to set out the grounds on which the reconsideration is being sought.

Tell the truth: we budgeted for up to four per cent; we can afford to do it. Given the outrage within ADF ranks, their families and the wider community, there are undoubtedly sufficient grounds upon which to appeal this decision. In particular, the government should set out for the tribunal that its original offer was unfair and wrong, particularly in the light of the budget allocation. They could set out that it is affecting morale and is likely to affect recruitment. They could set out that it has caused a backlash across the whole ADF—servicemen and women and their families—and the wider community. It should be changed to ensure a fair deal for our ADF personnel. (Time expired)

Senator BACK (Western Australia) (15:57): What confected outrage we have just heard from a failed shadow minister for Defence—outrage, as he goes on about members of the Defence Force before he leaves. I will tell him about outrage: they were outraged when that
man there, with his back to us now, this failed shadow minister for Defence, abused a general of the Australian Defence Force and when called out, refused to apologise—even when his leader called him to apologise he didn't; a failed shadow minister for Defence, when in government, who did not support military superannuation et cetera.

I will come back and allow the Labor Party to burn slowly over the next few minutes, because what an opportunity has been given to me by Senator Moore, for which I thank her, in which you are asking us to debate the government's unfair pay deal for Australian Defence Force personnel. I will come back to the actions of the Labor Party both in government and in opposition.

I speak as I rise as a very proud member of the Defence family. I was a very modest junior officer years ago but I am the father of a combat officer who fought with distinction as a lieutenant in Iraq and equally with distinction as a captain in Afghanistan. I can assure you, as I can assure Senator Moore and those on the opposite side, that I did have and continue to have a very, very keen interest in aspects associated with Defence Force remuneration et cetera.

But because there has been so much confected confusion about rates and what people actually enjoy or the service facilities that they get, I thought there would be some value in the wider community understanding exactly what our Defence Force do receive—I will be the first one to say that I think they thoroughly deserve it. On top of a base pay, which is around $45,000 for someone who has been 12 months in the service, going up of course to a higher remuneration in the higher ranks, each person in the ADF uniform personnel receives a service allowance of some $13,118 per annum. On top of that, if they are in the field, under fairly harsh conditions, they get a further $57 a day or, if they are in reasonably generous camp conditions, $33.50. At the same time, for every 10 days in the field they get another day of leave.

Our uniformed personnel get a uniform-maintenance allowance. Those of them in the north of the country—for instance, in Darwin, Townsville, across the north and in the Pilbara—receive a district allowance of some $280 a fortnight. In remote areas they also get remote locality leave, travel allowance, which includes for the member of the ADF plus their partner and dependants an annual flight and which is a variable figure. One that was quoted to me from Darwin was about $1,170 a year. That is what ADF personnel receive when they are in Australia on service.

I turn now to the conditions that service personnel have when they are deployed overseas, because it is important that the wider community has this understanding. I repeat my comment that I believe they richly deserve it. First of all, they continue to receive all of the payments to which I have referred: base pay, service allowance, field allowance and uniform allowance. The only difference is that, because they are overseas, those allowances are tax-free. They are not taxed on those payments while they are away. Of course, all their leave continues to accrue, including the one day of leave for each 10 days in the field. Depending on where they are, according to the degree of risk associated with the combat zone or the overseas warlike area they might be in, they receive a further allowance. For example, in Operation Slipper in Afghanistan the allowance was $200 per day, tax free, or $6,000 per month, tax free. That figure goes down according to the level of risk.
I want the community to understand the conditions under which ADF personnel are employed and deployed. Those in the special forces get a higher allowance of about $40,000 a year. Those on submarines get a different allowance of about $17,000. If you are at sea you get an allowance of $11,000 and if you are a member of a boarding party—for example, in the Timor Sea at the moment—you get $63 a day. Paratroopers are paid a different daily rate as are others associated with deep diving or other activities.

The point that I make, as the Deputy Chief of the Defence Force has made, is that our forces are at least the highest, second-highest, or third-highest paid military personnel in the world. We will not listen to the nonsense that is being handled by Senator Conroy on behalf of the Labor Party about the role of our ADF or the respect with which the coalition deals with it.

On the question of Christmas stand-down and the day that is lost in these proposals, let me make very strongly the point that there is no day lost between Christmas and New Year in the proposed arrangement. No stand-down day is lost between Christmas and New Year. Let us debunk that lie if we can.

I turn to the circumstances associated with the Labor opposition. When Labor went into government in 2007 this country had a $20 billion surplus and no net debt. We had $50 billion in the bank earning interest. In the middle of September 2013 we had a debt that was galloping towards $600 billion, a debt that we are repaying at the rate of $1,000 million every month. We are borrowing that money not to repay the debt, not to try to pay down deficit and not to try to ensure that we have adequate funds for ADF personnel and other people. We are borrowing that billion dollars a month to pay the interest on the debt that the Labor government accrued. Senator Conroy comes in here and starts talking about the sorts of pay levels that the Labor government were able to offer at a time when they enjoyed that surplus, leaving us with the degree of deficit and debt they have. Indeed, Senator Conroy was the architect of so much of that debt with his failed NBN scheme. It is absolutely remarkable that Senator Conroy could have such poor understanding of the budgetary process that he could talk about percentage figures in the budget and have such a lack of understanding about what components go where from budget allocations. It is absolutely remarkable but not surprising to me, because it speaks to the failure of this man in so many areas, not least in his role as shadow defence minister.

Let me debunk another point in all the emails that I too have been getting in relation to parliamentarians' and senior civil servants' salaries. They were frozen, as we know, but I did not hear one word of objection from anybody in the parliament. Our salaries were frozen on 1 July 2014 for two years. On top of that, as I understand it, we have had a two per cent impost put on us. For those among my old friends and others who have said, 'What about you mob? What about politicians?,' there is the answer. We have had our salaries frozen and we are paying a further two per cent for a couple of years to try to get on top of Labor's debt.

I ask the question, since Senator Conroy raised it: where was Labor when it came to military superannuation? This government introduced new indexation for all DFRB and DFRDB recipients aged 55 years and older. It was opposed by Labor in opposition. It came to government telling us it was going to maintain a generous military superannuation program, promising but failing to deliver a program for people older than 65 years of age. Let me go on about the generosity of this government on ADF family health care, which protects military
personnel and their families. I hope that conditions return so that we too are out of debt and can return to those levels of generosity. *(Time expired)*

**Senator LUDLAM** (Western Australia) (16:07): I thank the opposition for bringing this important matter forward. I believe that this parliament owes and has a twofold obligation to our service personnel. The first is that we should never put them in harm's way without very good reason. I believe that the government has failed this test. The second is, if they are deployed, pay them what they are worth, equip them properly and ensure they are covered by appropriate legal protections—in other words, the other half of that twofold obligation is to look after them, both when they are on deployment and when they return.

In the same month as this government deployed special operations forces, Air Force personnel and support personnel into one of the most violent places on earth, we had this insulting pay offer, and then the government had the nerve to turn around and blame its budget position. This is a government that has spent the last 12 months stamping around the place cutting taxes. Does that sink in for you, just for a moment—that you have the nerve to blame the budget for this humiliating position that you have put serving ADF personnel and their families in, after you have been going around cutting taxes and doing everything you can to worsen the Australian budget position?

There are no shortage of photo opportunities for the Prime Minister, the defence minister or anybody else who wants to get the photo opp surrounded by people in uniform or flashy military hardware. It is no problem at all to get a coalition spokesperson or the Prime Minister to turn up to those photo opps. What we are noticing—and this is a pattern of behaviour that the former government is guilty of as well—is that they are stepping up for these flashy hardware announcements, where cost is no problem: $40 billion worth of new submarines and $12 billion for Joint Strike Fighter aircraft that cannot be put to air, and another $12 billion to keep them maintained into the indefinite future. There is no problem at all in forking out gargantuan amounts of money to American defence contractors. But when it comes to the human beings who keep this machine in motion—who this parliament, unfortunately, does not have the ability to exercise any decision about whether we deploy them and to where, because that decision is still held in the Prime Minister's office—this government, after splashing billions of dollars around the place, taking the photo opportunities, surrounding themselves with people in uniform, makes this insulting below-inflation pay offer.

These are people who cannot go on strike. They cannot take industrial action. They do not have a union organiser at the other end of a phone line. They have to be very careful about what they say about their employer, the ADF, and I guess all of us, in the public domain. Contrary to what Senator Back said, it is worth taking a look at people in this place, who also work long hours and who are very committed to their work. But, let's face it, having spent a very brief period of time in Afghanistan a couple of years ago as a guest of the ADF on the ADF exchange program, our job is nowhere near as arduous, hazardous, risky and downright stressful as the job of the people that we send forward into theatres of war. Yet our pay has gone up by more than 140 per cent over the last two decades. In exchange, we offer those service personnel and their families effectively half of what they were expecting. As the Acting CDF on the day said, this is basically half of what was expected. They do need to be very careful about what they say in the public domain, but the fact is that this government has
touched off uproar. I think it is more than optics to say that in the same month as you deploy them into a conflict zone you are offering this insulting pay offer.

I hope the government is ashamed of itself and I hope it goes back to take a look at how much damage it has done to the budget position before it comes back in here again moaning about a budget emergency that is largely of its own making. If you are so concerned about the Commonwealth's budget position that you would do this to the ADF, then maybe let's have a more intelligent conversation about the taxes that you have been cutting at the top end of town because you do not have the spine to stand up to those special interests, so you are taking money out of the pockets of people who cannot even call a press conference and explain what their grievance is. It is the kind of vast absence of courage and heart and compassion that this government has shown to people right across the Public Service and right across our society, not least our service personnel.

Senator LUNDY (Australian Capital Territory) (16:12): I rise to speak in favour of this motion on this matter of urgency before us today, the topic being the government's unfair pay deal for our Australian Defence Force personnel. In my electorate of the Australian Capital Territory there are around 5,230 people in the Army, Navy and Air Force. Like them, I and many thousands of people across the Australian community were shocked and dismayed when the detail of the government's recent pay offer to our Defence Force personnel was made public.

What this government offered was an effective pay cut and a loss of compensatory Christmas and recreation leave. Given the unique, demanding and often dangerous roles performed by our service men and women and the extensive time they are often required to spend away from family, this decision was particularly insulting. Despite allowing for a pay increase of nearly four per cent per annum in the 2014-15 budget, the government has made a pay offer of 1.5 per cent a year for three years—less than half the amount budgeted for and well below the consumer price index, the CPI.

All ADF personnel have been asking for is a fair and equitable pay rise commensurate to the projected increases in the CPI. The insulting pay offer did not come close to that projected CPI increase over the next three years. In fact, by 2016-17 the offer on the table for a service men and women will see salaries 2.66 per cent less than a pay offer in line with projected CPI increases would have delivered. That is the effective pay cut.

It is not just the effective pay cut that has the Australian community seething. The current offer also sees a loss of conditions, and I will go through the loss of conditions now: removal of one day stand-down at the end of the working year; the cessation of extra recreation leave to account for work outside of usual hours; an increase to the minimum qualifying period for higher duties; raising daily driving limits, of course leading to OH&S concerns; removal of food allowance that could see some families losing over $4,000 per year; and the reduction in motor vehicle allowance rates. I have listed all these things and yet those opposite must have been hiding under a rock not to hear the public outcry both from ADF personnel and the broader Australian community about the outrageous cut and loss of conditions for our servicemen and women.

In an unprecedented way, soldiers are trying to make their views known. Whilst I acknowledge what Senator Ludlam said about our soldiers not having a union to represent...
them and not being inclined, as they are bound to do, to speak publicly about this matter, one soldier has said something and I would like to quote him:

... the government that I have sworn to protect and serve, and that up to this point have been enormously proud to do so, has signed off on a deal that is essentially a kick in the teeth to every Soldier, Airmen, & Sailor.

... ... ...

My own government disdains me and my fellow serving members, and it disdains us publicly and with thinly disguised contempt.

Whilst this is a lone voice, it is not a lone sentiment. I, along with my Labor colleagues, have been inundated with correspondence from constituents expressing disgust at the decision to cut the real pay and conditions of our ADF personnel.

My community—the Canberra community—understands only too well that they do not have a public voice, and yet an enormous proportion of people living here in Canberra are either related directly to or have close friends in the ADF. With over 5,000 serving members here it is not surprising that the vast majority of my constituency would have firsthand experience of what the working life is of serving ADF personnel. They are highly motivated to lodge their complaint about this decision, and we have been hearing from them. As my colleague Senator Conroy said, over 22,000 individuals have signed the Change.org petition opposing this effective pay reduction. Thousands have voiced their concerns on social media and the Defence Force Welfare Association's Facebook page has been inundated with complaints and comments.

These are real people—real families—who are giving up family life to serve the country. One woman wrote:

I saw my husband for 55 days in total last year and this is what we get.

This is a decision from a government that is asking our ADF personnel to defend our country, risk their lives, put their families on hold and make sacrifices to protect our national security.

To add to this government's hypocrisy, the minister yesterday admitted that his government's pay offer represents an 'undervaluing' of our ADF personnel. He said in this place:

The new Australian Defence Force pay arrangements in no way reflect the value that the government places on ADF personnel ...

This comes after the minister ardently defended the pay deal during Senate estimates, describing it then as 'fair' and 'not a real pay cut'. I believe the minister should stand up for our servicemen and women. I believe that is his role in the executive, and he has failed in that role. But every member of the cabinet of this government shares in that failure. They are co-owners of this decision, as they have been party to making it.

The 2014-15 budget allocated the funding for a fair pay deal for ADF personnel. I do not accept the minister's shallow exercise in deferring responsibility somehow to the Defence Force Remuneration Tribunal. He is hiding from the simple fact that the funding was in the budget and that they are able as a government to advocate for a fair deal. Under the Defence Act 1903, section 58H, the government is able to request the DFRT to reconsider its determination. In doing so, the government is able to set the grounds on which the reconsideration is being sought. The government has until 1 December—that is, 28 days of
the determination—to make this request. There are undoubtedly sufficient grounds upon which to seek reconsideration from the DFRT.

Perhaps in requesting the DFRT to reconsider its decision the government should advise the tribunal that the government's original offer failed to provide for a salary increase that would keep pace with the cost of living; it falls well below expected inflation outcomes. It was particularly unfair in light of the 2014-15 budget allocating funding for an above-inflation pay rise for ADF personnel. Perhaps they could say that it does not reflect the community expectations concerning appropriate pay and conditions and that it is affecting morale, and that it has the potential to affect retention and recruitment in the ADF. And perhaps they could say that it has caused a serious backlash amongst ADF servicemen and women, their families and their wider communities, and that they do not deserve this treatment from this government—a government that has made a lot of noise about the ADF and the role it plays over successive terms of parliament. And rightly so, but why now turn their backs? Why now? It is shameful, it is hypocritical and it is unacceptable.

If those opposite truly valued the contribution of our service men and women, they would pay them appropriately. They would honour the pay rise that was contained in the budget, and they would rectify this error on their part immediately. I have over 5,000 constituents directly affected by this decision. Their families, their children and their parents are all affected by this decision. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:22):
I, too, rise to address this urgency motion. Firstly, I would like to address some of the comments that have been made by members opposite about the provisions in the budget. The pay that is made in the ADF obviously has annual increases. I notice, going back to ASPI's figures, that the increases have ranged over the last decade from a high under the coalition of around 6.1 per cent. The figure of 1.5 per cent has, in fact, occurred previously as well, and there has been a range in between. The interesting part in the ASPI figures is that in net terms the increase of pay continues over that decade, and it has been in the order of 110 per cent over that decade, well above the CPI increase of 75 per cent—or roughly 75 per cent—over the same period.

The reason I want to bring that out is that the provisions that have to be made for the increasing wage bill for the ADF are not just a matter of the increase to the base wage. If you look at the pay rates in the ADF, not only is there a base wage but there are increments of pay depending on time of service and seniority, and also as people gain additional qualifications there are increments, such that between pay group 1, for a private—which is around $43,700—through to pay group 10, as they get additional qualifications or experience, that goes up to $78,799. So there are a range of factors that influence every year the growing wage bill that has to be provided for by the government. The indexation of wages, the base rate of wage, is purely one. I wanted to take the time to address that point because it has been raised by a number of speakers opposite, and they clearly do not actually understand the construct of the ADF pay system and why certain provisions are made. That growth provision is not all related to the base wage and the indexation.

I would also like to address the concerns that have been raised in a number of emails that we are cutting the pay of people who are putting their lives on the line. People who are deployed are still in receipt of the allowances that they receive, recognising not only their
base wage but also the fact that they have been deployed, particularly those who are deployed into a warlike situation. We have our intelligence organisations that make an assessment of the level of threat, such that somebody who has been deployed, for example, on Operation Slipper receives an additional $200 a day while they are there, ranging down to people who are supporting operations in Ukraine, for example, who receive around an additional $137 a day. For those who are in a warlike situation, not only are those additional payments made but they are tax free while those people are deployed. So we are recognising in a very tangible way—and this has occurred under governments of both persuasions, so there is no politics in this—when people are doing things that place them at an elevated risk.

It is not only those who are deployed. People who remain here in Australia often undertake dangerous work, so the ADF pay structure makes suitable allowance for them. For example, for somebody in the Special Forces, just having an SAS qualification, there is an additional $38,000 that is paid to them for having that qualification. It is likely that someone who is a clearance diver would receive an additional $20,000. Somebody who is in the explosives special duty area, particularly if they are in the render-safe area, would have an additional $14½ thousand that is paid to them in recognition of the fact that they are doing duty over and above the ordinary day-to-day work that they are required to undertake.

I would like to talk quickly about the terms of this urgency motion, which talks about the reduction of conditions. Defence have looked at these conditions in saying: how can they increase productivity with minimal impact on people? For some of the things that we are looking at here—for example, the threshold for getting HDA—less than one per cent of the claims for higher duty allowances were for periods of less than five days. The vast majority were in excess of the 10-day limit. And yet the ADF has sustained two systems, which has cost through the administration. By rationalising that, which has a very small impact of less than one per cent, you achieve savings. Some of these measures that have been criticised as a dramatic reduction in entitlements for people are not as dramatic as they are seen to be.

One that I do want to raise though—and I have raised concerns about this with the assistant minister—is those who are married with dependants on a separated posting. I have a constituent in South Australia who is in the situation where she and her husband, who is a serviceman, made a decision as a family, based on the pay and conditions that were available at the time, to accept a posting where he was separated from his family. I have been in that situation myself in my service life where I have taken a posting away from family. You make decisions about your ability to be reunited, to travel and to go back and see your family based upon what you are going to receive in allowances. Under the current arrangement, a family in that situation will actually see a reduction in income.

Defence has a system in place. Chapter 3, part 2, division 5 of the PACMAN looks at salary non-reduction provisions. In paragraph 3.2.39 it says the purpose of this is to set out 'the way a member's salary rate can be preserved for a period when it would otherwise be reduced.' My strong contention here is that this is a classic case where Defence needs to apply these provisions they already have such that a member and their family who have made a decision around postings and geographic locations for a period of a posting, if they are impacted by this change, will receive a non-reduction allowance so for the period of that posting they will be no worse off. At the end of that posting, they can make their decision then whether they wish to relocate together or go through under the new arrangements; but,
given that decision was made under existing pay and condition arrangements, I would be strongly encouraging Defence to apply an NRA. I do not believe they have actually made a decision on whether or not it will be, but the PACMAN certainly allows for it. I think it is a very clear case where the existing provisions should be applied so that no member of the Defence Force is worse off in that tangible way because of this pay outcome.

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (16:30): The Palmer United Party is deeply concerned and distressed by the Abbott government's decision to shaft Australia's defence personnel with an insulting pay deal. As we all know, the Abbott government is putting in place a pay deal with Australia's defence personnel which will in real terms reduce the take home pay of our Defence Force. The lowly pay deal involves an annual pay increase of only 1.5 per cent, which is below inflation and clearly well below the increasing cost of living. It is a pay deal which is insulting and, I think, unAustralian.

It is a pay deal that according to the Abbott government is absolutely necessary due to our country's budget emergency, and yet our country has just spent upwards of $400 million on the G20 and our country continues to give Indonesia hundreds of millions of dollars each year in foreign aid—and yet Indonesia has a bigger military presence than Australia. Does this sound like a country facing a budget emergency? I do not think so.

And the insults and stupidity do not stop there. Not only is the Abbott government cutting the take-home pay of our military personnel; the Abbott government is also making cuts across the Australian Defence Force in other areas. Leave entitlements and allowances are being reduced. I am not sure whether people quite understand the sacrifices that our Defence Force personnel make for this country, but not only do they put themselves in harm's way to keep us safe; they also live a very challenging life being moved from state to state every few years and being posted away from their families for long periods of time. Serving your country is stressful for a whole range of reasons.

And the cuts do not stop there. Cutbacks are also being made in training and in operations. The Abbott government is shafting the very people who put their lives on the line to keep our country safe and secure. On a daily basis, Australia's defence personnel are involved in dangerous activities. They are involved in front-line action, peacekeeping activities which often do not involve peaceful operations, border protection and security for local and national events. For example, for some six months explosives and bomb experts from the ADF were involved in G20 preparations to ensure the event and all those involved were safe from harm.

The Abbott government thinks it is appropriate to treat the brave men and women of the Australian Defence Force as mere public servants who just happen to wear camouflage clothing and carry guns. The Abbott government needs to understand that, if it was not for the brave men and women of our Defence Force, our country would not be as a safe and secure as it is today.

Other service professionals across Australia are still being given reasonable pay deals, so why is the Abbott government so intent on shafting our Defence Force personnel? For example, the Queensland Police Service finalised a new pay deal in 2013. The Queensland Police Service a pay increase of 2.2 per cent each year. Yes, police services are very important, but why does the Abbott government think that the Australian Defence Force is less important than the police service? I think the Abbott government has taken advantage of
the Australian Defence Force because they do not have a union or an independent association to speak out for them. The ADF cannot respond publicly to pay deals, so the Abbott government thought that it could get away with shafting our defence personnel with an insulting pay deal in order to save a few dollars.

The Palmer United Party is determined to see this insulting pay offer reversed. The Abbott government still has a window of two weeks to renegotiate this pay deal disaster and fix this mistake. I call on the Abbott government to put their pride aside, listen to the people of Australia and show our Defence Force personnel the respect they deserve. Improve the pay offer, reinstate benefits and entitlements and say you are sorry. Australia's defence personnel deserve better. They deserve our support. They deserve a better deal. This is a matter of public importance and it needs to be fixed now. Palmer United will continue to lobby the government and keep this issue in the public domain until it is fixed. Together, as a team, working with all involved in this issue with the support of the Australian general public, we can achieve a better result for Australia's Defence Force personnel. My warning to you Mr Abbott is clear: this issue will bring down your government and continue to cloud all government issues and decision making until the Defence Force pay deal is fixed.

Greatness is not achieved by living with mistakes. Greatness cannot be achieved by ignoring mistakes. Greatness can only be achieved by fixing mistakes. (Time expired)

Senator LINES (Western Australia) (16:36): I rise to speak on this matter of public importance today, and I must say it has been absolutely amazing to listen as government senator after government senator gets up and tries to defend the indefensible: the appalling, disgraceful pay offer made recently to the Australian defence men and women. And what is the Abbott government's real agenda around this appalling pay deal to the Australian defence men and women? It is a shocking deal by any definition. By Minister for Defence Senator Johnston's own admission yesterday in this place, it is not worthy of the work of our defence forces. Wage increases of 4½ per cent over three years for defence forces deployed to all parts of the world—to northern Iraq, to peacekeeping missions and to other activities. Four and a half per cent to put your life on the line. But paltry offer does not even keep pace with CPI.

But wait; there's more. Defence Force men and women have to sacrifice their Christmas and recreational leave for this paltry increase. It does not stop there, as Mr Abbott has collapsed up to 17 existing Defence Force entitlements and pushed them into base pay—entitlements such as separation, hardship, overseas and skill-specific allowances.

The Abbott government may well get away with his paltry offer because, of course, the ADF cannot be union members and are prohibited from speaking out or taking industrial action over this paltry pay offer and loss of their conditions. But, as Labor knows, with the Abbott government there is always an ulterior motive, another sneaky deal and a backdoor way of operating. This disgraceful pay deal for the ADF is also about the whole of the Public Service where there is a union and where the government is making no headway at all with its mean offer to public servants. It thought it could put pressure on the rest of the Public Service by starting with defenceless Defence. We know this is the Abbott government's real plan. The PM said so when he told public servants, the very people who work in his own office, in my office and in the offices of all the members of parliament, that they should not expect more than the Defence offer.
But that failed too because public servants in the largest government agency, the Department of Human Services, have just voted in one of the largest industrial action ballots ever to take place in this country—and 95 per cent have voted in favour of taking industrial action. Senator Abetz described that threat of industrial action as irresponsible. What is irresponsible is the disgraceful pay offer to cut the work conditions of public servants for a less than one per cent increase. It is the absolute right of union members to take industrial action. There has been a vote, and the overwhelming response has been 'yes' to the question of industrial action. This is absolutely legal. There is nothing irresponsible about it at all. It is legal to the letter of the law.

The time has well and truly come for the Abbott government to start to take responsibility for their own actions in their disgraceful offer to the ADF personnel and in continuing to deny hardworking public servants the right to a pay offer. Some of those people have not had an increase for more than 12 months. The very people who work in the offices of all of us who operate in this place are also part of that group. It is time for the Abbott government to take responsibility to fix the Public Service offer to a decent level and to certainly fix the disgraceful and indefensible offer to the Australian Defence Force personnel.

**Senator IAN MACDONALD** (Queensland) (16:40): As always, I will try to bring a reality check to this debate. I am not going to indulge in the populist political rhetoric that all others on the other side have engaged in in this debate and which one particular senator continually engages in. I want to bring reality back to the situation.

On Remembrance Day, I attended a lunch at the RSL in the garrison city of Townsville, the home of Australia's biggest army base and a place where there are more than a proportionate number of veterans living. I spoke to people at the dinner about this particular issue because I, like everyone, was a little concerned about it. The people at the dinner—admittedly, senior officers and heads of organisations—said to me, 'We, the senior officers, understand the reason for this. We understand that the government has no money and that the government is borrowing $1 billion every three months to pay interest on Labor's debt. We understand that this is not a time for a big increase in pay.' They also said to me—and I agree with them on this—'But if public servants and politicians are going to get an increase beyond 1½ per cent then there will be an uprising in the streets.' I said to them, as I say now, 'I will be part of that.' If politicians and public servants get an increase above what has been offered to the Defence Force then we should all protest—and I will. I make that very clear now.

We all have to play our part in addressing Labor's approaching $600 billion of debt which costs us $30 million a week in interest. We all have to play our part. When I raised this with some of my colleagues, they said, 'You will recall, Senator, that your pay was frozen on 1 July.' I must say that I had not focused on that. I had not realised it. But politicians have been told that they are accepting a pay freeze for one or two years. I am not quite sure which it is. You can look it up yourself. But politicians are getting a zero per cent increase—

**Senator Ludwig:** Two years.

**Senator IAN MACDONALD:** for two years. Thank you, Senator Ludwig. So the politicians are doing their bit in not accepting increases.

My Labor their friends have talked about the Public Service union and their outrageous decision to strike on Friday because they want a 12 per cent increase over the next three years,
well beyond inflation. They are not prepared, it seems, to play their part in addressing Labor's debt problem. This government has to do it. Why? It is not because we want to be martyrs in fixing Labor's problem. It is because, every time we borrow money for pay increases for the Public Service, politicians, judges and the Defence Force, we are borrowing against our children's future. And it is our children and our children's children that have to pay back the money we will borrow to pay for increases in pay for politicians, our defence forces, judges, agency heads or the Public Service.

That is why most in the defence forces that I spoke with do not like it. I did not like it when I heard of their predicament. As I said, coming from Australia's garrison city, I hear these things. I was concerned. But I understand and I appreciate that most of the leaders of our defence forces understand. And I am sure the troops also understand that, as well as defending their country, they have to do something for their country with this financial mess we are left in by the previous government.

This is something costing them. It is not me or the government. The government does not have money; they only use the money of ordinary citizens of Australia. It is the ordinary citizens of Australia that have to eventually pay back the borrowings and to pay back the $30 million a week that we borrow to pay interest on money we have already borrowed.

I know the defence forces when this is put to them will realise that they not only have to defend the country militarily but—like politicians, judges and, I hope, the Public Service—have to do their bit to protect the country from the ravages of continuing to borrow to pay interest on borrowings by Labor to meet Labor's insatiable appetite for borrowing money for give-away projects. I hope that makes it realistic.

I understand, perhaps more than most, the disappointment of the defence forces. I claim, coming from the garrison city, to get a fair appreciation of these sorts of things. But most people will understand that we have a crisis—not a military crisis, but a crisis of a financial type—caused by the previous Labor government. It has to be addressed. Politicians are doing it. I hope judges and agency heads—and others who the government has suggested should not get increases—play their part.

I certainly hope the Public Service play their part. I will be devastated if they get a 12 per cent increase over the next three or four years. If that happens, I will be out there with the troops. They are a very important group of people, who do more for our country than almost any other group. I well appreciate that. And I will appreciate their anger—which will be mine, if we succumb to union pressure for a huge increase for unions or judges or politicians. But the politicians have stopped; there are no increases for politicians. That has been agreed. I will be very disappointed if the unions get that and our defence forces do not. We all have to play our part in defending our country from Labor's profligacy.

**Senator LAMBIE** (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (16:48): Mr Acting Deputy President Smith, I seek leave to make a 30 second statement.

Leave granted.

**Senator LAMBIE:** Given my statements both inside and outside this Senate, many ADF members will be surprised that I did not contribute to the urgency motion regarding the government's unfair ADF pay deal. I wish to inform those ADF members that I tried to secure
a speaking opportunity but I was denied time to speak. For the record, I fully support the motion.

The ACTING DEPUTY PRESIDENT (Senator Smith): Thank you, Senator Lambie. The question is that the motion moved by Senator Conroy be agreed to.

Question agreed to.

DOCUMENTS

Consideration

The following order of the day relating to government documents was considered:

Letter from the Minister for Finance (Senator Cormann) to Senator Madigan providing additional information relating to the question asked by Senator Madigan on 17 November 2014.

Senator O'NEILL (New South Wales) (16:49): In addition to that document, I seek leave to move a motion to have documents from yesterday listed on the Notice Paper for consideration. I will hand the list to the Clerk so that they can be recorded.

Leave granted.

The list read as follows—

Australian Curriculum, Assessment and Reporting Authority (ACARA)—Report for 2013-14.
Australian Prudential Regulation Authority (APRA)—Report for 2013-14.
Department of Education—Report for 2013-14, including the report of Tuition Protection Service.
Department of Infrastructure and Regional Development—Report for 2013-14.
National Health and Medical Research Council (NHMRC)—Report for 2013-14.
National Health Funding Pool—Report for 2013-14, including financial statements for state and territory State Pool Accounts.
Repatriation Commission, Military Rehabilitation and Compensation Commission and the Department of Veterans' Affairs—Reports for 2013-14, including financial statements of the Defence Service Homes Insurance Scheme.

Question put and passed.

Senator O'NEILL: I give my apologies to the house. I was sitting in the chair when the documents were tabled yesterday, so I was unable to take note at that time. So I appreciate the grace of the house in this situation. I move:
That the Senate take note of the documents.
Debate adjourned.

COMMITTEES

Parliamentary Joint Committee on Human Rights

Report

Senator LUDLAM (Western Australia) (16:50): I move:
That the Senate take note of the document.

I rise to thank the members and the secretariat of the Parliamentary Joint Committee on Human Rights for their valuable contribution to the debate over the government's proposal for mandatory data retention for the entire Australian population.

The proposal has copped a bit of a bucketing, since it first emerged into the light of day from the telecommunications industry, from digital rights organisations and advocates right across the political spectrum. The government is on the back foot, such that it has delayed debate on the bill to 2015 and the ALP and the crossbenchers have raised significant concerns alongside the concerns of the Australian Greens. So we may yet get our 38 votes.

Nonetheless, I am still asked in nearly every interview on the subject in most public meetings: 'If I am not doing anything wrong, why should I worry about government surveillance? It may well be indiscriminate but I actually have nothing to hide or at least nothing that the state would have any reason to come looking for.' The question is entirely reasonable but it still throws me when I hear it. Yesterday my colleagues and I had the privilege of spending an hour with Chinese pro-democracy leaders living here in Australia who joined us on the occasion of Chinese President Xi Jinping's address to the Australian parliament. They spoke on behalf of the Tibetan community, who are suffering violent, slow-motion genocide that has led 140 young Tibetans to self-immolate as the only form of visible dissent that cannot easily be stopped by the Chinese authorities. They spoke on behalf of the Uygur community and Mr Ilham Tohti, a prominent scholar and host of Uyghur Online, who was jailed for life this September for publishing a mild critique of the impact the Chinese government's authoritarian crackdown in Xinjiang province. The spoke on behalf of the Falun Gong practice in China, whose members' allegations of industrial-scale organ harvesting seem impossible to believe until you read the independent reports into the practice. And they spoke on behalf of those mainland, mainstream Chinese families who have had to flee Chinese
Communist Party rule for a whole variety of reasons. This is a country in which a difference of opinion can get you killed or sent to a 're-education through labour' camp for the rest of your life. None of these issues made it into the President's speech or into anything, that we are aware of, that was raised by the Prime Minister or the Leader of the Opposition. Conversations like this with people who have direct, personal experience of what it is like to live under an authoritarian regime finally settled for me that question about why you should fear instruments like mandatory data retention if you have nothing to hide.

In February 2013 Mandiant Security Consulting Service published I guess what you could say was an unprecedented report into one of China's cyber espionage units. Some of what they published is apocryphal, some of it is circumstantial, but this consultancy figured that what they had been tracking and had discovered was important enough that they should put it into the public domain. In the highlights they suggest that their analysis has concluded that this entity that they call APT1, or Advanced Persistent Threat 1, is likely government-sponsored and one of the most persistent of China's cyberthreat actors. This is basically corporate espionage. What they allege is that it is a unit of the Chinese People's Liberation Army based mostly out of Shanghai that effectively infiltrates corporations or government departments and loots their servers and their databases using a variety of hacking techniques to conduct espionage. That is how—we do not know whether it was this unit or anything of the sort—things like the floor plans for the new ASIO building, things like technical documentation for the Joint Strike Fighter, have found their way from military or industrial servers here and overseas into the hands of the Chinese government. You kind of understand or assume that this kind of behaviour goes on, but it is really quite stark to see expressed in detail the degree of sophistication used by government-sponsored hackers—certainly as alleged in this report.

But it got me thinking about the degree to which these tools and techniques also get turned on political dissidents. The literature is actually quite forbidding on the degree to which the Tibetan or the Uygur diaspora community have found the tools of cyber espionage turned upon them. They are really sophisticated hacking attacks going after Tibetan or pro-democracy campaigners or Uygur campaigners, people living here in Australia or in other western democracies, where we just assume that the state would not come after us using these kinds of extraordinarily hostile techniques and technologies—ways of basically owning your mobile phone from a great distance so that you can switch on its camera, so that geolocation data can be sent back to Chinese government authorities, so that microphones can be switched on, conversations can be recorded, and people's precise locations can be mapped as they move around the landscape. These are tools that are being turned on dissidents.

I am using China as one example because this experience obviously is very fresh in my mind as a result of these conversations from yesterday. But authoritarian regimes around the world use these very same tools at home and abroad to crack down on dissidents and on people who have political views with which they strongly disagree. There is absolutely no reason to believe that this behaviour is not levelled, at least by Chinese authorities, on Tibetan dissidents or on Uygur dissidents or on people that, no matter what our political perspectives here in Australia, we would not support the Australian government turning those kinds of tools on dissident communities or on people who express different political views. It is one of the things I think—I hope and I would expect—that we would all value the most about living in a country like Australia.
We hosted an event on a data retention in this building three or four weeks ago now that featured this huge range of opinions from industry, from the private sector, from advocacy groups as diverse as the Australian Privacy Foundation and the Institute of Public Affairs and others who would not normally find themselves in the same room together. I just acknowledge that Senator Leyonhjelm has joined us—and Senator Xenophon, who cohosted that event with me. iiNet put the case very starkly. They were not necessarily speaking for their own business case but for the industry generally: you bring this massively expensive mandatory data retention regime into Australia and you are forcing and imposing costs on industry. The government does not know who is going to pick up the tab for this brand-new surveillance tax that was not announce before the election. What we understand is that, as a result of a PwC consultancy that has not been put into the public domain—and for all we know is as yet unfinished—industry will have to be passing along some of these costs in increased data charges and the taxpayer will pick up the rest of the tab. It is a really misconceived idea, and I hope those of sound mind inside the coalition, because I know there is a measure of dissent inside the coalition, actually push back internally and make sure this thing does not go any further. But the fact of that cost, and what the iiNet representatives told us, is that if you force industry to warehouse these massive new archives of data that we do not want, that we do not need for billing purposes, where is it going to end up? It is going to end up with Chinese cloud-hosting providers, because they are cheap.

Think about that for a second. If you are a Tibetan living here in exile, if you are worried about your family still inside Tibet, if you are a Chinese pro-democracy campaigner, if you had some part to play in the Umbrella Revolution in Hong Kong, or if you have upset some authoritarian government somewhere in the world and had the good fortune to find yourself in Australia, what is this Australian government proposing to do? It is going to force industry to archive everywhere you take your device, everyone you are in touch with, your whole social network, your movements, your bank transactions, your health care records, conversations you might have with your legal representatives. And industry is saying, ‘Probably costs are going to force a lot of these data warehouses into Chinese cloud-hosting providers.’ How the hell are we going to safeguard that kind of material?

That really hit home to me yesterday. Some people do have something to hide. Some people actually do have something to hide. If you do not, if you think you are a completely open book, I respect that; but I would ask you to think about whether you have curtains on your windows, whether you close the door when you go to the bathroom, whether you have passwords on your email accounts—any of the multiple ways in which we express that fundamental human right to privacy. You still may hold no fears for yourself.

But I do hold fears for those pro-democracy campaigners, for people here in Australia with opinions that the Australian government might disagree with from time to time—people who might find themselves standing in the way of coal-loading machinery, for example. These techniques could be turned against civil society actors, whistleblowers, campaigners, journalists or some of the dissidents that we met yesterday. Some people do have something to hide.

I think it is a very, very important part of the work of the Parliamentary Joint Human Rights Committee that they have set out in black and white that this proposed bill should not
proceed in the form that it has been drafted because, when you view data retention through a human rights lens, it fails the common-sense test.

Senator IAN MACDONALD (Queensland) (17:01): I do not want to comment particularly on this committee report before the Senate, as I had little to do with it. But, according to Senator Ludlam, it deals with metadata.

Senator LUDLAM: Yes.

Senator IAN MACDONALD: Now, Senator Ludlam referred a matter that is before the Senate Legal and Constitutional Affairs References Committee on telephone interception, where we have dealt with metadata in some detail. As I recall, we have deferred the filing of the report until early next year.

Senator Ludlam just said that the keeping of this information would allow Big Brother, whoever is looking, to look at your bank details and what you are saying to people. I stand to be corrected—and, as I said, I did not take part in that human rights committee inquiry—but my understanding, including from briefings I have received, is that metadata will only tell whoever is watching you, like Big Brother in 1984, the time of the activity, where a message went and other basic information but not what you said or what you are watching or what your bank details are. Anyone listening to Senator Ludlam could well think that this proposal is so that Big Brother could look at your bank details, look at what you are looking at or other material. As I said, I stand to be corrected, but I do not think Senator Ludlam reported that correctly.

In fact, my understanding of the legislation being proposed by the government, the Telecommunications (Interception and Access) Amendment (Data Retention) Bill, is for the retention of that pure—if I can call it that—metadata only, which will not allow people to look at your bank account and see how much money you have, or to see what you might have been saying to your mistress or whatever.

This legislation, as I understand it, is essential for the protection of Australians against people who would be terrorists, and other criminal groups; it is an essential tool there. But what is said in the debate about it needs to be accurate. We should not go around telling Australians, 'Big Brother will be able to see your bank account, see who you are writing to, see what you are viewing on the internet.' So I plead with people involved in this very, very serious and sensitive debate that you do not scare Australians with inaccurate suggestions about things which are not likely to happen.

Question agreed to.

Legal and Constitutional Affairs Legislation Committee Report

Senator IAN MACDONALD (Queensland) (17:04): I move:

That the Senate take note of the report.

I did not intend to speak on this committee report but I thought Senator Di Natale might do so, so I am more or less taking note of it to keep it on the Notice Paper. But, while I am on my feet, I indicate that the committee did have a look at Senator Di Natale's exposure draft of the Medical Services (Dying with Dignity) Bill. The committee made only two recommendations, and they were on the basis of this bill ever coming before the parliament.
The issue is a deeply personal matter and, in the past, issues such as this and surrounding other personal matters have led to a conscience vote. For that reason, the committee decided not to make any recommendations about whether people supported the exposure draft or opposed it, and I do not think it would have been appropriate for the committee to do that.

What the committee tried to do in its report was to give a very balanced account of the views of the witnesses that came before the committee. We tried to be fair in highlighting a number of issues raised in evidence by those whom you might call pro the proposal as well as by those whom you might classify as being against the proposal. The committee think we have done a fair job on getting a balance there, so anyone who wants to pursue this matter further can read the committee's report and get a fair indication of what was said during the hearings.

I was very pleased, and I think all the committee were, at the maturity and sensitivity shown by all of those who gave evidence before the committee. Sometimes where there are very strong personal feelings on each side of the debate, witnesses can sometimes let their deep personal beliefs and feelings overcome their natural courtesy. But I am delighted to say that in this instance everyone giving evidence, and clearly those who gave evidence had very strong views one way or the other, they all acted very sensitively with proper consideration of the views of others even though they did not actually agree with them.

The two recommendations that the committee ended up making were that Senator Di Natale might like to have a look at adjusting his bill in accordance with a lot of technical evidence that was given about elements of the drafting of the bill. A number of lawyers, law schools and constitutional legal people did give opinions. I am sure that Senator Di Natale will take into account what those eminent legal brains suggested to him without getting directly into the issue. I think Senator Di Natale should be quite pleased that it got some of the best legal advice in Australia and he got it absolutely free. Those who gave evidence were happy to do that.

The second recommendation the committee made was that if this bill in its current form or in a similar form were ever to come before this parliament—it is a private senator's bill so it may not necessarily hit the deck of the parliament in the near future—all party leaders should allow all senators and members a conscience vote on this issue.

I thank the secretariat who, as always, did a wonderful job in preparing this report and in encapsulating the views of the committee so well. As I say, this is not an easy issue. I do have views on this and I have on the radio spoken about a couple of them but I am not going to go into that now.

We did receive some evidence from people who are vitally interested in this. I was going to mention someone who gave evidence quite openly and did not seek privacy but on consideration, as I am thinking on my feet, I will not mention names suffice to say it is a person who does have terminal cancer. He very bravely came along to the committee. He wanted the committee to hear his views. I will not go into what his views were but he did come along to the committee to give his personal views accompanied by his wife and his children. Without naming him—but hopefully he may well see a transcript of this speech at some time—I want to again, as I did at the time, congratulate him on his bravery and on his courage in coming before the committee and giving his personal experiences and his personal beliefs.
With that, if there is no-one else who wants to speak on this at this stage, I will seek leave to continue my remarks.

Leave granted; debate adjourned.

PETITIONS

Aged Care

Senator IAN MACDONALD (Queensland) (17:11): by leave—I table a petition which is not in conformity with the normal procedures of the Senate. It is a petition by some large number of people who have signed on 64 pages from the Ingham district of North Queensland in the Hinchinbrook Shire relating to the Cànossa home for the aged in Ingham, an 84-bed facility.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Membership

The ACTING DEPUTY PRESIDENT (17:12): The President has received a letter from a party leader seeking variations to the membership of a committee.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:12): by leave—I move:

That Senators Back and McKenzie replace Senators Heffernan and Edwards on the Rural and Regional Affairs and Transport Legislation Committee from Thursday, 20 November 2014.

Question agreed to.

BILLS

Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator MOORE (Queensland) (17:13): Because of some confusion we have had in this place on previous occasions, I thought it was important that I put on record immediately what our position is: we are opposed to this legislation. Just so no-one gets any confusion, as we have seen in the past, we are opposed to this legislation. We have made it clear for several months now. In fact, we made it clear from when the budget came down that we were opposed to this piece of legislation. There are a number of reasons for that.

I think possibly the core reason for why we oppose it is because we do not think it is fair at this time to make this decision because of a whole range of reasons. Central to that—I am sure you have heard it and you will continue to hear it—is that this is a cut that was not known to the community, the community that had been led to believe that there would be protection and that there would be no cuts of anything to do with pensions. They were told that in public places. They were told that in leaflets. And we know that that is not true. In the case of this particular payment, it is one that our government brought in in 2009-10. It was a
part of a range of changes to legislation around the age pension in this country of which we were very proud.

That came after many, many years of lobbying from people across the community who were talking about inequities in the way that pensioners were looked after in our community. They were saying that there should have been a government response to what they felt—and could produce evidence for us, very personal evidence. I think everybody in this chamber probably had visits from and meetings with pensioners and people on DVA pensions. They were coming to see us and they actually had a very successful campaign, which was looking at us and saying they expected more from their government.

And we delivered. In 2009-10 we introduced a range of increases to the aged pension. We also ensured that there were variations on the options for the way the aged pension could be assessed for their increases. Amidst that, we introduced this particular supplement. It was a supplement that was rolling in payments that had previously been made, that were already in the system, and actually addressed a particular claim that was brought to us by people who are ageing—particularly for those people on limited incomes, particularly people on superannuation pensions and DVA pensions, the Commonwealth healthcare card holders, people who were eligible for the Commonwealth healthcare card, which is something that I know is held very dear by very many people in the system—that their income or assets or their particular situations meant that they were not eligible for the aged pension because of the tests that were in place, but they were still on quite limited payments. In fact, now it is on people who have incomes of less than $50,000 a year and who are eligible for this Commonwealth healthcare card.

The Commonwealth healthcare card then gave you eligibility, if you chose to take it up, for this particular supplement. The supplement now is worth almost $900 to an individual pensioner, and for married or partnered pensioner couples, if they have income or earnings under $80,000, they are able to get a payment in this process. We are not talking wealthy people. In fact, one of the things that has come out consistently in our work, and we do acknowledge this, is that there are some people who are very well-off in the community who are still able to access the social welfare system. We do not support that. We believe that our social welfare system should be transparent, it should be focused and it should be looking at the people in the community who have particular needs.

We believe that this supplement fits those guidelines. We believe absolutely that this money, which is paid quarterly in a lump sum, meets a need that has been identified by the community and accepted by the government and the Department of Human Services. So the process is that people get their lump sum quarterly. They like receiving the lump sum arrangement because that actually meets when they need to go through a particular process of paying a bill: they get an account; they are able to have a lump sum on which they can draw. That is the background to the payment.

What this government has done is—it came in on a promise that there would be no effect to the pension. It believed that the community would accept this budget, despite the fact that it broke that promise. And the way it went about talking to the community—and I think this is the thing that was most frustrating for me during this process—was like it felt that if it told pensioners or people who were able in this case to receive the supplement, who were not pensioners but were able to receive the supplement, over and over again that they were not
getting a cut, then they would believe it. We saw that with the process around the change in the indexation rates for pensions, which has caused an enormous response from people in the community and organisations who represent people who are ageing in the community. These people feel that not only have they been betrayed, not only have they lost entitlements, but they also feel as though they have been treated without respect and almost as though they are not intelligent because they have been told consistently that there is no cut to the pension.

In fact, we receive that information regularly. We certainly received it in Senate estimates, where we had extended questions put forward by government senators to point out that in fact there will be a pension paid and that that pension will be increased. And no-one argues with that. What they do not accept—and they try to put forward the argument that we are too unintelligent to understand—is that at the moment the way the indexation rates operate for pensions mean that there is an option in the way pension rates are calculated and it gives people, determined by the government, an option at what rate the pension will increase.

The government have removed that. It is in their budget; it is written in their budget. No-one can be confused by it. It says in the budget that in the future it will be CPI. So that is taking away a provision that we brought in and maintained in 2009-10 where people can see and understand what their pension would increase by as they looked into the future. They could make plans around that; they could put together their propositions for how they would live—their expenses and how they would make plans for their futures based on an expectation that, should they continue to meet the eligibility rates for the pension by the assets and income tests that are there, should they meet those eligibility rates, they would expect their pension increase to rise to at least the CPI, but at a higher rate if it meant that there were the propositions for how the model would work for doing that.

The government have taken that away as a budget saving, and have actually said—and this is the other thing: the government have made no attempt to hide that this is a savings measure. And even with my lack of economic skills, I understand that if you are going to have a savings measure, that means money is taken away and brought back to the government, not to the community. So as a savings measure, they know that this change is going to reap savings, but they have consistently said to pensioners: 'No, your entitlements will not change. They will not change at all.' And yet the clear modelling is there, it is public; seniors organisations have done it. There is an expectation that pensioners will lose up to $80 a week over a 10-year period—and they understand that. They have not been confused. They have not been misled by the government consistently saying that there has been no change to their entitlement. They know that they will have less in their pockets than they would have if the change had not gone through. Complementary to that is the legislation we have before us today.

They were told—people on pensions, people who are ageing, people who are receiving DVA gold cards—that they would not receive any reduction in their entitlements, should there be a change of government; they were told that. They actually believed it and then, in the very first budget, along with a range of other proposals that were brought forward, the government looked at reducing entitlements to a whole bunch of people in the community, not just the ageing. This budget is renowned for its ability to attack everybody in the community who had been expecting some form of social welfare support.

We have families. We have young people who are without work. We have older people who are seeking work and, in this case, we have people on limited incomes with an
expectation that they would receive the supplement they had been receiving for several years
and which they had built into their budget. They had made plans according to the way they
expected the system would operate. Without warning, in very quick time, it has been taken
away.

At the same time, the federal government decided that they were no longer going to invest
money in the Commonwealth concession program, which is a complementary program
engaging both the state and federal governments for very much the same group of people—
people who are on Commonwealth health care cards, people receiving gold cards, people
receiving the pension. At the state government levels, across the states and also at local
government levels, this gave them some concessions at the local level. This was not fully
funded by the Commonwealth—we know that—but a Commonwealth allocation went into
the bucket that was topped up by the states that allowed them to afford those concessions.

Again, not only were there people in the ageing community unaware that this was going to
change but the state governments were also unaware. There are continuing discussions, I
know, between the state governments and the federal government about how this will operate.
Some state governments have said absolutely they cannot continue the concession
arrangement if they do not have federal government support; others are looking at short-term
maintenance, because they have recognised that people have been deeply traumatised by the
impact of this change. The relatively small but nonetheless important contributions to a
pensioner's income and personal wealth of concessions on things like motor vehicle
insurance, energy and communication costs are of such import to these people but it appears
that the government has just not understood.

Certainly what the government has not done is listen because, by talking to the people who
have come to me and I know other people in this place, there has been a very concerted
effort—from older people across the community, through campaigns and organisations that
represent their voices—mounted to encourage people to contact their local parliamentarians
of all flavours in both houses to point out the impact of this range of reductions in their
fortnightly, monthly and annual income; and that they are already balancing quite difficult
economic circumstances while trying to maintain their cost of living, their lifestyle, and how
fragile that can be. That fragility has been exposed by these reductions, and these series of
proposals put forward by the government in their budget will have an impact.

This one, the abolition of the supplement, happens immediately. This is not like the change
to the indexation rates for the age pension or the proposal to increase the age pension age
qualification to 70, which has been planned for the future and has been put in the budget with
an implementation date into the future. Some of the people I know are thinking they may not
reach that stage. If they are looking at their futures now, they may not reach that eligibility
where the line passes into the future.

Those proposals and implementation dates are into the future; this one is not. If this passes
the Senate and goes back to the House, the next payment of the supplement is due in
December 2014—just before Christmas, an important time—and people have already looked
at how they will use that money. They know to a cent how much this is worth to them. They
also know when the date of payment is and certainly some of the people I have been talking to
have already earmarked what that money is to be spent on—whether it is on Christmas or
paying off something they have already put in place. They know where that money was going
to go. They now know that the government does not want them to have it. The government does not want to have this allowance and it is not offering an alternative. This payment will not be there.

The particular group of people who are impacted by this payment have spoken and are involved in the wider community. They have contacted me and talked about what this will mean to them. They say that they have a restricted income. They have a form of income which is often through superannuation payments or a DVA arrangement. They are working through that process and they have a non-flexible income. It is higher than the pension—there is no doubt about that—but this is about the only form of government support that they get and they treasure it. They see this particular supplement, small as it is in some people's minds—about $900 a year for the 280,000 people across the country who are currently eligible for this supplement and the 50,000 in my state of Queensland alone—as an important amount of money for them.

For us, I would think $800 is less than the travel allowance we receive to be in Canberra a week of sittings; but for the people who receive this supplement—allocated in their budget, an important element of the budget often linked to the Centrelink or the DVA agencies and the gold card—this will be the end of their entitlement. It is causing pain. As I have said, it is also causing anger and frustration.

When this measure was first introduced we said that it was one of the issues that we would not support. This bill was part of the very large omnibus bills that came originally to this place for consideration. We did not support a second reading of those bills, because we had said we would not vote for anything that cut pensioners' entitlement. We made that commitment to them. The commitment made by our leader and by our shadow minister was that we would not support the omnibus bills, so there was no second reading of those bills. The government has come back and reintroduced the No. 6 bill, which we passed earlier this week. No-one pretends that that was an easy bill to pass. It was very difficult and it caused great angst in our caucus as we worked out what things we would support as effective savings. We understand that there are budget issues and that we need to consider every element of the government's budget proposals, and we did that. We said we would support certain issues but would not support others that, I believe, will be the subject of future legislation. This is the first one that has come back. It is very clear that the government is testing us out on this one. They know that we will not support the bill. We have listened to the people in the community who have said that this will hurt them and that it is something they do not want.

In the inquiry by the Senate Community Affairs Legislation Committee into the omnibus bills one of the things that were said to us on several occasions was that there was a need to look at issues related to ageing in our community. We were told that there was a willingness in the community to have a 'mature'—I like that comment, when we are talking about ageing—discussion about the cost of ageing and how various parts of the system work together, to see what we can do to plan effectively for what we know is going to be a challenge for the Australian community and the Australian economy. Should there be proposals to change the way the welfare system interacts with the community and the economy, that is the place for those discussions to be had.
I truly believe that there was a lot of very strong engagement during that inquiry to see that we need to look effectively at what is happening in the community as we all age and at the impact that ageing will have on wages, on superannuation, on various entitlements into the future, including very important aspects such as housing. Any change to a supplement which is currently part of the system should be looked at through the lens of such an inquiry. It is not enough just to make a budget proposal, saying, 'This supplement is not necessary.' In fact, I have even heard it said that it is for wealthy people. It is not for wealthy people. We have all heard the comments about lifters and leaners. It has almost become a T-shirt. In fact, I think I have seen a T-shirt where people could tick a box to say that they are lifter or a leaner. I am never quite sure that we know which one should go there. To imply that people in our society who are ageing are not worthy of support and should be labelled as leaners does not fix any kind of effective planning into future for what should occur. This is not good legislation. It will not help our community.

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:33): I rise to make a contribution to the debate on the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. Under this bill, as Senator Moore has just pointed out, the seniors supplement will be abolished for holders of a Commonwealth seniors health card and the Veterans' Affairs gold card. The Greens will not be supporting this bill. I will say that again, just in case anybody is in any doubt. The Greens will not be supporting this bill.

We need to remember the context in which this measure has been brought into this place. That is the government's harsh and cruel budget that means that the most vulnerable members of our community will be the most significantly hit by the cuts that are being made. We have discussed the cuts on numerous occasions in this place as part of the aborted debate on the social services bills Nos 1 and 2 and in other discussions. The measure in this bill was originally part of the government's social services bills Nos 1 and 2, which it was not able to get through this place. It is now part of that tranche of bills Nos 4, 5 and 6 that the government subsequently brought in.

Those bills contain some of the most significant changes to Australia's system of income support since the system was first introduced in a consolidated social security act in the 1940s. These are radical changes, bearing in mind that one of the measures in the other bills is to kick young people under the age of 30 off Newstart and income support for six months. They will hit most significantly the most disadvantaged members of our community. The government knows that because the government modelled that. It was using virtually the same model that NATSEM used to model the changes, and NATSEM's modelling clearly shows the impact of those measures.

The government may be prepared to start picking apart our social security system in an ad hoc manner, but we are not prepared to do that. This measure must be assessed in the broader context of the budget cuts to the social security system, of other measures in the budget that are not specifically related to the income support system and of other changes that have been flagged into the future. All of them have the potential to affect older Australians. Older Australians currently face many challenges. Policy changes in this area can have a significant effect if not done carefully, particularly if done on an ad hoc basis and not considered in the context of other changes.
The proposed budget measures contained in the various proposals that have either been before this chamber or are coming before this chamber have interactions with each other and have the potential to impact on older Australians. Some of the challenges facing older Australians include changes to the age pension, affecting age pensioners, retirees and people in their 50s and 60s who unfortunately have not been able to regain work after having to leave paid work or being forced out due to redundancies, restructuring of industries et cetera. The federal budget makes it tougher to survive if you are in difficult circumstances. The government plans to save money through this cut, through abolishing this concession for older Australians. We could suggest a number of ways that government could save money rather than by cutting a concession that is important to many older Australians.

We need to look at these cuts in the face of some of the other changes the government is planning to make either immediately through the budget or into the future. For example, the government wants to raise the retirement age of Australians from 67 to 70. The government promised it would not do anything with the pension, but in fact it is doing so. You need to look at the context in which that change is being made—that is, we have a large number of older Australians who are not able to find work after they have fallen out of work. Older Australians are people over 45—when all of a sudden, when it comes to employment, you are old. On the other hand, you are young when you are 30. Under the government's proposals you will be dumped from income support when you are young, at 30; but, in the employment sense, you are old at 45.

The statistics clearly show that it is becoming much harder for older Australians to regain work. While there has been some success—it was in the paper today—with the Restart program, with I think 485 people managing to find work through that process, you have to remember that that is in the context of over 200,000 people over the age of 45 not being able to find work. That is the size of the situation we are dealing with. We do not yet have adequate provisions in place to help those people who will potentially be stuck on Newstart or in untenable situations before they reach the retirement age of 70. In other words, we still do not have that policy process right.

The government also wants to change indexation of the pension. That will significantly impact on older Australians. The government is also freezing the indexation of the age pension income and assets test, which makes it harder to qualify for the pension. Those are all proposals that have either passed or are being considered by this government. Again, this is in the context of the people who need this sort of support if they do not get the age pension and only just miss out.

Then there are the reviews that are occurring under this government, including the McClure report, which contains substantive proposals to change our income support system. We have not yet seen the McClure report proposals. We are being asked to consider this particular change without seeing what McClure proposes in terms of changing the income support system. We also have the National Commission of Audit proposals, which made significant comments around the age pension and retirement income. For example, they talk about what should be in and what should the out of the assets test. Certainly there will be significant changes there. They also talk about changes to means testing and to the retirement age. All of those proposals impact on what may or may not be happening with regard to how we look after and support older Australians.
A further budget proposal is for co-payments, and there has been a lot of concern expressed to my office around those changes. Another change—to be fair, it was not this government that introduced it—is the reform to the aged-care system. I am not saying that we supported that; in fact we negotiated a number of changes. When the government were in opposition they were involved in a lot of discussions over those changes. The government is now implementing the Living Longer Living Better proposals. Those reforms to aged-care are just starting to be implemented, with the first tranche having started in July and the next tranche starting in July next year. All of these changes have significant implications for older Australians. The government is in the process of planning those changes now. There are changes to both residential care and out-of-home care, some of which involve a cost, and that was acknowledged in this place. That is another change that older Australians are planning for and coming to terms with. So there is a lot of change already going on, and the government wants to make some more.

Given that this government is very clearly looking at further changes to our system of income support, it is not surprising that older Australians are extremely concerned about their financial future. In that context, you also need to remember that we have an increased cost of living and that there are changes being made at a state level. So prices are going up and concessions are changing across states, and that is putting further pressure on older Australians.

For these reasons, we will not be supporting this measure. But we do support the Council on the Ageing's recommendation to the Senate committee inquiry into the social services bills Nos 1 and 2. The Community Affairs Legislation Committee looked at the changes in those bills and in the wider series of bills, some of which have gone through this place and some of which are still to come into this place. COTA's recommendation to the inquiry still holds. They very strongly recommend that there be a review into retirement income. They said:

We believe Age Pension change should not be dealt with in isolation. There needs to be a systematic review of all aspects of retirement incomes that involves all key stakeholders and takes into account any changes that emerge from the Government’s reviews of the financial system and taxation. Retirement income changes have a long term impact on individuals, the Government’s budget and the broader community and this would be an opportunity to get it right.

…… …

We believe that the CSHC should be included in the proposed retirement income review and that there should be a discussion about its purpose and place within the retirement income sphere. Current eligibility and benefits for the card should remain as they are until that review has been completed. This would mean continuing CSHC entitlement to the Seniors Supplement.

This is the peak body for older Australians and they are saying that we need to have a retirement review. We agree: there does need to be a retirement income review because there have been a lot of changes. Mr Ian Yates from COTA has also talked about this. He pointed out the financial changes that are occurring. Of course, he is right: they also need to be included. COTA believe that there needs to be a broad ranging retirement income review and, as I said, the process should involve consultation with key stakeholders. The review should be done in a timely matter and, if it were completed by late 2015, COTA say it could feed into the 2016 budget.

They went on to say:
COTA believes it would be useful to set up a structured process of roundtable discussions involving key stakeholders to look at varied policy options and their social and economic impacts. Such a process would need to be well informed and evidence based.

They suggest the review could look at the current indexation arrangements, proposed cuts to the aged-care system, employment of older people, deeming thresholds—that is another point that I have not touched on before, and those changes are very important—income and asset levels used for means testing, as to whether they are an unfair and inadequate response to age-pension income, and also other asset test issues. They will also look at the objectives and benefits of the CSHC. Those are all very valid points and it is clearly time, given all those things that I have just mentioned, that we have that review. This sort of cut—an ad hoc cut—should not be considered, we believe, until a review has been done and we have a clear picture of what is going on.

Older Australians are under increasing pressure. We have a narrative at the moment that we will have a burden with the growing number of older Australians. That helps to facilitate some of the discrimination that older Australians are currently facing, trying to find work and trying to ensure that they have adequate income. Older Australians are facing many cost pressures. As Senator Moore pointed out, it is being carefully planned into people's budget in the run-up to Christmas and into the future, and we do not believe the cuts are appropriate.

The government want to look at how they can make some money. How about looking at some of the reforms that could be made—for example, around superannuation tax sessions? The cost of superannuation tax concessions in 2014-15 is projected to rise to $39.6 billion and over $50 billion in the following year. If we are going to do reform, let's look at where some of that investment is incurring and whether it is focused in the right way. Are we getting value for money for that form of investment? Do not look at the low end of where the concessions are; look at where some of the big bucks are and question whether that is being invested wisely. Look at those issues. That is something that definitely needs to be looked at in the retirement income review.

OECD figures show that poverty amongst Australians aged over 65 is currently already 35 per cent, and there are concerns that this will increase in the face of changes to indexation, the retirement age and other budget measures. We should be looking at how we support older Australians as they age, as they reach retirement age and as they pass retirement age. We strongly support the call for a retirement income review and urge the government to relook at this issue and put in place a review that involves all stakeholders and takes a systematic approach to how we support older Australians.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:50): Today I rise to speak on the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. Labor opposes this bill, just as we oppose so many of this government's cruel attacks and broken promises. At every turn and around every corner, it seems that there has been another attack on older Australians by the Abbott government. We should not forget that these are the people who have helped build the social and economic wealth of this country. They deserve our respect and they deserve our support. But what are they getting from this government? Disregard and broken promises—that is what they are getting. The Abbott government has set out on a concerted campaign to keep people working longer and ensuring their quality of life is lower when they do retire.
The bill before us today seeks to abolish the seniors supplement, which is paid to 290,000 self-funded retirees in Australia. This billion-dollar cash grab will take away nearly $900 from Commonwealth seniors health cardholders each year. Perhaps those opposite do not understand what $900 could mean to someone on a relatively low income. Back in the real world, this is going to hurt. With rapidly rising rates for utilities and accommodation, self-funded retirees will find it harder and harder to make ends meet. These are people who have worked their whole life to build a nest egg to support them through retirement. These are people who did not have compulsory superannuation for much of their working life. These are people who saw their savings devastated by the global financial crisis. Despite all this, they have managed their money in order to secure a more independent future for themselves, and now the government just wants to hit them again. For years, Tony Abbott and the Liberal Party pretended they were the best friends of Australian seniors, and yet, as soon as they got into office, all they did is punish older Australians. We did not hear a whisper from the Liberals about this brazen cash grab before the election, nor was anything said about their plans to cut the deeming thresholds.

Older Australians, who have amongst the greatest healthcare needs in our community, were never warned about the government's small minded plans to jack up the cost of going to the doctor. While $900 might be a drop in the ocean for those opposite, most older Australians have to be very frugal to ensure that the money will be able to support a decent standard of living for the rest of their lives. The reality is that most self-funded retirees who are eligible for the seniors supplement are living on an income of less than $50,000 a year. On this sort of income a $900 cut is a big hit to the household budget. For this government to make such changes without giving any warning to allow older Australians to make plans is just unfair.

The truth is that older Australians have every right to feel betrayed by the Abbott government. Those who are forced to rely on the pension are particularly hard done by, in direct contradiction to what the government promised before the election. Not too long ago our Prime Minister had the audacity to suggest that Australians were somehow at fault for not understanding his pre-election promises on Gonski. On this issue he told Andrew Bolt: We are going to keep the promise that we actually made, not the promise that some people thought that we made, or the promise that some people might have liked us to make.

In case I am accused of not listening to or understanding the Prime Minister I thought I would put on the record just a few of his many quotes, before the election, about pensions—as many others have done. On 28 August last year, Mr Abbott promised the people of Western Sydney that there would be 'no cuts or changes to pensions'. He said that at the people's forum in Rooty Hill. On September, in an interview with Sabra Lane, he said:

… I can assure your listeners that there will be no cuts to health, no cuts to education, no cuts to pensions, no change to the GST ...

He continued the theme on the night before the 2013 election, when he told the SBS that there would be 'no cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS'. So we can see this was not a slip of the tongue in the heat of the moment. This was solid, focus-group-tested Liberal Party election mantra.

After the election, the government changed their tune. After the election, they revealed their true plans to make changes to the indexation arrangements, which will see Australian pensioners $80 a week worse off within 10 years. They also set in place moves to increase the
pension eligibility age to 70, which would make the Australian pension age the highest in the world.

It is not surprising that a recent analysis by the Australian Financial Review found that those opposite have broken more promises than they have kept. This government is not only breaking promises but is eroding the trust of the Australian people in the processes and principles that underpin our democracy.

And pensioners are not the only ones in the crosshairs. This is a government that has waged a concerted attack on the most vulnerable people in our communities. Let's not forget that the poorest 20 per cent of families, with earnings of less than $35,000 a year, will lose $2.9 billion over four years as a result of the Abbott government's cruel budget. But those who have a family income of $88,000 or more after tax will only lose $1.78 billion—a full 40 per cent less than low-income families.

It is also interesting to note that the government has been very careful not to place the burden of their budget cuts on communities in their own electorates. In fact, recent analysis undertaken by Australia's premier modelling outfit, NATSEM, laid bare the rampant self-interest at play in this government's cruel budget. In this study, NATSEM found 15 of the 16 electorates hardest hit by this cruel budget are held by Labor. In contrast, four of the five electorates that will be least impacted by Tony Abbott's budget are held by the Prime Minister himself and senior government ministers. What a surprise!

In Mr Turnbull's electorate of Wentworth, residents will see a decline in income of $69.50—or 0.1 per cent of disposable income—as a result of this government's budget of twisted priorities. But in the Jason Clare's Western Sydney electorate of Blaxland, residents will see an average $990 hit to annual incomes by 2017-18. For families with children this will more than double.

Clearly, this is a government that consistently attempts to put their own jobs ahead of compassion and treating Australians with dignity. They are barefacedly ripping funds away from the poor and the vulnerable, while leaving those on high incomes barely scathed. However, what the government did not count on is that the majority of Australians do not share this brazen self-interest. We do not want a nation that is unfair. We like the fact that equality is a key principle of Australian society, and we support a strong safety net for those who encounter times of need.

We celebrate the fact that the ideas of compassion and a fair go are deeply embedded in our national identity. We believe that government has a clear role in helping to open the door to opportunity for all Australians, regardless of income or the challenges that come from circumstance. And we will not support these fundamental features of our nation being ripped apart.

If there has been any good to come out this sorry budget, it has been the widespread support for the existing Australian social contract and the clear rejection of the government's attempts to tear it up. But, clearly, this government is not listening. Instead, they are belligerently ploughing on with their cruel cuts to the poor, elderly, sick and unemployed, while at the same time squirrelling away billions for their pet projects.

The absolutely nonsense of this government's argument comes into sharp focus when they use one breath to say that we cannot possibly afford proper health, education or a strong
safety net, and in the next breath promise $50,000 cheques for wealthy women to have babies. Both of these things cannot be true, Mr Abbott. If we do not have the money to pay for programs that support Australians to be the best that they can be, then we certainly cannot afford the wasteful spending programs the government has been embarking on in other areas. Australians are not stupid. They see this, and they recognise the rank hypocrisy at play. They see through a government that is fearmongering over the so-called budget emergency while axing viable and lucrative sources of revenue. They recognise that the government is only concerned about saving money or increasing revenue, when it is the poor and the vulnerable who are going to foot the bill.

The legislation before us today is another example of the disregard that this government has shown for older Australians. It is nothing more than a blatant cash grab. We on this side of the chamber understand that Australian seniors have worked hard all their lives and have saved for their retirement. Older Australians do not deserve to have their pockets raided by Tony Abbott in their retirement. Labor will continue to stand up for Australian seniors and pensioners by opposing this bill and the rest of the Abbott government's savage budget cuts.

Senator LINES (Western Australia) (18:00): I too rise to speak in opposition to the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. I begin by saying it has been a tough week in the Senate so far, as the government has tried to get its harsh, cruel budget through the Senate. I wonder, as we head to the end of 2014, if indeed we will be here in 2015 defending our great Australian psyche—part of our culture of a fair go. When will the Abbott government get the message that there is not a voter in this country who is on a low income, has a family or is a single person aged under 30 who supports this harsh, cruel budget? Today we have had to defend against the paltry pay offer to the Australian defence forces in this place. I brought to the Abbott government's attention its disgraceful lack of bargaining in good faith with the CPSU, who now have in the Department of Human Services, the biggest government agency, a 95 per cent vote for industrial action, and somehow the government labels them as being irresponsible.

What we have seen over and over again from the Abbott government is this blame-shifting going on. They try and blame Labor or they try and blame the unions, or they try and blame anybody but themselves. The Abbott government have now been in power for more than 12 months. It is time they stood up to their own decisions and were honest about the sorts of policies and the type of Australia that they want to create—and it is one of dog-eat-dog; it is, 'You are on your own; your family looks after you or you look after yourself, because it is not the federal government's responsibility.' I note the number of times that Labor senators have heard government senators and government MPs say, 'We do not run hospitals; we do not run schools,' therefore somehow trying to abrogate their responsibility towards schools, health and education. But quite clearly the government have responsibility when it comes to senior Australians. Yesterday in this place we had a bill before us—most were sensible moves that the Labor Party had indicated months and months ago that we would support. But no: the Abbott government indicated they wanted to wrap them up with other harsh, cruel measures which Labor have been very clear from day one that we would not support.

Despite us saying 'no' over and over again, the government obviously tried through its new approach—its backdoor deals—to get the bills approved. But it has failed in that, and so now what we are seeing is this mishmash of bills coming through with the little bits that are agreed
and the other bits—the harsh, cruel pieces—still there. It is still the intention, as we understand it, of the Prime Minister and the Treasurer, Mr Hockey, to try to ram those bills—those harsh, cruel measures—through our parliament at some time in the future. Whether it is the next sitting period or next year, apparently it is still their decision to do this, despite what must be an overwhelmingly negative response. The government seems to think the best way forward is to just plough on with its harsh, cruel measures.

Yesterday in this place I informed the Senate that I had held a very successful meeting of seniors in the electorate of Swan, the electorate that I live in in Western Australia. More than 100 people came along, and they were very, very alarmed. Some of them were self-funded retirees who were very concerned about the loss of the seniors supplement that the Abbott government has stolen from them—we could not really even call that one a broken promise, because it completely came out of the blue. Australia’s seniors, whether they are dependent upon the pension or are self-funded retirees, must be wondering how much more the Abbott government can take from them. Seriously, they are one of the groups the Abbott government has absolutely gone after in our community.

These are senior Australians who have paid their debt to society, who have raised families, who have taken on responsible jobs, who have taken out mortgages when they have bought their homes or who have been in rental accommodation. These are upright citizens who continue well after retirement to add value in our communities through the volunteering that they do, through looking after grandchildren if they have them and through all of the services they provide, whether it is the Red Cross in our hospitals or whether it is the local Meals on Wheels. Nobody in this place would dispute the role that seniors play in our society—except the Abbott government, which shows them no respect at all. It shows them no regard—just complete disrespect, by making their lives as tough as it can. After all, it was the Prime Minister who, before the election, promised Australian pensioners that there would be no cuts to pensions, and on the issue of the seniors supplement he was completely silent. Yet the Abbott government has not only cut pensions; the Abbott government intends to cut, with this bill, the Seniors Supplement.

The Seniors Supplement was introduced by Labor in 2009. We had got the message from seniors. Many seniors had protested throughout the country, and we had actually listened to what seniors were saying, unlike the Abbott government, who get emails from seniors protesting, and who no doubt in electorates get confronted by seniors telling them how difficult these cuts are going to be for their lives but, no—no consultation, no discussion; just a secret cut. We introduced that supplement in 2009 as a support for senior Australians, because we recognised that from time to time seniors need help to pay regular bills such as power, gas and phone, and to buy petrol and pay for car registration. We have all heard those horrible stories of seniors living in our community not turning their lights on or going without turning their heaters on in winter. Those are not things that those of us who are responsible participants in our community want to foist onto seniors, and that is part of why Labor introduced that supplement—to give some comfort to seniors.

Cutting the Seniors Supplement will hit 300,000 Australian households, and they will be $886 a year worse off. That is not a big figure for the Abbott government, but it is a big figure for someone on a fixed income. It is a big figure. It is money they now have to find. And of course what the Abbott government has not thought about, in its usual slash-and-burn

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approach with this harsh, cruel budget, is that taking that money not only forces seniors to find that additional money—almost $1,000 a year—but also hits local economies. It hits the local deli and the local shop. It hits the local greengrocer. It hits the cafe where once a week perhaps seniors like to meet with their friends and have a cup of coffee, because seniors will now have to make up, from their fixed budgets, that missing amount of $886 a year, which means, in small communities, rural communities, that seniors will spend less in local shops, and that will make a difference.

In the Western Australian electorates that I have responsibility for, this is quite a hit. In the south-west, in the electorate of Forrest, seniors will be hit. Along with the loss of the Seniors Supplement, if the GP tax goes through they will be hit with that. If they need specialist services—and we know that our seniors do have a greater use of our health system, and that health system should be available for them to make use of—there will be additional hits on specialist services. There will be increased costs for pharmaceuticals. After the secret deal that the Abbott government did last week, from 10 November they have been hit with an additional fuel tax—a hike in the cost of fuel which, of course, in the south-west communities of Forrest, where seniors need to drive sometimes 100 kilometres or 80 kilometres to the bigger towns, that will be a hit on their budgets as they are now having to pay a higher rate for fuel. We already know that, in our remote and regional communities, fuel is often more expensive. And I know that Senator Peris can tell us horror stories of the cost of fuel in the Northern Territory.

So, along with all of the cuts that I have outlined, there have been other harsh cuts to the budgets of these seniors imposed by the Prime Minister. Many small rural towns in the electorate of Forrest—towns like Collie, Augusta, Nannup and Donnybrook—will be hard hit as seniors have less money to spend in their local economies, in those small towns where the local deli and the local greengrocer rely on seniors coming in to buy their bits and pieces. They will be hit in the electorate of Forrest. This cut to seniors in the Forrest electorate is almost $2 million: $1.95 million has just been taken out of that electorate, without a care from the Abbott government. People in one of my other electorates, Canning, for which Don Randall is the member, will be hit to the tune of $1.69 million. That will be taken out of that electorate of Canning. In the electorate that I live in, the electorate of Swan, the hit on senior Australians will be $1.5 million—$1.5 million. And what have the Liberal members in these seats said about the loss of this supplement to seniors? Absolutely nothing! I have not seen it in any of the pamphlets that Mr Irons puts around. Nothing—complete silence. And why would they spout it? It is hardly something to be proud of. There is nothing they can say. It is just another mean attack by their Prime Minister and their government.

Of course these cuts are just the beginning for seniors. For seniors getting the supplement, many of whom do hold a Health Care Card, there is a double whammy, as the federal government has also cut the funding it provided to states for concessions. The federal budget cut $107 million over four years from Western Australia’s seniors concessions, with WA set to lose $25 million this financial year. That supported pensioners' and seniors' discounts on local government rates, vehicle registrations and water charges—now all under threat.

Premier Barnett has said that he was very surprised about the decision. I thought mates—Liberals being Liberals—kind of kept each other in touch, but obviously that is not the case, because he was surprised by that decision. But he has insisted that the state government will
not step in to make up the shortfall. And why would Mr Barnett step in, when he has made such a mess of the state government finances in Western Australia? He lost the AAA credit rating. He has not been able to open our premier hospital; it has been 18 months overdue and has cost the state millions and millions of dollars. He has shown himself to be absolutely incapable of managing anything—probably even a household budget. So of course he is not going to make up the shortfall.

And, of course, Premier Barnett abolished the private vehicle rebates for motor vehicle licences on 10 July—no phase-out, just bang, gone. Seniors and pensioners were hit hardest by the removal of that benefit, with increases of up to 212 per cent, but Premier Barnett does not care—and nor does the Abbott government. The private vehicle rebate last year was worth $72. Again, that is not a big-ticket item for state governments but it is a huge amount to a senior's or pensioner's budget. These Australians have worked hard all their lives to save for their retirement, to be responsible, to be self-funded. They have, no doubt, made sacrifices along the way to ensure their retirement is a comfortable one. They do not deserve this punishment from the Abbott government for all their hard work over a lifetime.

And who are these folk? It is certainly not rich seniors who are receiving this supplement. Single seniors need to have an annual income of less than $51,500. Day after day in this place we hear from the Abbott government about not incurring debt and not passing debt onto children and grandchildren. You would think the one group in our society the Abbott government would seek to look after are the self-funded retirees. So why on earth would they take away the seniors supplement if it enables those self-funded retirees to continue to fund their own retirement? I would think that would be a win-win all round. But, again, the ideology of the Abbott government always gets in the way; their Tea Party right-wing ideology stops them from seeing the sense in keeping such things as the seniors supplement.

These people are not Australia's ageing millionaires. They are everyday Australians. They are my neighbours and your neighbours. They go on contributing to our communities in their retirement. Many of the services in our communities simply would not work without the volunteering that seniors do—contributing to their small local communities with their hard earned retirement savings. My neighbours in Swan will lose the money that pays their power bills. They will share this pain with almost 2,000 seniors in the electorate Swan.

The Prime Minister promised there would be no cuts to pensions, education, health, the ABC and the SBS. The Prime Minister cannot be trusted on his word. It is a year and a couple of months since he took office, and this is his legacy. With the sad passing of Gough Whitlam, many of us on this side of the House spoke about the proud legacy that Gough Whitlam has left. Well, Prime Minister Abbott will leave a legacy of broken promises and further cuts such as the seniors supplement. This cut was not mentioned anywhere—it was a secret attack—but obviously it was already costed and hidden away in the secret portfolio entitled 'The Real Liberal-National Coalition Plan'. As senior Australians can testify, Mr Abbott never mentioned this hit on their household budgets before the election. He never mentioned that the seniors supplement was under threat. The Prime Minister has described these payments for seniors as a cash splash. Again, Mr Abbott shows just how out of touch he is.

We have now heard almost a book full of these sorts of clangers from the government. Mr Hockey made the ridiculous statement that poor people do not have cars or do not drive very
They are absolutely out of touch. To say to a single, self-funded retiree on $51,500 that the seniors supplement is just a cash splash is an insult. The cash splash comment by the Prime Minister is an insult to someone who has saved for their own retirement income, someone who has said, 'As a citizen, I'm taking responsibility for my own retirement.' Seniors have a right to feel betrayed by the Prime Minister and the whole of the Abbott government because there was no mention of this before the election. I give a guarantee to Australian seniors and pensioners that, every day until the next election, Labor will fight this harsh, cruel budget. Neither we nor the Australian voters will let Mr Abbott get away with the deception of these broken promises.

Senator O’NEILL (New South Wales) (18:20): I am a little lost for words after listening to the contributions of my colleagues in the chamber. In particular, Senator Lines has just spoken about the language the Prime Minister used for his audacious and heartless ripping away of support for pensioners across this nation, which he called a cash splash. To deceive the Australian public and pretend that there would be no cuts or changes to pensions before the election is just appalling. But to be in the position of Prime Minister and to be so disrespectful as to describe as a ‘cash splash’ money which the seniors of this country count on, money which they budget down to the last cent to balance their books, reveals the breathtaking arrogance of the man who used those words. The insult of taking money away is one thing, but to treat our pensioners as fools and to be so disrespectful is another. It is something for which the ageing people of Australia will not forgive this Prime Minister.

There is nothing to sugar-coat the life of an age pensioner. Perhaps their engagement with their grandchildren, their family and their friends goes a long way to making their hard-won retirement a great thing. But the facts are that, for many Australians, they have worked hard all their lives, paid their taxes, raised a family most likely and contributed to the national economy, and then they retire. Retirement in Australia for more than 2.3 million Australians does not mean a world cruise, time to spend at the country club or living it up in the lap of luxury. It means a life on a pension and the careful financial management that is part of that life. It actually means getting by on $421.10 a week for singles and $635.30 combined for couples. That is not an easy task, but our pensioners do it and they manage it. They count on the Seniors Supplement that this government has introduced legislation into this place to remove. For too many pensions already it means scrimping on every dollar. It means watching every cent at the supermarket. It means cutting back on heating during cold winters and cutting back on the cooling during the hot summers just to keep the electricity bill manageable. This piece of legislation is set to take away money from millions of seniors in this country, to exacerbate any challenges they face. It is a deliberate and wilful attack on the ageing people of this nation.

Living on a pension for many means a very, very challenging life. If you are an age pensioner it is likely that your nest egg is pretty modest, built from hard work and savings that for many of you, indeed most of you, predate compulsory employer contributions to superannuation. This process has changed things for those who are now going to be its beneficiaries. This Labor visionary process has established the opportunity for those who are beginning their work life to see their retirement in a different way. For many of our seniors, while their family is supportive and their dignity defines them, they do not want to ask for charity. They are quite happy to manage, and they are managing with the Seniors Supplement.
that this government is attempting to take way from them—determined to take way from them—in this legislation.

A legitimate means tested payment like the Seniors Supplement is available only if you hold a Seniors Health Card. It is not charity. It is a hand-up which many of our seniors absolutely rely on. It helps our seniors to maintain their dignity and independence. It is a small thing that helps them meet the ongoing costs of running a household. Tony Abbott's budget has no respect for the dignity of the seniors of this nation. The budget of this government has no regard for what it is like to struggle to make ends meet. This piece of legislation is seeking to undermine pensioners' living standards by what the Treasury has predicted will be $80 a week in 10 years time. That is an awful lot of money for somebody living on a relatively low, fixed income.

The Combined Pensioners and Superannuantes Association of New South Wales say that pensioners will be $100 worse off in 10 years time—and I guess it is their business to know. They are passionate and powerful advocates for the sector, and I know that they are counting on Labor to push back against this terrible piece of legislation coming from those opposite. From 1 September 2017, under Tony Abbott's discriminatory budget, the age pension will be tacked solely to the consumer price index. As we know, the index most often taken as a benchmark, out of the three indices available under the present system, is Male Total Average Weekly Earnings, calculated at 27.7 per cent of male average earnings. This index, the one which Labor agreed with, has consistently returned the highest result for the calculation of a pension increase, because wage growth has generally exceeded CPI. The decision to use the Male Total Average Weekly Earnings index is about making sure that the quality of life of those on a pension moves in sync with the wages of the people who are living in the community around them. It seems fair to me. Labor agrees with it, because we believe in fairness. This legislation, however, reveals that the other side do not believe in fairness but rather believe in taking the most from those who have the least.

Tony Abbott's plan to rely only on the CPI will have a significant effect on pensioners across Australia. For example, had the Prime Minister's new system been in place for the past four years, the single pension, which today is $854 a fortnight, would only be $762. Now that is a very big difference and would have a material impact on the life of a pensioner. It is a whopping $92 or 11 per cent difference—money that pensioners can ill afford to lose. On top of this huge cut, he is trying to remove the Seniors Supplement. Quite simply, Labor will not stand for it. The people who voted for Labor in the last election knew that when the time came we would fight for fairness, and that is what is happening in this chamber this evening. It is a fight about fairness—Labor on the right side of history, looking after ordinary, average, hardworking Australians; and those on the other side determined to heap disadvantage on those who have the least capacity to pay.

Nearly five months ago, Labor announced it would support sensible savings in this year's budget, but because of the Prime Minister's determination to cut the pension and determination to savage family tax benefit, to leave young people without income support for six months, we have refused to support such outrageous efforts by the government. And now we have the modelling done by the Combined Pensioners and Superannuantes Association using just the CPI to predict that the pension is going to lose the value of $100 a week within 10 years.
The increases in the cost of PBS medications, the GP co-payment and the massive cut to the national partnership agreement on concessions which means that pensioners stand to lose their state-based concessions on bills such as council rates, gas, electricity, water, transport and car rego, are real and material impacts on people's lives. They will change how pensioners are able to live and for some it will be the straw that breaks the camel's back. It will just push them over the edge. They are concessions that pensioners rely on every day. They are relying on the hope that state governments will find money in their budgets to pick up the slack left by the Abbott government's abandonment of its responsibility to the Australian people. Day after day, certainly in this week, we have seen this government attack every sector of the community that is vulnerable. Today, the retirement security of our Australian pensioners is right at the fore.

One of the things that is most infuriating for the seniors whom this legislation is designed to affect is that Mr Abbott stated that a letter claiming the government is cutting pensions 'is not true; there are no cuts to pensions'. This is clearly a significant cut to pensions and to pensioners. The impact of this is absolutely devastating for many people right across this country.

I want to go to the numbers of those who will be affected in the seats which, as a duty senator for New South Wales, I represent. I live on the Central Coast of New South Wales, as the Acting Deputy President would be aware. It is a beautiful place which draws to it many retirees who have worked and now seek a sea change. It is a very welcoming community. The retirees contribute an enormous amount, particularly in volunteerism and they bring wisdom to our community. In the seat of Dobell, 1,577 people will lose if Tony Abbott wins today. In the seat of Robertson, just south of Dobell, 2,202 hard-working Australians who are relying on this concession payment will lose if Tony Abbott wins today. In the seat of Paterson, a little further north, 2,220 families—

Senator Carol Brown: Name them.

Senator O'NEILL: I can name a few on the Central Coast. A lot of them live in my street. And in the seat of Mackellar, 4,000 people are going to lose their concessions. In the seat of Macarthur, 890, and in the seat of Warringah, where they really should have known better because that is where they could have got the truth from the fellow himself, there are 3,877 people who have been lied to by this government. In the Prime Minister's own electorate, there are 3,877 people who he is trying to convince he is not dudding. There are thousands and thousands of seniors right across this country who believed that little blue book. It was a pretty slick production; you have to give that to them.

I did a lot of doorknocking before the last election, which should not surprise the Acting Deputy President sitting in the chair. I can remember seeing these blue books, these lovely glossy books saying how wonderful the world would be, that all we had to do was to vote in the Abbott government and the world would be set right. But what we set in train was a litany of lies. Today we see the legislation that proves it. 'No changes to the pension.' You have to be joking. This is a disgraceful change. This is a devastating change which will materially impact the lives, the health and the wellbe
would not be happening. I have to report that the Assistant Minister for Social Services, Senator Mitch Fifield, visited the Central Coast last week to peddle some form of misinformation about the good news the government has for seniors. Of course, the seniors are a wakeup to this mob. The minister was met by concerned locals, who were waving placards demanding a fair go for pensioners—a fair go, the signature of Labor and clearly something that is hated by those opposite. Otherwise they would not be inflicting these social service budget changes and they certainly would not be going after retirees, self-funded retirees and pensioners with this piece of legislation.

The arrogance of the assistant minister thinking he could go up there and pull the wool over the eyes of my local community was astounding. The elderly are not just angry; they are worried sick. They are certainly a lot smarter than this PM is giving them credit for and I think their voice is going to become stronger and stronger. This is the voice of a Central Coast resident who summed up her dire circumstances in correspondence to me:

As a person who has been very careful to make ends meet on the pension, I am not sure how I would manage if my income was reduced in any way.

I understand that the proposed changes to the way the pension is index, for example, would mean a cut of $80 a week over 10 years to the single pension, which seems like a huge amount when it is already a stretch for me to pay my bills, buy my groceries and get to important appointments.

And the most devastating part of her letter was the final sentence, where she signed off:

I just don't have any way to make up that difference.

Let us have a look at what is happening. The gap between what we do in this place and how it impacts people's lives is sometimes an interminable distance. People do not get the sense that these things are connected. But today we have to be really, really clear. There was a promise made by an incoming government that there would be no cuts or changes to the pension. That promise has been absolutely and totally broken.

Pensioners will feel the hit if the government is successful in getting this legislation through and they will feel it very, very quickly. They know that they cannot tighten their belts any further because, as this woman wrote to me, they just do not have any way to make up the difference. Can you imagine what it would be like to be an age pensioner who is trying to pay their rates and do the right thing, who has budgeted in anticipation that the seniors supplement would be part of their budget for this year, who finds come Christmas that they cannot make that budget work anymore? They will care. They will be anxious. Their families will be anxious for them. They have been deceived and they are being materially impacted by the meanness, the slipperiness and the disgraceful intent of this piece of legislation.

That was just one voice of the millions of pensioners who have suddenly found out about this terrible broken promise. It is a contrast to Labor's historic pension increase, where we delivered a $33 increase to the single age pension, the disability support pension and the carer payment. We brought in the biggest increase since the Whitlam government that raised pensions by 10 per cent. He did that in 1972. If Tony Abbott's CPI pegging was in place from 2009, that significant increase to pensions would well and truly have been wiped out now. Australian pensioners have every right to feel completely betrayed by that little glossy, blue book and all the nonsense that they have read in the papers that were the promises of this government prior to coming to power.
I know that Australian pensioners and seniors have worked hard all their lives. They deserve the dignity of a secure retirement. That is why with my colleagues on the side of the chamber, I will fight as a Labor woman for Australian pensioners and seniors, and fight for their rights to a dignified retirement, free of stress and anger at broken promises that are flowing through every single day in the areas of health, education and financial support. It is writ large in Mr Abbott's cuts to pensions, to welfare, to our universal healthcare system, to education and to refugees that he is a prime minister of arrogance. When it comes to the less fortunate in society, they are beyond his gaze. (Time expired)

Senator LUNDY (Australian Capital Territory) (18:41): I rise to speak on the Social Services and other Legislation Amendment (Seniors Supplement Cessation) Bill 2014 and I am glad to be able to speak against cuts put forward in it as they will greatly negatively impact senior citizens in Australia.

Cutting the seniors supplement is only one of a number of measures outlined in the Abbott government's budget that targets senior citizens in our country. We know that older Australians are being saddled with a disproportionate burden in the Abbott government's unfair budget.

The axing of the seniors supplement was part of legislation containing the harshest of the social services budget measures recently abandoned by the Abbott government. It was abandoned because the Labor Party and others in the Senate understand the terrible impact these harsh measures will have on all Australians. We understand the impact on older Australians, who have spent their lives contributing to Australia's economic and social wellbeing. We understand that Australians are distressed by the government's attack on vulnerable people, an attack which equals an attack on Australian values—the value of equality, opportunity and a fair go. Like my colleague Senator O'Neill, I am proud to stand with Labor and the Australian community against these cruel cuts—cuts and changes that pile burden after burden on those most vulnerable.

Unfortunately, the government in this bill are now reintroducing some of their most savage measures. They continue to dismiss and ignore the community discontent regarding their cruel legislative agenda. They continue to show that they do not value equality and fairness. They believe they can reintroduce these unfair bills to the Senate and miraculously get a different result. Well, my Labor colleagues and I will not back down. We will continue to fight hard to ensure that low- and middle-income Australians do not bear the brunt of this government's immoral cuts.

The seniors supplement supports self-funded retirees whose income is less than $50,000 a year. It was designed to support Australians who have worked hard throughout their lifetimes and managed to save some money for retirement but who still experience financial pressures on a day-to-day basis. The supplement was designed to help them pay bills such as rates and land tax, so they can continue to afford to live in their family home. It was designed to support them to pay motor vehicle registration so they can continue to drive. It was designed to help provide this hardworking group of people with some income security to get them through their retirement.

Axing the seniors supplement will impact a huge number of older Australians. It will leave some 300,000 Australian seniors almost $900 a year worse off. In my electorate in the ACT, more than 12 per cent of those over the age of 65 rely on this supplement to help them meet the cost of living. I cannot support cuts that will hurt so many people. These Australians have
worked hard all of their lives to save for their retirement and proudly so as self-funded retirees. We have had many a debate in this place where self-funded retirees have had a vocal and omnipresent place in the debates. They are highly respected for the work that they have done in saving for their own retirement.

But all of this did not stop the Prime Minister describing payments for Australian seniors as a 'cash splash'. I wonder if the Prime Minister and Mr Hockey consider these hardworking Australians to be 'leaners', not worthy of this targeted support that helps them get by. The issue of 'leaners' is an interesting one, because this government seek to characterise those in need in our community, those who are in receipt of this kind of supplement, as somehow leaning on the rest of us. I do not think anybody could describe self-funded retirees as leaners in any way. But the government have taken the same approach to cutting this supplement as they have to other welfare cuts—to others that they have called leaners. So it is a reasonable extrapolation on my part to assume that this government think this group is a bunch of leaners as well.

I do not like the term; it is pejorative in the extreme. It characterises the way in which this government approaches the task of implementing a series of draconian cuts. Why not cause a bit of fear? Why not cause a bit of concern or a bit of angst in the community? Why not imply that some in our community are less deserving than others? And why not use that as the political device to underpin the government's justification, which will no doubt come, for this ridiculous and unfair bill? Let's see what those opposite have got to say. I am interested to know whether the government thinks self-funded retirees are leaners—in their parlance—and are somehow therefore deserving of this cut. Let's see what they have to say.

I would put it to the chamber that these Australians, who have worked hard all their lives, are not leaners. They deserve the support they get. The support that they get helps to ensure they maintain a decent quality of life in their retirement years and can continue to contribute in an enormous way to our social and economic wellbeing. Mostly, I have to say, this is through volunteering. Here in Canberra we are in a month where volunteering is being celebrated and acknowledged through 25 days of volunteering, which I had the pleasure of participating in last week when I worked for a short time—I am very humble about this—at the Villaggio Sant' Antonio in Page. It is a wonderful aged-care facility, where I met a whole group of employees and volunteers who spend their days making sure that the residents of that facility are happy and healthy. I am sure many of the volunteers that I met would have been self-funded retirees and I suspect—although I do not know—that some of them may well be standing to lose this $900 a year as their supplement is cut.

Axing the seniors supplement is just one of a number of cuts in this budget that will impact older Australians. This government has already cut $1.3 billion in funding from the National Partnership Agreement on Certain Concessions for Pensioners and Seniors Card Holders. The concessions funded by this initiative helped to reduce the cost of public transport, the cost of power bills and the cost of water bills. For many seniors, these concessions are the difference between being able to pay bills or face disconnection of critical services. I applaud the ACT government—under the inspired leadership of Katy Gallagher—who recognise the importance of these concessions to seniors in our community and who have made it a priority to absorb the loss of this funding in their budget. However, the enormous cuts to states and...
territories in education and health make it very difficult for states and territories to continue to protect their citizens from the federal government's cruellest cuts.

It is important that we examine holistically the impact this budget will have on older Australians. Not only is this government seeking to axe the seniors supplement and not only have they removed $1.3 billion from the National Partnership Agreement on Certain Concessions for Pensioners and Seniors Card Holders but they also seek to introduce a $7 GP tax and increase the co-payment for prescription medication by $5 per script. Older Australians, who are—I think it is reasonable to say—likely to face age-related illnesses, will bear the brunt of these costs.

Using the Australian Department of Health's Medicare annual statistics, we can determine that Australians aged 65 or older are almost three times more likely to require Medicare services such as GP services, specialist services, pathology services and diagnostic imaging. This is an indication of the disproportionate impact a GP tax will have on our older Australians. Even more concerning is the impact on older Australians of the increase in the co-payment for prescription medication. Department of Health data shows us that Australians aged 65 and older are approximately nine times more likely to require a script than other Australians. Clearly—and I think the evidence is there—older Australians are being targeted by the government's GP tax and increased co-payment for prescription medication.

Details have emerged that the government's plan to cut the rebate to radiologists and abolish the safety net for high-cost diagnostic imaging services will further impact on the cost of healthcare services. Australian Diagnostic Imaging Association has said that the cuts to rebates to radiologists will mean that it will be untenable to raise the cost of these services by only $7. Under Medicare rules, any patient charged these higher fees must pay the entire amount upfront. So Australians will be forced to pay hundreds or even thousands in upfront fees for some diagnostic services. For many people, these upfront costs will be a major barrier to accessing the tests they need. For older Australians who are facing huge increases in the cost of medication and GP visits this could prove an insurmountable barrier.

How will these cuts and taxes impact on older Australian citizens? How will they impact these hardworking Australians whose contributions over a lifetime have supported Australia to prosper both socially and economically? International evidence has shown that when forced to make a choice people often have to choose to go without medical care. They have to choose to stop taking certain medications. They have to opt out of preventive care and they have to opt out of follow-up care. The Chief Executive of the Councils on the Ageing in Australia says that out-of-pocket health expenses are already a barrier for older people to visit their doctor, with many telling their COTA representatives that they delay seeing a doctor or just do not go at all, because of the cost.

We are not talking about luxury expenses. Older Australians who forgo health care will be sicker and their quality of life will be further eroded. For me, knowing the impact the government's cuts will have on the quality of life of these valued members of our community is enough to know that they are a bad idea. Perhaps, however, this is not enough to convince the government. So, beyond the health issue, I urge the government to consider the economic impact of their proposed changes. If compassion and empathy for the health of older Australians is not enough, let's look at the economics. Forcing our older citizens to make choices that negatively impact their health will not result in savings. It will increase the cost
to our healthcare system. People will become sicker and will need more expensive hospital care. Our hospitals will be under more pressure as they tend to a sicker population and they will find their emergency rooms filled with those who cannot afford to go to their GP.

Unfortunately, up to now the government do not seem to recognise the economic impact on our healthcare system. They want to combine a GP tax, an increase in the costs of prescription medication and an increase in the cost of diagnostic tests with the removal of $3 billion dollars from our public hospitals. So, as our citizens require more urgent hospital care and head to hospital emergency rooms because they cannot afford to go to their GP, our hospitals will have considerably less resources to support them. This leaves our healthcare system in a terrible place, but it is a terrible place that has been consciously constructed by an irresponsible government that is incapable of caring for those most in need. The combined effect of all of these measures is to erode the quality of life of older Australians and, most marked, to erode the quality of life of low-income older Australians. It reflects the government's lack of concern for notions of equal opportunity and fairness, in particular as they apply to our older citizens.

Let us not forget that this is a government that is also determined to change the indexation of the age pension. I think this is absolutely worth mentioning in the context of this debate and the points I have been making. This will leave older Australians who rely on the age pension $80 a week worse off within 10 years. The Treasurer himself has accepted the Parliamentary Budget Office forecast that if this legislation is successful it will result in $23 billion less being spent on the age pension. That is $23 billion less going into the pockets of ordinary Australian pensioners.

Despite this acknowledgement by the Treasurer himself, recently in the ACT, Liberal Senator Zed Seselja sent out letters to seniors in Canberra deliberately misleading them about the impacts of his party's budget on pensioners and self-funded retirees. In the letter he tells seniors that the age pension will continue to rise twice a year. What he does not tell them is that the changes his government is trying to impose mean that the rise will be less than it otherwise would have been. He does not tell them that the value of the age pension will be eroded over time in relation to the cost of living, to the tune of $80 a week. He also makes absolutely no mention of his government's intention to get rid of the seniors supplement, removing almost $900 from the pockets of many Australian seniors.

The legislation before the Senate today is just one part of a range of changes the Abbott government is making that will hurt older Australians. All of these changes will make it difficult for seniors in our community to enjoy the pleasurable things in life. More ominously, they will require some seniors to make the choice to forgo preventive care, to forgo follow-up health care and perhaps, most disturbingly, to forgo health care at all. This government is trying to reduce the quality of life for older Australians who have put in a lifetime of hard work, and they ought to be condemned for it. Labor will not be supporting the legislation that seeks to facilitate this. We will fight against increasing the co-payment for prescription medicines, we will fight against the GP tax, we will certainly be fighting against axing the seniors supplement, and we will fight these together with the community as we seek to have fairness and what we all understand to be Australian values restored.

Senator PERIS (Northern Territory) (18:58): I too rise to speak on the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. My colleagues
Senators Lundy, O'Neill and Lines quite beautifully articulated how upsetting this bill is and the effect it will have on our senior citizens in Australia. They also spoke about the many broken promises of this government and the pain that this legislation will cause across Australia. I rise to speak predominantly about my backyard, the Northern Territory.

Seniors in the Northern Territory already face the highest cost of living in Australia. Every price increase, every tax increase, every cut by the Abbott government hurts more in the Northern Territory. Every cut by the Abbott government to the assistance that people in need receive hurts more in the Northern Territory. The new fuel tax hurts more in the Northern Territory, where we already have the highest-cost fuel in Australia. Acting Deputy President Sterle, you would know how expensive it is for fuel in remote places. In some places, we pay between $2 to $3 a litre, which is absolutely outrageous for people in the community at large.

The new GP tax, as we have already heard, will hurt more in the Northern Territory because we have lower bulk-billing services than the rest of Australia. More people will be forced into our overcrowded emergency departments, which are the busiest in the nation. The cut to the Defence pay increase will hurt most in the Northern Territory, where we have the highest proportion of Defence personnel in the country. The cuts to hospital and school funding will hurt the most in the Northern Territory, where we have the lowest education and health outcomes in the country.

Seniors and our elderly in the Northern Territory are extremely concerned by the plans to sell the Territory Insurance Office—known as the TIO—which are backed by the Abbott government. Right now, seniors and all Territorians fear the inevitable: that the sell-off of the TIO will increase insurance premiums, given our history with floods and cyclones. Right now, Territorians are hurting. The Abbott government has made our future infrastructure funding dependent upon the TIO being sold. This legislation, right now, that ends the seniors supplement—which is money that our pensioners depend on and money that our pensioners account for—will hurt so much in the Northern Territory. These are our elders. We should be looking after our elders. Where is the love and where is the respect for our elders and for the senior citizens of this country?

That is why seniors right around the Northern Territory are leaving. The Northern Territory economy is booming—everyone says that we are open for business—but our population growth is amongst the lowest in the country. That is because our cost of living is so ridiculously high. When I meet with seniors in the Northern Territory, as I do regularly, they tell me time and time again that their friends are packing up and leaving due to the cost of living. According to the latest population statistics, the number of people who are leaving the Northern Territory for down south has jumped dramatically. In fact, our net interstate migration is up 150 per cent in the last year, despite our booming economy—so more people are leaving the Territory than are coming. Our seniors are leaving in droves and this bill will make it worse.

This bill attempts to end the seniors supplement. This is a cut of the $999.4 million that supports 300,000 older Australians. Again, where is the respect and the love for our elderly? These are people who currently get the seniors supplement that is available to Commonwealth seniors health card and Veterans’ Affairs gold card holders. It is paid annually, as we have already heard today, and is currently at a rate of $886.60 for singles and $668.20 for each member of a couple. The latest data shows that there is modest 767 senior Territorians who
are recipients of this seniors supplement. This might sound dramatic, but this could be the breaking point for these 767 seniors in the Northern Territory. This will be the thing that pushes them over the edge.

Acting Deputy President Sterle, I am sure you have heard me talk in this chamber many times about the power bills in the Northern Territory, which have gone up 30 per cent in the last 12 months. Many seniors now have to live without air-conditioning as we move into the hottest time of the year. They are already struggling and this will tip them over the edge, as I have already said. Without this assistance, they will not be able to pay the bills for the very basics in life. This is what this supplement is supposed to do. It is currently paid to older Australians, our elders, to help them pay regular bills, such as power, rates, phone and car registration. These four things are the things that are going up in the Northern Territory and this is hurting the senior citizens of the Northern Territory.

The previous Labor government brought in this supplement to assist our eligible seniors with the cost of general living expenses. What the coalition government has done is to increase costs and it is now cutting this assistance. The member for Solomon promised to make life easier for our elderly Territorians and our seniors, yet she has voted to increase these costs for our seniors. She simply has voted to take this assistance away from our seniors who simply cannot afford it. She has promised our seniors no nasty surprises and then she has hit them with one of the nastiest surprises of all.

I condemn this legislation. I feel sorry for the 767 seniors in the Northern Territory who simply cannot afford this legislation.

Senator XENOPHON (South Australia) (19:05): At the outset, I indicate that I will not be supporting this bill. The government talks a lot about the need to repair the budget and end the age of entitlement. In theory, I have no problems with either of those aims, but I cannot understand why the government has chosen again and again to try to squeeze those savings from social services, health and education, which are arguably the least entitled sectors of our society.

Why would we seek to limit access to social services payments even further when we have companies receiving huge corporate tax breaks? I am not saying those tax breaks are inappropriate; I am saying that it is a question of balance. If you are going to cut from one sector, you should cut fairly, equally and proportionately in respect of those cuts. For instance, when mining companies receive billion-dollar profits and are still receiving a diesel fuel rebate, that needs to be taken into account. I am not saying that we should get rid of the diesel fuel rebate; I am saying that they are not getting a cut to that, but you have pensioners getting a cut with this seniors supplement cut that is being proposed—and when companies like Apple and Google can funnel their profits offshore and avoid paying tax in Australia.

The government needs to understand that these measures are hurting their own constituents and, in many cases, their own voters. Anyone and everyone who has spoken to me about these budget measures has heard the story of my Aunt Effie. A big cheerio if she is listening. I am going to tell the story again for the record. My Aunt Effie is a self-funded retiree. She has been in this country for over 50 years, along with my Uncle Nick. They migrated here from Cyprus. They have both worked incredibly hard. They have raised two daughters and have five wonderful grandchildren. She and her husband have worked their whole lives to support themselves and their children and they now live, like most retirees, in comfortable but modest
circumstances. Effie is one of the kindest and most gentle people I know, and I think it is fair to assume that, at the last election, she probably voted for the coalition. But, when I spoke to her after the budget, for the first time in my life she was fuming and she was upset. The seniors supplement she receives allows her the rare opportunity to buy treats for her grandchildren. It is her chance to spoil them a little and it means a lot to her. Effie knows that she is better off than a lot of others, but she has to worry about power and utility bills like everyone else. She is not rolling in it; she has worked very hard to have modest but comfortable circumstances. She is angry and upset because the government that I think she voted for are going against their promises, and it is impacting on her and her friends. This is just one small story. And, as I said, Effie is in the fortunate position of being able to survive better than others without the supplement. But it is not an entitlement; it is something on which I think that, in her modest circumstances and as someone who has paid her taxes over the years and who has worked very hard doing double shifts, just like my uncle, she feels that they are being unfairly targeted.

There are many others, however, who will struggle if this payment is removed. During the Senate committee inquiry into the original social services bills, concerns were raised about the effectiveness of the supplement as a form of support. If these concerns remain, surely it would be better to examine the supplement and determine whether it should be amended rather than to withdraw it completely. My concern is that a small percentage of the population who are, for one reason or another, on small incomes are bearing the burden of the government's proposed budget savings.

Earlier this year, research from the National Centre for Social and Economic Modelling, NATSEM, into the budget measures found that they would have a significant impact on those who are struggling most. According to the NATSEM report, the poorest 20 per cent of Australian families will contribute $1.1 billion more than the richest households towards the budget repair. Most of this is due to family benefits, pensions and other social security payments. By contrast, the wealthiest 20 per cent of households will, in some cases, pay 40 per cent less than the poorest 20 per cent of households. I am not arguing that these savings should not be made, but I am saying that the government is going about collecting them in a way that is manifestly unfair. I am more than willing to support measures that target needless expenditure, but this is not one of them.

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (19:10): I rise to speak to the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. This bill is to amend social services and veterans legislation from 20 September 2014 to cease payment of the senior supplement for holders of the Commonwealth Seniors Health Card or the Veterans' Affairs gold card. The government are making it easy for me to vote 'no' to their legislation and to continue my campaign to force Mr Abbott and Mr Hockey to make a fair pay offer to the men and women of our Australian Defence Force. This legislation will take money away from Tasmanian seniors and veterans in the name of budget repair. So I would have opposed this legislation even if I did not make the denial of a fair pay for our Defence families a matter of conscience.

I was warned about this bill, along with three other bills, described by the president of the Vietnam Veterans Peacekeepers & Peacemakers Association as 'the four nasty government
bills’. I will read from an email my office received from the national president, Mr Tim McCombe:

There are four nasty government bills before Parliament which, if passed, will, over time, drag Veterans Affairs pensions further and further behind community income standards.

You may not notice it at first because the half yearly indexation catch-ups will continue. It's just that those indexation catch-ups will be reduced.

And as those small reductions feed on each other, the falling behind accelerates.

President Mr Tim McCombe writes:

To achieve its desired degrading of Veterans Affairs pensions, the government has introduced four pieces of legislation into Parliament.

With the Coalition government having a majority in the House of Representatives, all four bills are expected to pass despite some opposition from Labor, the Greens and the Palmer United Party.

They must then go to the Senate where the government does not have a majority.

Three have already reached the Senate and the fourth is expected to arrive soon.

The odious bills are:

Social Services and Other Legislation Amendment (2014 Budget Measures No. 5) Bill 2014
- From 20 September 2017, the bill will ensure all Veterans Affairs pensions are indexed to the consumer price index only, by removing benchmarking to the usually more favourable male total average weekly earnings and indexation to the usually more favourable pensioner and beneficiary living cost index.
- From 1 July 2017, there will be a pause of indexation for three years of the income test free areas for all Veterans Affairs pensions and the deeming thresholds for all income support payments.
- From 20 September 2017, veterans' entitlements income test deeming thresholds will be reset to $30,000 for single income support recipients, $50,000 combined for pensioner couples, and $25,000 for a member of a couple other than a pensioner couple.

Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014
- The measure will, from 20 September 2014, cease payment of the seniors supplement for holders of the Veterans' Affairs gold card.

Social Services and Other Legislation Amendment (2014 Budget Measures No. 4) Bill 2014
- From 1 January 2015, the bill will remove the three months' backdating of disability pensions under the Veterans' Entitlements Act 1986.

Social Services and Other Legislation Amendment (2014 Budget Measures No. 6) Bill 2014
- Pauses indexation for three years from 1 July 2017 of the assets test free areas for all Veterans Affairs pensions.
- From 20 September 2014, rename the 'clean energy supplement', payable to Veterans Affairs pensioners, as the 'energy supplement', and permanently cease indexation of the payment.
- Military superannuation (DFRB/DFRDB/MSBS) to be newly included as income in the assessment for the Commonwealth seniors health card (with products purchased before 1 January 2015 by existing cardholders exempt from the new arrangements).

President Tim McCombe further writes:

Just which Senators will vote in favour of degrading Veterans Affairs pensions and which will vote against this degrading is yet to be seen—
although we have seen one today—

But we believe the Greens and the Palmer United Party are likely to vote against all the measures degrading Veterans Affairs pensions. We believe, disappointingly, that while Labor will vote against most of these proposed downgradings but may vote in favour of some of them.

We shall be watching and reporting.

I have to congratulate all the ex-service organisations in Australian and, in particular, Mr Tim McCombe, President of the Vietnam Veterans Federation of Australia for their initial service to the country. They put themselves in harm's way for our freedom, and now, in their golden years when they should be enjoying their grandchildren, they once again are watching their mates' backs. They are carefully studying legislation put before this place and holding us to account, and I greatly appreciate their advice and wise council. It is my honour to give voice to these great Australian patriots' feelings and concerns in this Senate. It is what I was elected to do, and now that I have declared that I will not be bound by party discipline on these matters of conscience I will never fail them.

After those general comments, I turn to particular provisions of the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. Seniors supplement is a quarterly payment targeted at self-funded retirees—persons of retired age not receiving an income support payment—and to older veterans over 60 years of age who hold a gold card for a medical condition. The payment is designed to help these older Australians to pay for the increasing costs of living, including bills like power, rates, phone and motor vehicle registration. The next payment of seniors supplement to eligible people is due in December 2014.

The seniors supplement is currently $876.20 for singles and $1,320.80 for couples, combined, per annum. Men and woman who fought for this country rely on this payment, often just to make ends meet. The government claims it will achieve savings of $1.1 billion over five years from 2013-14 by ceasing the seniors supplement.

The government savings, in reality, is Liberal spin doctor speak for: 'We're going to steal $1.1 billion of your money from our elderly, seniors and veterans.' I will not be party to this political crime. I will not, like the Nationals, become an accomplice to this Liberal crime, not when Australian politicians have awarded themselves over the last decade an average pay rise which is more than double that of the members of the Australian Defence Force.

The parliamentary library background research I commissioned for my private member's bill shows that in one year alone—2012—Australian politicians were awarded a 34.3 per cent pay rise which took their base rate salary from $140,910 to $190,550. This was an increase in one year of almost $50,000, or $49,640, for an Australian politician while an Australian soldier—a pay band 9 corporal, now on $76,000 per annum—received a 2.5 per cent pay rise, or approximately an extra $1,900 per year. Sadly, the parliamentary library research reveals for the first time that the average yearly rise in Defence pays over the last ten years is approximately 3 per cent. This stands in stark contrast with the average yearly rise in politicians' pay, which, since 2004, is almost 7 per cent. The politicians' pay rise included in the total the 2012 pay rise of 34.3 per cent.

In closing, I once again condemn the Abbot Liberal government for bringing this cruel legislation before the parliament and, on behalf of the people of Tasmania, register my strong opposition to this legislation.
Senator CAROL BROWN (Tasmania) (19:19): I too rise to speak on the Social Services and Other Legislation Amendment (Seniors Supplement Cessation) Bill 2014. It has been more than four months since this government handed down the worst budget in living memory. In October, the Labor Party forced the government to abandon legislation that was before the Senate. We won the fight on that day, but the battle is not over. In an extraordinarily arrogant move, the government also reintroduced their savage budget cuts into parliament in a number of separate bills. Let us make no mistake: Mr Abbott still wants to cut the pension; Mr Abbott still wants to slash support for struggling families.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Peris) (19:20): Order! I propose the question:

That the Senate do now adjourn.

Withers, Rt Hon. Reginald (Reg) Greive

Senator SMITH (Western Australia) (19:20): I felt it fitting in my contribution this evening to pay tribute to someone who was a hugely significant figure not just in the Western Australia Liberal Party but also in the institution that is the Australian Senate. Over the weekend, former Senator Reg Withers, who served in this place for almost 20 years, including as Leader of the Government in the Senate, passed away in Perth.

Reg Withers' path to the Senate is historically interesting. Many may be unaware that, prior to 1977, section 15 of the Constitution required that senators appointed to fill a casual vacancy had to subsequently be elected at the next general election as a means of confirming their appointment. Reg Withers was chosen by the parliament of Western Australia in February 1966 to fill the vacancy caused by the death of Sir Shane Paltridge, who had been Minister for Defence in the Menzies government.

When new Prime Minister Harold Holt called an election in November that year, it meant Senator Withers had to face the people. Unfortunately for him, despite the strong result for the Liberal Party overall, the Senate vote in Western Australia fell and, consequently, he was defeated after only nine months in the Senate. That could have been the end of the story. But, showing the resolution and tenacity for which he would become famous, Reg Withers fought his way back and was re-elected as a senator for WA at the half-Senate election of 1967.

As a senator, he downplayed his own ambition and ability, telling The Age newspaper:
"I'm just a boy from Bunbury," he says. "I'm not a clever man. They're much too smart for me, these Canberra blokes who are supposed to manipulate power."

The boy from Bunbury plainly failed to give himself enough credit, because when the Liberal Party went into opposition in 1972 he became its Senate leader. In so doing, he placed himself at the centre of one of the most tumultuous and significant periods in Australian political history.

Just a couple of weeks ago, with the passing of former Prime Minister Gough Whitlam, many reflected on the events of 1975 which led to the dismissal of the Whitlam government. I think it is fair to say that for all of Malcolm Fraser's determination, were it not for Reg Withers November 1975 would not have panned out as it did. As Senate leader, it was
Withers to whom Malcolm Fraser delegated the task of keeping the coalition senators voting together to block supply. This was no easy task—there were a number of senators who were uneasy about the policy and could have cracked at any time. It was Withers' skill that held them together and his adroit deployment of charm, cajoling and conviction enabled the Liberal Party to prevail.

Of course, Reg Withers himself later felt Fraser's ruthlessness. His dismissal as Minister for Administrative Services in 1978 over a seemingly trivial matter angered a great many of his friends and colleagues. Reg Withers himself later wryly contrasted the situation with his own experiences serving in the Australian Navy. In the Navy, he said, he always knew that if the ship got into trouble the captain would make certain his crew was saved—whereas in politics, he noted, 'the captain is the first one over the side and takes all the life boats.'

On several occasions in the years that followed, the man who had once enforced party discipline crossed the floor to vote against the Fraser government on legislation that he felt ran contrary to Western Australia's and the nation's interests. He was not afraid to stand up for his beliefs. Withers noted:

It is no use just having one chamber echoing the other—that is a waste of both time and money. Despite his obvious political skill, Withers never again held ministerial office and retired from the Senate in 1987. He announced his retirement and flew to Perth immediately because, as he told one journalist, farewells and valedictories 'are not my scene'. However, his commitment to public service endured, and he was later elected Lord Mayor of Perth in 1991, serving for three years. Mr Withers participated in one of my preselections—and I like to think that he supported me!

I extend my sympathy to the family and friends of Reg Withers. I hope all Western Australians will note that with his passing our state has lost one of its most enduring, charismatic and independently-minded political figures.

**Department of Parliamentary Services**

**Senator Faulkner** (New South Wales) (19:24): Over recent years both in Senate committees and in this chamber I have raised concerns about the senior management of the Department of Parliamentary Services. I have said in the past I consider DPS to be the worst run government department in the Commonwealth of Australia. Unfortunately, nothing has changed. In recent Senate Finance and Public Administration Committee hearings another very serious issue emerged. In the last 18 months, two contracts have been awarded through a limited tender process to Anne Zahalka, a professional photographer. The first contract, in September 2013, was for photographic works for the 25th Anniversary of Parliament House last year. Under that contract, DPS paid $30,000 for 10 photos—$3,000 each. Last night we learnt of a second contract, in September 2014, for the supply of two photos about the Parliamentary Library—at a cost of $10,000, or $5,000 each.

The Secretary of the Department of Parliamentary Services has stated at estimates that she knew the photographer—Anne Zahalka—and in fact they live in the same street. At the most recent estimates round, I asked the DPS secretary, Ms Mills, whether this raised 'the obvious question of either a conflict of interest or a perceived conflict of interest?' In response, the secretary informed the committee:

I did not interfere, involve myself or influence in any way any of that process.
Last night the committee heard that many of the DPS records regarding these contracts with Anne Zahalka were missing. It is an utter shambles. There is no documentation between March 2013, when there was a short list of nine photographers, and 14 June 2013 when, the committee was told by DPS officers, they approached Anne Zahalka. I described this last night as a 'black-hole of transparency'. There are no notes, no records, no minutes. We do not know who chose Anne Zahalka. We do not know how Anne Zahalka was chosen. We do not know when Anne Zahalka was chosen. And we do not know why Anne Zahalka was chosen. This just does not stack up.

Last night, the committee was informed by DPS, despite Ms Mills's earlier assurances, that she was involved in the final decision to contract Anne Zahalka. Despite her October statement to the committee that she 'did not interfere, involve myself or influence in any way any of that process', she actually signed off the contract offered to Anne Zahalka. According to evidence from DPS officers to the committee, the secretary was being briefed and kept in the loop about the photography contract. The secretary also signed off on a decision relating to some of the commercial aspects of the arrangements with Ms Zahalka.

This raises very serious questions about the probity and transparency of decision making in the Department of Parliamentary Services. I can assure the Senate that its Finance and Public Administration Committee will not let these serious questions go unanswered. I suggest that senators read the Hansard transcript of last night's inquiry into the Department of Parliamentary Services conducted by the Senate's Finance and Public Administration Legislation Committee, I suggest that senators read the Hansard of the last estimates round, as the committee examined the estimates of the Department of Parliamentary Services—and watch this space.

**Australian Defence Force**

**Senator LAMBIE** (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (19:37): The government's unfair pay deal for Australian Defence Force personnel cuts real pay and takes away vital Christmas and recreational leave. I thank Senator Moore and the Labor opposition for today introducing this very important debate to Australia's Senate chamber with their matter of urgency motion. Their urgency motion was a simple statement of fact which even the government cannot disagree with. No-one can argue against the motion's proposition that the government's pay offer to the men and women of our Defence Force is unfair and demoralising. No-one can argue against the motion's proposition that the government's pay offer to the men and women of our Defence Force cuts real pay and takes away vital Christmas and recreational leave.

The government's excuse for their cruel behaviour is the lame and untruthful argument that Australia cannot afford to fairly pay members of our Australian Defence Force. No-one believes Mr Abbott and Mr Hockey when they say that Australia cannot afford to make a fair wage offer to our diggers that keeps pace with inflation. How much will a wage increase of three per cent for members of the Defence Force cost us? Using figures from the government's annual reports, I have calculated that the annual cost of awarding a 1.5 per cent pay increase to members of Australia's Defence Force will be approximately $121 million. It follows that a three per cent pay increase for members of the Defence Force will cost approximately $242 million. When our Prime Minister and Treasurer say we cannot afford to
double the wage offer to our soldiers from 1.5 per cent to three per cent, they are therefore saying that Australia cannot afford an extra $121 million per year.

To the average person, $121 million is a lot of money, but to a government with an annual budget of $442 billion, it is not a matter of affording it; it is a matter of priorities and principle. Mr Abbott and Mr Hockey are happy to send more than $5 billion in foreign aid overseas every year, including $500 million annually to Indonesia—which has a military ground force almost 10 times the size of Australia's. According to one media report in Crikey, the ANZAC centenary will cost Australian state and federal taxpayers nearly $325 million. When compared with those figures, an extra $121 million a year in wages to guarantee a fair pay deal for our troops—people who are prepared to die for us and people who do not have a voice or union—is not excessive. It is modest and could be delivered without damaging the Australian budget.

While I acknowledge the significance of the matter of urgency motion proposed by the Labor Party—and I repeat my thanks to Labor opposition members—it is valuable to acknowledge that we can do more. We must do more in this place to force the government's hand on this urgent matter of national security. Most will be aware of my commitment to voting against government legislation in this place—as a matter of conscience and as an attempt to force the government to listen to reason over the Defence Force pay betrayal. I repeat my call for unity from non-government members of this Senate. We need to rally around the men and women of the ADF and vote down government legislation as a matter of conscience. I take this opportunity to foreshadow that, if that fails—and my negotiations with government ministers on a range of different budget matters leads me to think that it will not fail—I will introduce a private senator's bill which will link the pay increases of politicians to the pay increases of members of the Defence Force or to the CPI, whichever is greater. This piece of legislation, if passed by the Australian parliament, would forever solve the Australian Defence Force pay crisis created by Mr Abbott.

Members of our Defence Force do not have a union. They do not have a strong voice in the room when their pay and conditions are negotiated. Our diggers cannot go on strike if their government forces them to take a pay cut or a loss of holidays and entitlements, yet our diggers are expected, as part of their normal work conditions, to risk being killed or terribly wounded. Who could reasonably argue against the proposal that our diggers, who are prepared to shed blood in war for us, should have their remuneration linked to the remuneration of those who send them to war? I support the opposition's motion today and I ask that, when the time comes for more concrete action on Defence Force pay, they act as well as they talk.

Joanna Briggs Institute

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (19:34): One of the great things about working in parliament—and I have the privilege of having been in the other place as a member of the lower house and now being here in the Senate—is that you get to work with people in our community who are in the worst of places, who need help or who have fallen through the cracks. But you also have the privilege of attending many celebrations and opportunities to look at the best of our society and the things that are working well.
Australians often underrate what we achieve in the world, but tonight I would like to talk about one group which often flies under the radar but makes a significant difference internationally and in our own country—particularly with our Indigenous population—in the area of health. I am talking about the Joanna Briggs Institute. The Joanna Briggs Institute, or the JBI, is a not-for-profit group in Adelaide that aims to use the best evidence based training to help health professionals from around the world to deliver health outcomes to those who are in most need in disadvantaged communities. It is housed within the University of Adelaide in South Australia and is a team of dedicated professionals, including doctors, nurses, scientists, other professional officers and allied health professionals.

When thinking about worldwide health groups, people tend to think of organisations like Medecins Sans Frontieres. JBI, however, began at the Royal Adelaide Hospital in December 1996 as a small, devoted team of registered nurses committed to a world where health care was based on the most appropriate and up-to-date evidence that was available to all. It is a great example of a small group of people, passionate about what they believe in, making a difference in the world. After nearly two decades, JBI is now a key global player. The success of JBI can be measured by looking at their training of clinicians, their impact on the delivery of health care and the number of lives saved. Currently they have more than 80 collaborating centres and over 7,000 subscribing health services internationally, all led from Adelaide in South Australia. The international collaborative effort involves some of the world's best universities and hospitals—and sometimes entire countries—which is a fantastic effort.

Recently I had the privilege of attending a function organised by the Joanna Briggs Foundation, which is the fundraising arm of the JBI. The foundation's aim is to help support the JBI to continue its work, not only in research but in reaching out to people and bringing them to Australia—or, if they are within Australia, to Adelaide—to receive that evidence based learning so that they can take that best practice back to their home country.

In the Indigenous side of their work, they are trying to address the disparities in the health care that exists across Australia. The mortality rate for infants amongst Indigenous people—as you would well know, Madam Acting Deputy President Peris—is high, sometimes three times higher than the national average, with 15 deaths per 1,000 compared to five per 1,000 for other Australian children, and they face high rates of infection for contagious and potentially life-threatening diseases, particularly STDs, tuberculosis, eye and gastro diseases. What the JBI has managed to do, though, with support from corporate and individual donors, is connect health experts from disadvantaged communities and countries to study at the JBI in Adelaide. They are equipped there so that they can take the learning back to their communities and make a real difference. Recently the JBF, the Joanna Briggs Foundation, funded a group of 10 African medical specialists to participate in a fellowship program before they went back to their communities to contribute there.

For people listening to this debate, the foundation are looking for both corporate and private individuals to partner with them. Their website is joannabriggsfoundation.org and they are working to develop the strong medical research knowledge bank for the developing world and to facilitate people coming here to access that knowledge. It is a good-news story out of Australia of a group of dedicated people who have decided that they can make a difference and have invested themselves into that. With the support of corporates and private philanthropists and a range of individuals who have committed time and effort to this, it is
making a difference in the world and it is a good example of where Australians are continuing to be good national and global citizens.

**Trade with China**

Senator McKENZIE (Victoria) (19:39): Nearly two months ago, I addressed the Senate on why a trade deal with China was so important to our farmers, and I am absolutely thrilled to be standing here tonight to say that the Abbott-Truss government has once again delivered. The signing of the China-Australia Free Trade Agreement yesterday concludes a powerful trifecta of agreements with our major trading partners in north Asia: Japan, Korea and, now, China. These economies alone already account for more than 60 per cent of our exports of goods.

This is particularly pleasing to me as a Victorian senator because many of these goods, services and commodities come from my home state, which, as Australia’s largest food- and fibre-exporting state, is particularly well placed to reap the benefits of the China-Australia Free Trade Agreement. We are, as we like to call it, the Great State of Ag. Also, one of our key exports is education services. The China trade agreement itself will give farmers and agriculture access to an export market currently worth around $9 billion, ultimately benefiting our regional communities. I would like to pay particular tribute to the Minister for Agriculture and Food Security in Victoria, Peter Walsh, who over the last three years, as a part of that fabulous government under both premiers, has undertaken super-trade missions right throughout China, Japan, Malaysia and the Gulf States, where our businesses, producers and manufacturers can start building relationships and making those connections that a free trade agreement then allows them to capitalise on. They can then gain access to those markets for the clean, green, fabulous produce of Victoria. Thank you, Premier Napthine and Minister Walsh.

Victoria’s largest rural industry is the dairy industry. They made it clear that the outcome they were seeking was an equivalent or better trade deal with China than New Zealand currently has. The industry is understandably delighted that the Australian government has put them on a more competitive footing than their trans-Tasman cousin, in that the China FTA is less restrictive, with most Australian dairy products receiving unlimited preferential access to China’s export market, now worth more than $351 million. It will also see tariffs as high as 20 per cent on dairy products eliminated within four to 11 years. This is great news for the Victorian dairy industry, which supplies around 86 per cent of Australia’s dairy product exports and employs nearly 20,000 people.

Australian Dairy Farmers confirms that the China free trade agreement will progressively close the gap in the competition with other countries. The Australian Dairy Industry Council chair, Noel Campbell, said that in the long term the FTA:

… will allow the industry to flourish and capitalise upon robust demand in the Chinese market. The FTA will strengthen Australian dairy’s competitiveness by providing our industry with a significant advantage compared to other countries in the market that do not have a FTA with China.

He added:

This is truly a free trade agreement. Australian dairy has been a leading commodity in the negotiations with China; we have campaigned long and hard for a positive outcome and are thrilled to see this come to fruition.
That is understandably so, with China being Australia's fastest-growing dairy market, with total dairy exports to the region totalling nearly 1.9 million tonnes in 2013 alone. With demand for dairy in this region to rapidly increase in coming years, stable and open trade with China is a key in order for Australian dairy to capitalise on this opportunity for growth. Similarly, the UDV president, Tyran Jones, said:

It would be reasonable to expect that increased world demand for our dairy products should be reflected in increased prices—at the farm gate. This goes to the heart of what the government are doing, not only in trade but in the agricultural portfolios, and that is to ensure that we get a greater return to the farm gate, which is exactly what ministers Robb and Joyce have been focused on in negotiating these key agreements.

Other agricultural industries in Victoria will be in a similarly competitive position. Victoria is known for its wine, right through the Yarra Valley, with our Rutherglen shiraz, to our whites up north. The De Bortoli export director said that the trade agreement will make Australia a bigger player on the international wine scene:

This is fantastic news for the Australian wine industry. We've already got a fantastic reputation in China for our premium wines, and this will allow us to compete with other major wine exporters. We will receive preferential access—fantastic—against the French, against the Californians and against the South Americans to get our fabulous Australian wines into the market of China.

Horticulture is another key agricultural commodity group within the make-up and diversity of Victoria. Most tariffs ranging from 10 to 30 per cent will be eliminated within four years. This is again welcomed by industry. Ausveg spokesperson Andrew MacDonald said:

This agreement will cement China as a key destination for Australian vegetable exports, and it is hoped that this will benefit regional communities across the country by creating jobs and boosting economies. At the end of the day that is what free-trade agreements are about. They are about local jobs in local communities for Australians. It is a good-news story.

For sheep meat, beef, processed foods et cetera, Senator Abetz went through a raft of measures under the free-trade agreement where regional communities, in particular, can prosper. These opportunities are expected to grow, with ABARES predicting China will account for 43 per cent of all growth worldwide in agricultural demand to 2050. Importantly, in the FTA there are no changes to Australia's risk based quarantine measures. The resources, energy and manufacturing industries will also benefit.

The agreement includes recognition of all private education institutions, in addition to Australian universities, which are already listed on the official ministry of education website for overseas students. This will provide potential Chinese students with more options of study in Australia and more business for Australian education providers. The Minister for Education, Christopher Pyne, also signed an Australia-China Memorandum of Understanding on Student, Researcher and Academic Mobility as part of the New Colombo Plan in China, from 2015. This will facilitate greater mobility for students, researchers and academics between the two countries, a move welcomed by Universities Australia, which stated:

The landmark China-Australia Free Trade Agreement signed in Canberra today will foster an even deeper relationship with China in university education and research.
While it is disappointing some key commodities were excluded, including wheat, rice, sugar and cotton, the agreement represents the best outcome we could achieve at this time. Importantly, the agreement has a built-in review process so that three years after it enters into force Australia and China will discuss further market access. Nevertheless, the government will continue to press for improved market access for Australian producers and exporters. Further, while Chinese investments in Australia of up to $1 billion will now be allowed without the need for review, the threshold for scrutiny by the Foreign Investment Review Board has been lowered for agricultural land, to $15 million, in line with the government's election commitment. Commodities aside, the Australia-China FTA is good news for consumers. When trade barriers fall, prices fall with them. Families will benefit from lower prices for essential family goods.

With the China FTA now secured, the Abbott-Truss government is already focusing on the Indo-Pacific region and negotiating a trade agreement with India over the next 12 months. The Prime Minister of India, Narendra Modi, visiting the Australian parliament today, confirmed that there are huge opportunities for a trade partnership in many areas, including agriculture, agro-processing, resources, energy, finance, infrastructure, education and science and technology.

Minister Robb also confirmed trade talks are underway with Indonesia and the Gulf States. At the request of Minister Robb, the Joint Standing Committee on Foreign Affairs, Defence and Trade is currently holding an inquiry into trade in the Middle East, which saw nearly $15 billion in trade between our two regions last year. It is an area of potential and opportunity.

The Victorian coalition government has also been committed to pursuing trade opportunities in the Middle East, through its trade mission program. I know they were very successful ventures by the state government. It is so essential for the state government to continue in office, because whilst Labor was doing nothing at the federal level for so long when it came to delivering trade results back to producers and manufacturers, the state government in Victoria was doing everything. If evidence is anything, right throughout the inquiry we are conducting at the moment the Victorian government's model of engaging with foreign countries around issues of trade is the stand-out model nationally of how to do business and get it done and how to bring it into your state, grow jobs and grow your local economy. We are looking forward to the re-election of a coalition government in the state of Victoria. If we understand the importance of jobs and increasing productivity and investment, then we have to look to re-electing a Victorian coalition government, because we know that Labor will not do anything about it. I commend the Victorian ministers and the premier and I commend Trade Minister Robb for leadership in this area. (Time expired)

Griffin, Erin

Senator XENOPHON (South Australia) (19:49): Tonight I rise to pay tribute to the extraordinary and inspiring life of Erin Griffin, from my home state of South Australia. On 5 December last year I spoke in the Senate about Erin's monumental struggle with brain cancer. In February 2012, when Erin was just 11 years old, she was diagnosed with a rare form of brain cancer, DIPG, otherwise known as diffuse intrinsic pontine glioma. Fewer than 10 per cent of DIPG children will live longer than 18 months from diagnosis. Survival is even rarer.

Upon diagnosis, Erin was told she had only a few months to live. Not wanting to give up without a fight, Erin, with the overwhelming support and the ferocious love of her mum,
Amanda, agreed to participate in a Phase 1 clinical trial at Westmead Children's Hospital, in Sydney. This was no easy feat, as it involved Erin and Amanda travelling from Adelaide to Sydney every month to receive therapy. For Erin, this travel was itself gruelling.

Due to Erin's inner strength and never-give-up attitude, she was instrumental in creating awareness of paediatric brain cancer in Australia, and to a global audience. Erin travelled twice to the United States to give speeches raising awareness of childhood brain cancer, one of which was for CureFest, in Washington DC last year, where Erin literally spoke to thousands. It was these achievements that really displayed how passionate and articulate Erin was in her advocacy for a cure and for awareness of childhood brain cancer. Erin, who remarkably was a shy child herself, found the courage somewhere deep inside to fight—not just for herself but for those without a voice.

When I had the privilege of meeting Erin last year, I was struck by her wisdom and dignity, way beyond her years. Put simply by Erin: 'I'm going to carry on raising childhood cancer awareness, and I'm going to do this in honour of the kids who lost their lives to cancer.' Things were seemingly positive in her fight, however, during a trip to visit family in Scotland in July of this year, Erin took a turn for the worse, suffering from serious brain swelling. On her return from overseas Erin spiralled further and further away from us.

On the 6 August this year, Erin made the brave decision to appear on the Channel 7 *Sunrise* program. For any 14 year old this would be a nerve-wracking and exciting proposition, and for Erin this was especially the case. Erin was nearing the end of her fight against childhood cancer. She was in a lot of pain and on high doses of steroids, and her face was bloated as a result. Despite wanting to look her best for a national television program, Erin made the decision to go on the show despite how she felt and looked at the time, because for her the message was more important than anything else. Erin declared on national television that morning:

*I want international childhood cancer awareness and funding so children don't have to die.*

World renowned neurosurgeon Dr Charlie Teo—a man who I have enormous respect for—also appeared on the program with Erin. He said:

*I am so frustrated at how progress is being made—it's just going too slowly—we need to change the game. We need to communicate, collaborate, and accelerate.*

It is little wonder that Dr Teo is so frustrated. Unlike other forms of cancer, which have seen quite dramatic increases in survival rates, the survival rate of brain cancer over the last 30 years has barely seen a two per cent increase; it is now around 20 per cent. In other words, Dr Teo will only see two out of 10 patients survive brain cancer for five years. Dr Teo goes on to make a comparison with those diagnosed with leukaemia, having seen a shift from 90 per cent succumbing to the disease when he was in medical school to a 90 per cent five-year survival rate now. When asked why this is, his response is simple. 'It's purely about money and awareness,' said Dr Teo.

On 1 September this year, Erin lost her battle with brain cancer, aged 14 years old, and 3½ years after she first began her incredibly courageous fight against this rare brain tumour. In Erin's own words earlier this year:

*It makes me sick that if someone did something about this 10 years ago, maybe all the kids would be alive today.*
It isn't fair that children are dying because there isn't enough awareness or funding. It's not fair that parents are losing their children. It's not fair that kids are losing their brothers and sisters. I don't understand how childhood cancer research gets so little funding, when children are our future.

In one of Erin's last video posts on YouTube, she set out her international mission. She said:

I want to raise international childhood cancer awareness because children need better treatments or even a cure, because they have their whole lives ahead of them and it's not fair. I want to make a difference—can you help me?

I visited Erin's mother, Amanda, only last week in the family home in the south of Adelaide where Erin lived her final years. Throughout the house, photos of Erin adorn the walls, and Erin's bedroom has become a shrine for the beautiful, courageous and tenacious teenager, who was blessed with a loving family. Amanda shared with me that Erin died at 12.50 am, in the early hours of Monday, 1 September. The significance of this time is that it was about 50 minutes into Childhood Cancer Awareness Month. Erin's mum, Amanda, said it felt as though Erin wanted to make it into this month and show her support. Even on the day before she died, Erin told her mother: 'No kid should have to suffer like this, mum. I just want to be normal.'

Even after Erin's tragic passing, her ability to galvanise a support base is still as strong as ever. Erin's online petition on change.org, Erin Griffin Raising Childhood Cancer Awareness, has had hundreds of supporters since her passing and is now at the 10,677 mark.

I now seek leave to table this document.

Leave granted.

Senator XENOPHON: I refer to this document, and I call on the government to acknowledge the need to make paediatric cancer research a national priority and develop a national plan for the advancement of childhood cancer research. I would also like to take this opportunity to pay tribute to The Kids' Cancer Project, who have been instrumental in their support of Erin and her family. In particular, I would like to mention Peter Neilson, Director of Strategy and Partnerships. Peter has been a tremendous emotional support to the family and an invaluable research resource to my office. Thank you, Peter.

I broached with Peter and The Kids' Cancer Project how we could best honour Erin's achievements and memory, and I have the honour of making an announcement tonight on their behalf. The Kids' Cancer Project have named a $100,000 grant in honour of Erin: the Erin Griffin Childhood Cancer Research Grant. The Kids' Cancer Project and Erin's mum, Amanda, have agreed that the recipients of the grant will be Dr Geoff McCowage and the gene therapy team at Westmead Children's Hospital, which is where Erin took part in her clinical trial.

I acknowledge Dr McCowage and his team for their work in extending the life and quality of life for children with terminal brain cancer, through the use of new gene therapies. It is my hope that these grants and funds continue to flow so that they continue this groundbreaking research. I also pay tribute to Ren Pedersen, the founder of The Cure Starts Now. It was his charity that initiated DIPG research in Australia. Ren's promise to his nine-year-old dying daughter was to help find a cure for DIPG. Thank you, Ren, for your work.
Erin was one of 30 Australian children aged between one and 14 years of age who died from brain cancer this year. This equates to a whole classroom every year, yet less than one per cent of the NHMRC budget is used for kids’ cancer research. Erin said it best herself:

It could happen to your daughter, to your son, it could happen to anyone. Our children deserve more. Help make childhood cancer a national priority. Force our Government to assume responsibility and appropriately fund childhood cancer.

Erin, may you rest in peace. My pledge is to ensure that your all-too-brief and beautiful life inspires governments around the nation to honour your memory with the support and funding that childhood cancer so urgently deserves.

Digital Currency

Senator CANAVAN (Queensland) (19:58): I did not have the honour of directly being involved in the G20 proceedings on the weekend, but I did go to an event on Sunday night in Brisbane. It was on the sidelines of the G20, and it was organised on those sidelines. It was a conference put together by the Australian Digital Currency Commerce Association. They put on a conference in Brisbane today with some of the delegates and some countries sticking around for it. I thank them for inviting me to that and asking me to say a few words.

As the Senate would know, the Senate Economics References Committee is currently inquiring into digital currency. For that reason, I do not want to talk about the taxation and regulatory issues associated with digital currencies, but I would like to make a few remarks about the potential of digital currencies to revolutionise our economy. It is clearly apparent that they have that potential; they could significantly change how we store our money, how we pay for goods and services and how we compare the value of different things. But few would go on to consider how digital currencies could actually contribute greatly to economic prosperity and competition in goods and services.

Many years ago, I had to choose a topic for my honours thesis, at the University of Queensland, in economics. I was searching around for a topic desperately early on that year, and I happened to be reading a book by Friedrich Hayek on the denationalisation of money. Senator Brandis might have read this book.

Senator Brandis: A great philosopher.

Senator CANAVAN: A great philosopher, that is true, Senator Brandis, and a great economist too. This book was consistent with Hayek's philosophy in terms of promoting competition and the value of competition in delivering high-quality goods and services in abundance. He posed the question: if competition is so good in product markets, why should we not allow competition in currency markets too? I was pretty intrigued by that argument, so I decided to write 25,000 words on it. Ultimately, after those 25,000 words, I concluded that competition in currencies probably would not work, that there would be too much information and symmetry in these markets and we would not get stable equilibrium. My study was pretty narrow, though. It was only an honours thesis. I only looked at fiat based currencies—that is, those not backed by gold and only those issued by private institutions, not by governments.

The principal reason I was sceptical of fiat based private currencies is that the cost of issuing a bit of paper is essentially zero. The basic incentives for anyone issuing currency are time inconsistent. They can make massive profits in the short term by overprinting and
issuing lots of money and yes, they will lose reputation in the long term, but that still would not offset those big temporary profits.

In effect, there is no more reason to believe that a bank or a private institution would be any more disciplined than Robert Mugabe. In fairness though, it is not clear why governments are not all more ill-disciplined at times. They all have the same incentives, the same issues of time inconsistency. Those issues with governments issuing currencies are why Friedrich Hayek wrote this book in 1976, in which Hayek bluntly put:

With the exception only of the 200-year period of the gold standard, practically all governments of history have used their exclusive power to issue money in order to defraud and plunder the people.

The problem for Hayek, though, is that the experience of privately issued currencies is not much better. There is quite a history of privately issued currencies, a history largely forgotten. In America before the Civil War many private institutions issued their own currencies. They bloomed after President Andrew Jackson abolished the Second Bank of the United States in the 1830s, calling that bank a monopoly at the time in the vetoing decision he made. Then a lot of banks popped up before the Civil War in America, but in this ante-bellum period most of those currencies tended towards a wildcat nature. They were fraught with over-issuing and devaluation. They particularly flourished in the south of America and some say that it was the lack of financial stability which contributed to the South's defeat in the coming war.

There were also privately issued currencies in Scotland before the Bank of England took over currency issuing in that country. Indeed, that concurred with the time of Adam Smith in the late 18th century, but it is notable that even Adam Smith was sceptical of the potential for private currencies to displace public ones. It has always struck me as quite unusual, as quite ironic that libertarian economists who otherwise believe in freedom, liberty and small government in all other spheres usually vehemently defend the right of the state to prevent anyone else to issue currency.

Milton Friedman, perhaps the 20th century's most famous monetary and libertarian economist, is a great example. He rejected Hayek's arguments for currency competition. Milton Friedman largely believed that competing currencies would not work because the failure of one currency would have large impacts on others, and because the costs of switching from one currency to another are very high, there would not be enough ability for people to signal their preferences and to compete. Markets for bread work because if you do not like the bread you bought today you can wake up tomorrow and go to a different baker. It is not quite so easy with the money in your wallet.

As was the case in my own honours thesis, I have tended to come down on Milton's side not Friedrich's side in this debate. There are more recent examples and evidence of this too. In Somalia after 1991, the people were basically left without a government and a central bank. In substitution, a number of local tribesmen issued their own currencies, but instead of issuing their own brands of currencies, they simply forged the hitherto national shilling. That demonstrates how it is difficult to for private brands of currency to emerge, even in unregulated space. But things might be changing because we now have bitcoins, litecoins and other digital currencies, things that were not around when I did my thesis 12 years ago. It would be fascinating to hear what Milton Friedman had to say today about bitcoins because bitcoins have decentralised rules about the currency creation exchange—no-one controls those, no central authority, corporation or government. And with the internet and different
forms of accounting, there is great potential for people to switch between different currencies as well. If that is the case, if these currencies become more population, they could make a real different to the world, particularly in parts of the world where governments tend to inflate their currencies religiously.

As I said earlier, the Australian Digital Currency Commerce Association hosted the G20 conference in Brisbane this week. The G20 is a very young international institution which emerged only after the global financial crisis. Of course, there is still debate about what caused the global financial crisis, but many think that the crisis had its origins in the monetary policies of the United States and potentially China as well. There are other economists who think the seeds of the next financial crisis could be emerging from the enormous money printing that is occurring in different countries through quantitative easing policies. Even if we put aside what might happen to inflation in the future, we only need look at the past record of monetary policies to see that something is not quite right.

When Richard Nixon in 1971 finally broke the link between the US dollar and gold and he ended the Bretton Woods arrangements. Back then gold was worth US$35 an ounce. Today it is around US$1,200 an ounce. So the value of the US dollar in terms of gold has fallen by more than 95 per cent in about 40 years. It took the Romans about 200 years to achieve that level of devaluation and it has taken us just 40 years. I suppose that is progress.

In some senses Hayek has been proven right. He proposed choice in currency to try to ward against inflation. He did not get perhaps the choice part right but the inflation part has certainly proven true. If we can foster world competition in money, that has the potential to produce greater stability, greater choice and greater outcomes, just like competition have those effects in other markets. Indeed, I think competition in money markets has the potential to have just as great an impact on world growth and prosperity as competition in product markets has, particularly since GATT and eventually the WTO. Keeping that in mind, perhaps the use and promotion on digital currencies would be a useful topic for the G20 proper to consider next year when they meet in Turkey. It does have the potential to revolutionise our monetary markets. While effective competition in currencies is probably a long way off and it is not even clear yet that it could indeed happen, the potential benefits are so great it certainly deserves serious consideration.

That is why I am excited about our Senate inquiry. I see Senator Ketter over there. I am sure he is very excited as well at what we might be able to do. It is a humble inquiry but, hopefully, it will explore all the issues and continue the great record Australia has with financial innovation.

**Climate Change**

**Senator BACK** (Western Australia) (20:08): Who could forget the iconic movie *The Castle* that came to our screens in 1997. You will recall the patriarch Darryl Kerrigan and one of his sons, the ideas man, Steve, and that great statement at the kitchen table where Steve turned to Darryl and said, 'What about the jousting sticks, Dad?' Darryl said to him, 'What do they want for them, Son?' Steve said, '$250, Dad.' He said, 'Tell them they're dreaming.' Of course those words, 'Tell them they're dreaming' have become part of the iconic language of the Australian community.
Those words came back to me the other day when I heard and saw the media regarding President Obama and President Xi, and their comments on climate change and their promises et cetera associated with saving the planet. And we heard President Obama in Brisbane at the University of Queensland, my old alma mater, telling us that extreme weather in the Asia-Pacific region could be expected, despite the fact that the IPCC itself disputes this, and that we would see the end of the Barrier Reef as we know it and life on earth would come to a close. Why would I make the comment that they are dreaming? There are a couple of reasons, and I will stay with the United States for a moment.

As a result of the midterm elections on 4 November, Melbourne Cup day, the Republican Party gained control of the Senate and now has complete control of the American Congress. So the chance of President Obama being able to introduce any of these so-called game-changing initiatives that he mentioned so proudly in the company of President Xi and again in Brisbane have been thwarted. They will not come to fruition. As he would know himself, those Republican candidates who campaigned on energy security, shale gas et cetera and of course the Keystone XL pipeline from Canada down to the southern USA are now senators or congresspersons elect because they won the seats against the Democrats. So there will be no opportunity for President Obama to have any capacity at all to introduce these initiatives. Also, they are nonbinding on the United States and China. So they were merely hot words from both without a commitment from either or capacity from both.

It is interesting that 2013 was the year in the United States of the lowest emissions of greenhouse gases for some 20 years. The principal reason for that is the shale gas that is now being extracted and used in American industry. It has caused a return of manufacturing in the United States. When I was in America last year at the UN General Assembly, I was told by an American manufacturer that the cost of energy is now half that of German manufacturers. The United States is not going anywhere any time soon, but we know that President Obama is not able to make any promises in terms of a price on carbon. So that is not going to happen. Tell him he is dreaming.

In the case of the Chinese situation, again it is nonbinding on the Chinese. The interesting thing is that President Xi said they would start doing something in 16 years time, in 2030. Why might things start to turn around by 2030? There are two reasons. One is that their population by that stage will have stabilised and will probably have started going down. It has taken the Chinese a little time to wake up to the fact that their one-child policy has not worked all that well, particularly with the overwhelming number of boys as a result. My background in the field of reproduction tells me not too many children are going to be produced from boys. Also, most of the energy infrastructure will be in place by 2030, so any commitment that President Xi might make at this time, as we know, is basically meaningless.

The other interesting thing in terms of the commitment by President Xi in some ways was reiterated today in our House of Representatives by Indian Prime Minister Modi and the reference to clean coal and nuclear energy. If any concessions or any improvements are made by the Chinese, it will be in clean coal and nuclear energy, and to some extent renewables—most principally, I think, hydro electricity, although the Chinese are busy building wind turbines and solar technology, and making money selling it around the world. As we know, the Chinese produce about 24 per cent of the world's greenhouse gases, America about 16 per cent and we in Australia a mere 1.3 per cent. When we come to the situation regarding China,
again, I think, those inimitable words of Darryl Kerrigan, 'Tell them they're dreaming' probably are those that come to the surface.

It causes me to ask a question. Prime Minister Abbott has been vilified and the coalition have been vilified, as we usually are in these things, and told that we are out of the league et cetera—when the Leader of the Opposition draws upon President Obama and President Xi's comments only to make a greater fool of himself. Australia did not sign up to the Kyoto protocols, but we are probably one of the few countries that are well on our way to achieving the objectives, despite the fact that former Prime Minister Howard quite rightly withstood all the argument against him when we did not sign Kyoto.

But why is Australia so well positioned to be able to help the rest of the world, including China and the other economies? There are a number of areas. First of all, we are very, very rich in our coal reserves. While there might be some argument about thermal coal used for electricity generation, surely there must be no argument against coking coal. Naturally, Australia has the highest quality coking coal in the world. Why is that important to any nation building their infrastructure? It is because coking coal is used in steel manufacture—and I have not yet heard anybody talk about any replacement for coking coal.

The second great contribution we can make out of our state of Western Australia and out of Queensland—increasingly now with their onshore reserves—is gas. The estimates vary. I have seen figures, for example, that have said that, for every tonne of CO$_2$ emitted in LNG production within Australia—particularly offshore WA—up to 9½ tonnes of emissions from coal-fired generation can be avoided globally. So for every tonne emitted in LNG production in Australia up to 9½ tonnes can be avoided globally. So we have a circumstance then in which, even directly, we know that gas is responsible for less than 50 per cent of emissions intensiveness when compared to coal.

Australia, of course, has the unique opportunity—and I give credit to the then Gillard government for commencing these negotiations and to see them come to fruition—for the supply of uranium to those countries that will use nuclear power as their means of cutting their greenhouse gas emissions and, incredibly, increasing the reliability of energy. We heard President Modi say today that more than 200 million Indian people do not have electricity and, having spent most of the last decade living at different times in cities like Mumbai and Ahmedabad—where Prime Minister Modi is from—and Delhi, we heard that the supply of electricity is so irregular that nearly every public building and every commercial building has its own generation capacity. And that does not include his 200 million Indian villagers who have no access to power at all. I would also note that there are people living in regions of Africa—Sub-Saharan Africa and other areas of Africa—where there is no access to power and the women cook using cow dung and other forms of fuel in poorly ventilated huts and indeed die prematurely due to respiratory conditions and diseases.

I am very optimistic about the world. I think the events of the last few days, with the world leaders being here, have been tremendous. Being able to listen to President Xi yesterday and to Prime Minister Modi today speaks volumes about our existence in a global world and speaks volumes of our need to be working collaboratively. But, when it comes to ill-considered statements of the likes of President Obama the other day and, to some extent, President Xi, I can only reiterate those famous words of Darryl Kerrigan: 'Tell 'em they're dreaming!'
Indigenous Homeland Communities

Senator LINES (Western Australia) (20:18): Yesterday in this place, Senator Back accused me of being 'loose with the truth' and 'ignorant of remote Aboriginal communities' in Western Australia. The truth is that it is Senator Back who is out of touch. I did not, as he implied, join together the closure of communities with the closure of schools. But Senator Back, it seems, never lets the truth get in the way of a good story, because he went onto to say he had never heard the Barnett government say it was closing schools in remote Aboriginal communities and said this was neither the time nor the place to be making spurious and false statements. Well, the false statements are all Senator Back's, as I did not make this claim.

It is Senator Back who is out of touch, and tonight I will continue to put the truth in the Hansard and before the Australian people. For the benefit of Senator Back—who, allegedly, as he told the Senate, takes a keen interest in what has been made public—who seems to have missed this, I draw his attention to a piece in The Australian, and I quote:

West Australian Premier Colin Barnett has admitted his government would be forced to close up to 150 of the state's remote Aboriginal homelands after accepting a one-off $90 million payment from the Abbott government to take over responsibility for municipal and essential services. But the real story starts with Minister Scullion. Earlier this year, in the Senate Minister Nigel Scullion hailed a 'historic agreement' with a number of states, including WA. This agreement involved state governments taking responsibility for municipal and essential services at all their remote Aboriginal homeland communities.

However the WA government did not hail Minister Scullion's agreement as a 'historic agreement', or as a success. In fact, the WA housing minister described the move to end this funding from 1 July next year as 'reprehensible' and said this would lead to the closure of camps—his words not mine. 'This was not an agreement; it was an ultimatum. We had a gun pointed at our head,' Mr Marmion is on the record as saying.

The 150 of the 180 communities the Barnett government will close within the next two years is most of the homeland communities that the Commonwealth was funding in remote Western Australia and has been funding since the 1960s—for more than 50 years. Withdrawing this funding will cost the state around $10 billion over 20 years, according to Mr Marmion's published media. So it seems that both the state Liberal government and the Abbott government—indeed, the Prime Minister for Aboriginal Affairs—have washed their hands of these small homeland communities and both will be responsible when the state Liberals close these communities. These homeland communities have been funded by the Commonwealth since the 1960s—for more than 50 years—and the Prime Minister his indigenous affairs minister think it is just okay to walk away from this 50-year commitment. That is disgraceful. Is it any wonder that Mr Warren Mundine, the head of the Prime Minister's Indigenous Advisory Council, has described this failure as 'almost like an infrastructure apartheid system'?

But, while this buck-passing is going on, what is happening to these homeland communities? It seems the same old same old is what is going on. Despite this argy-bargy between the Commonwealth and the state, which has obviously involved more than one meeting, despite Mr Mundine's declaration that it was almost like an infrastructure apartheid system, which assumes Mr Mundine knows what is going on, and despite at least three out of the four shires in the Kimberley being willing—with funding, of course—to pick up these
municipal services, which implies again that there has been some discussion with them, there has been no discussion with any of the homeland communities, no discussions with local Aboriginal leaders, no discussion at all. It is the old adage of 'whitefella business' or 'We'll tell you what's going on; you don't need to be consulted'—which is exactly what Colin Barnett did when he announced through the media that 150 homeland communities would close over the next two years. This was the first time that homeland communities got to learn that, for some of these communities—in fact, for most of these communities—the axe was hanging over their heads.

Right now my state Labor colleagues Ben Wyatt—shadow Treasurer, shadow minister for Aboriginal affairs and shadow minister for the Kimberley, amongst other things—and Josie Farrer, member for the Kimberley, are in the Kimberley meeting with homeland communities in Broome, Looma, Fitzroy, Balgo and Halls Creek, to name just a few. And it has been confirmed to Ben and to Josie that all levels of government have had conversations about the future of homeland communities but no-one has had conversations with leaders or anyone in these communities.

These homeland communities are people's homes. Some have schools, some are dry. The people who live in these communities have different histories and different language groups. In the past the Commonwealth has had policies which encouraged the development and settlement of homeland communities, and the Commonwealth has a long history of funding involvement to these communities. The truth is that these homeland communities do not need to close, but it seems that Colin Barnett, the Prime Minister and Minister Scullion will just close these them. And what does that mean? Josie Farrer, a Gidja woman and member for the Kimberley, has seen all this before. Josie has firsthand experience, and I took this recollection from her first speech to the WA parliament:

Moola Bulla was closed in 1955, and all the Aboriginal families were forcibly removed from the property. We were relocated to Halls Creek so that the station could be sold and run as a privately owned pastoral lease.

Josie goes on to say:

This story of my early life may seem a long, long time ago, but, unfortunately, the reality for many Kimberley Aboriginal people today is similar. In recent years many people were forcibly removed from Oombulgurri, not by packing them into a truck like we were, but by turning services off, not repairing power generation, switching off water and closing the school. They were sent packing to Wyndham before adequate housing was provided for them. Today we can drive into Wyndham and see many of these people sitting in the middle of town, still without homes, jobs, training or possessions; they are living hard in parks, bushes and mangroves.

Is this the intention of the Prime Minister, Minister Scullion and the Barnett government? Frog Hollow, a small homeland community 150 kilometres from Halls Creek, has 11 houses, a school and a bore. What will happen to this community? Will the Barnett government consult with this community or just go back to the old ways of the recent past and cut off the services? Who will take responsibility for rehousing? Where will the community go? What about Looma—a dry community? Will its residents be sent into town where liquor is freely available? What about Balgo, a large community with 400 residents: where will they go?

Mr Barnett has shown complete ignorance of these communities as his government has described some of them as failing to develop. The first matter which must be sorted out is
land tenure. It is so convoluted, no-one knows who owns what; so is it any wonder that there is a failure to thrive when land is held in trust, marked as a reserve or held by the Aboriginal Lands Trust? This does not allow commercial loans or free use of land by homeland communities. This is not a failure by the community to thrive; it is a failure by the federal government to continue its 50 years of funding to try to shunt this issue onto the state. And it is a failure by the state in seeing as the only solution the closure of communities.

This is not infrastructure apartheid, as described by the PM's man, Mr Mundine; this is racism. In not sitting down and consulting with homeland communities, this a failure to acknowledge the first people of our land. This is a failure to acknowledge ancient cultures and connection to land. It is a disgraceful act by the Abbott government, who, by its actions in cutting funding, have put at risk once again generations of families living on these homelands. And it is a failure by the Barnett government because it has, once again, taken the decision making from those most affected by this decision and has simply declared that homeland communities will close.

**Rural and Regional Health Services**

**Employment**

**Senator KETTER** (Queensland) (20:27): I rise tonight to speak about two matters of community importance. The first touches on the community of Charters Towers in my home state of Queensland, and the second relates to a recent report of the Australian Human Rights Commission relating to pregnancy discrimination.

On the first matter, I preface my remarks by saying that the Abbott government has no comprehensive rural health policy. It has abandoned preventive health in rural and regional communities and has now axed the Australian National Preventive Health Agency—the body that was dedicated to improving preventive health policy at the Commonwealth level. This can only hamper efforts to tackle conditions such as chronic diabetes, obesity and complications from heavy smoking, which have much higher incidence in rural and regional areas. In the past 12 months, Tony Abbott has cut health and hospital funding by more than $50 billion, setting our health system back decades. This government has cut over $125 million from Indigenous health programs, many of which were targeted at disadvantaged communities in rural and remote Australia. It has introduced budget measures that will rip $1.4 billion from rural and remote regional practices. Recently we have seen government senators justifying cuts to rural and regional health care on the basis that things they said before the election were merely National Party commitments and not coalition commitments. That is what the National Party have been reduced to under this Abbott-led government: a party that suggests policies for rural Australia but has no power to enforce them when in government. Health cuts will hit Queensland hard and, as Australia's most decentralised state, they will hit those regions of Queensland outside of the capital especially hard. Often government cuts are seen as an abstract concept, affecting only back-office inefficiencies. But it is useful to know of the types of services we are referring to in the real world when we hear of government razor gangs cutting funding.

Recently, I had the pleasure of meeting the Charters Towers Neighbourhood Centre, who are doing great work in a diverse region of Queensland in a challenging funding environment—to use a euphemistic term. This funding environment is brought about not only through federal cuts but also the cuts of the Newman state government. The centre does
remarkable work across an area the size of Tasmania. Services provided by the Charters Towers Neighbourhood Centre include community support, disability support, personal helpers and mentors, carers' respite, disability accommodation support, community housing, an emergency relief fund, a no-interest loan scheme, family support, parent and community engagement and court support, among other services. The majority of their funding comes from the Queensland government, with some funding coming from the federal government. With Queensland health funding, the organisation had developed a healthy lifestyle program, which actually received a nomination for a national award. Despite the advancements the program made in improving Indigenous health, it unfortunately had its funding cut by the Newman government.

Southern Cross University undertook some research into the effects that community sector funding cuts such as these have had on Charters Towers Neighbourhood Centre. Professor Robyn Keast from the university states that:

A good example of the effects of austerity on the CTNC was the withdrawal of the Queensland government’s Healthy Lifestyle Program. This program was to provide a broad range of nutrition and health-related services to the community. The program had commenced in 2008, employed three staff members and had registered 15 per cent of the town’s population which had demonstrated tangible behavioural change. That is now gone along with opportunities for social and physical participation for local residents.

One of the valuable programs the centre is fortunately still able to operate is the parental and community engagement program, where they work closely with local parents and carers to achieve positive outcomes for Indigenous children and their families.

The centre works with a public school to reduce truancy rates by identifying those families with the highest truancy rates and working directly with them to help get their kids to school. This involves measures such as providing transport for the students and follow-up discussions with parents when nonattendance occurs. This scheme has resulted in the building of trusting relationships and an increased attendance rate in those families being assisted by the centre. I commend the centre for their efforts. I understand that, like many other community organisations, it is currently in need of government funding. I would urge decision makers to make sure they are properly across the great work that the centre does in any future assessment of their programs.

The second matter I wish to speak about tonight is a matter of crucial importance to working women and the social fabric of our daily lives. In July of this year, the Australian Human Rights Commission released the report: Supporting working parents: pregnancy and return to work national review. The national review examined the prevalence, nature and consequences of discrimination in the workplace relating to pregnancy, parental leave and return to work following parental leave. The report found that discrimination towards pregnant women is systemic and widespread, with 49 per cent of mothers reported as having experienced discrimination in the workplace at some point during their pregnancy, parental leave or upon their return to work. That figure is shameful in a modern and vibrant society such as ours.

I also note that an organisation to which I was previously an elected official—the Shop, Distributive and Allied Employees' Association—made a submission to the national review. The SDA, as it is called, is Australia's largest trade union, with over 218,000 members. The
majority of those members are women and young people. The SDA's membership is in the retail industry, the fast-food sector, warehouses, drug and cosmetic manufacturing, distribution, hairdressing, pharmacies and modelling. The SDA submission to the review, which included 197 case studies, showed that there is also a systemic problem in the retail industry in regard to the treatment of women who are pregnant at work and parents who take parental leave and then return to work or try to return to work.

Going back to the national survey, the findings show that discrimination towards working parents and pregnant employees is inhibiting their full and equal participation in the workforce, which makes it a productivity issue as well as a social issue. Notably, the report found that if women's participation in the workforce increased by just six per cent, there would be a boost to GDP of approximately $25 billion—a substantial figure by anyone's reckoning. Whilst the government has responded to the report by providing some funding to the Human Rights Commission to develop resources for employers and employees on obligations, rights and entitlements in relation to pregnancy and parental leave, a full response and detailed consideration of the report's recommendations is well overdue.

In relation to the recommendations, I particularly commend to the government for consideration the recommendations which related to the amendments to the Sex Discrimination Act to:

- extend the discrimination ground of ‘family responsibilities’ under the SDA [Sex Discrimination Act] to include indirect discrimination, and
- include a positive duty on employers to reasonably accommodate the needs of workers who are pregnant and/or have family responsibilities.

I would also commend to the government:

- strengthening the ‘right to request’ provisions under s 65 of the Fair Work Act 2009…

And in particular:

- removing the qualification requirements … for 12 months continuous service…
- introducing a positive duty on employers to reasonably accommodate a request for flexible working arrangements,
- establishing a procedural appeals process through the Fair Work Commission…

There are also recommendations relating to the national employment standards of the Fair Work Act, which are to:

- allow employees to use existing personal/carer leave entitlements under s97 of the FWA to attend prenatal appointments…
- allow employee breaks from work for the purposes of breastfeeding or expressing.

There is also a recommendation there to develop and introduce:

- … a ‘code of practice’ to have effect under Work Health and Safety laws in every jurisdiction.

That is, regarding the legal obligations of employers:

- … in relation to the work, health and safety needs or requirements of pregnant employees, employees undergoing IVF and employees returning to work after miscarriage or childbirth…

I urge the government to properly consider the report. It would be my hope that the government would immediately implement the recommendations of the review and address
the startling prevalence of discrimination against employees who are pregnant, parents on
parental leave and parents returning to work after parental leave.

Animal Welfare

Senator RHIANNON (New South Wales) (20:37): Most people would baulk at the idea
of harming animals for human pleasure. Most people would agree the deliberate and
calculated infliction of pain, stress or terror on animals as sport or entertainment is barbaric.
Since two horses died in the 2014 Melbourne Cup, I have realised how many people do not
realise the cruelty involved in some sports. I did find it interesting when I was considering
this issue that, in 1991, there was actually a Senate Select Committee on Animal Welfare.
One of its reports is entitled Equine welfare in competitive events other than racing. This
report is very useful and still has considerable important information for us to consider.

One of the reports of the inquiry looked at the welfare of horses used in sport. It found
an 'inherent conflict' between jumps racing and animal welfare and recommended that this cruel
sport be phased out by 1994. Twenty years later, however, only New South Wales has
legislatively banned this activity. The committee report also found that:

… the number of horse fatalities resulting from endurance riding is unacceptable.

The report was critical of rapping and other practices of hitting horses in equestrian events
and concluded that such practices should be eliminated. That practice now results in
disqualification from equestrian events.

With so many examples of entertainment involving cruelty to animals, I have been left
wondering if this committee should be revived. Terrible stress, pain and, at times, death is
inflicted on horses in the name of sport and entertainment. Forcing animals to exceed the
capacity of their body for our gratification is wrong. From 2013 to 2014, 125 horses have died
on the track or after the race. That is on average one horse dying on Australian racetracks
every three days, mostly from catastrophic limb injuries such as broken or fractured legs or
from broken or fractured backs, necks, or pelvises. Horses also suffer from torn muscle
tendons and ligaments in these races. These figures do not include the large number of horses
killed each year from racing related injuries off the track in training or when they are no
longer worth money to their owners, and they do not include the fate of those 18,000 horses
that leave the industry every year.

Paul McGreevy, a professor of animal behaviour and animal welfare science at the
University of Sydney, has put whipping horses under the spotlight. He wrote recently in The
Conversation on 29 October 2014:

… Melbourne Cup Day punters appear blithely unaware that they are actually watching horses being
whipped … and hard.

Last year more than 100,000 people attended the Melbourne Cup, with more than 3 million watching
the race on TV in Australia alone. This would have to make whipping in horse-racing the most public
form of violence to animals in Australia today, but most people don't seem to notice it.

To be fair, it was only when I saw high-speed images of whip impact that showed visible indentation of
the skin in 83% of impacts I appreciated how likely it was that routine whipping of horses in racing
causes pain.

The professor's 2011 research revealed whipping makes no difference to a horse's race
performance, but still there are no restrictions for the numbers of times a horse may be
whipped in the last 100 metres, when the horse, in fact, is probably unable to exert its body any further. Professor McGreevy found that the whip’s padding failed to protect horses in 64 per cent of strikes, that 70 per cent of whip strikes are backhanded so are not counted in the allowable limit of strikes and that 75 per cent of whip strikes were flank strikes to the side of a horse's sensitive abdomen—illegal in more than 40 countries including Australia. How ironic that the winning jockey of the Melbourne Cup is presented with a golden whip. Surely it is time to get rid of the golden whip and all whips in racing. Sports journalist Patrick Smith recently wrote:

… if whips didn’t cause pain there would be no use to them.

Professor McGreevy has also stated in *The Conversation*:

Representatives from the racing industry will doubtless say horses have thick skin and are therefore immune to pain from whip impacts but there is actually no evidence of such pain resistance in horses. Indeed, horses can feel a fly on their skin such that it triggers a characteristic shake called the "panniculus reflex".

Ninety per cent of race and event horses haemorrhage into their lungs, while 50 to 60 per cent bleed into their windpipes. This has been well documented in many papers, including various scientific journals. Recently, I read about it in the *Journal of Applied Physiology*. In reading on this issue I was disturbed to find that the stress failure, or bursting of horses' lung capillaries, occurs in essentially all horses in training and so is considered a normal occurrence in such sports. The physical ailments horses are forced to endure because of the activities humans force them into are extensive. Stabled racing horses are fed concentrated high-protein, often a few times a day, to maximise performance. This leads to ulcerated stomachs in stabled horses. Not surprisingly, horses evolved to continuously graze grasses, hay and other fibrous food. Eighty-six per cent of racehorses suffer ulcerated stomachs and many suffer deep-bleeding ulcers within eight weeks of starting race preparation.

Most horses suffer inflammatory respiratory diseases, which is second only to lameness as the most common injury to horses. A lack of fresh air plus exposure to dust, allergens and endotoxins from bedding, feed and stable material have been identified as causes. Laminitis, a form of lameness, is caused by overstressing a good leg during recovery from an injured opposite limb or by accumulated toxins from excessive carbohydrates or nitrates or from hard surfaces. Dorothy Ainsworth, a veterinary research clinician and professor of large animal medicine at Cornell University stated in 2006: 'Yet it is becoming apparent that racing and strenuous exercise, the actual substance of being a racehorse, is exactly what is putting these horses at risk.'

The 1991 Senate inquiry also found practices in rodeos of concern. It found goads and other similar instruments were inhumane and cruel and should not be used in the training or handling of rodeo stock. I do congratulate all the senators who were involved in that inquiry. I think much of their work stands the test of time and it remains very useful, particularly considering the large number of rodeos that operate in Australia.

Professor McGreevy has alerted us to the animal cruelty involved in racing. Tormenting, taunting, brutalising and mistreating animals is not entertainment. Twenty years ago the former senators in this place investigated animal welfare. I hope we can make a contribution to ending cruelty in the name of entertainment.
Budget

Senator McEWEN (South Australia—Opposition Whip in the Senate) (20:46): Despite the promises made by the now Prime Minister before the 2013 federal election that, if he won, his would be a 'no surprises, no excuses government' and that the election would be 'all about trust', the reality is that the Abbott government lied to the Australian people before the election, its treachery since the election has destroyed any trust that there might have been and there have been plenty of nasty surprises. Many of those surprises were included in the government's first budget, most of which has not passed this Senate because it is just too bad to be supported.

South Australians have had a good, long look at the Abbott government's first budget and they do not like it one bit—with good reason. Figures released last month from the Australian Workplace Innovation and Social Research Centre have revealed more than 265,000 South Australian families—that is close to 30 per cent of families living in SA—would be worse off by 2017-18 as a direct result of the coalition's 2014-15 federal budget. In comparison to other states and territories, South Australia will be disproportionately affected by the Abbott government's budget due to our socio-economic and demographic characteristics. We have a higher than national average population aged over 65, a higher than national average population aged over 85, a higher than national average percentage of healthcare cardholders, a higher than national average number of pensioner concession cardholders and a higher than national average number of Centrelink concession cardholders. Additionally, South Australia also has lower adult average weekly earnings in comparison to the national rate.

The Liberal's budget will impact most profoundly and severely in areas of South Australia that are already disadvantaged—areas that are already struggling as it is. Statistics from the National Centre for Social and Economic Modelling—NATSEM—show that 37.2 per cent of families in the western part of Port Adelaide will be worse off under this government's budget, with a further 32.7 per cent of families from the eastern part of Port Adelaide affected. Together, 21,800 families from the Port Adelaide region alone will be worse off. For those of you not aware, Port Adelaide is also very close to both the Holden plant and the Australian Submarine Corporation, and we all know that, on top of the already confirmed Holden job losses, the future of jobs at the Submarine Corporation is tenuous because the government will not honour the promise it made before the federal election to build the future submarines in Australia.

Unfortunately, it is not only the disadvantaged areas of South Australia that will be hurt. As I mentioned earlier, 29.4 per cent of all South Australian families will face difficulties because of the budget. The worst hit of those will be South Australian single parents, who will experience the highest negative impact both in the proportion of their disposable income and in the dollar change in their income. By 2017-18, single parents in all but the highest income bracket will lose around $3,700 of their annual disposable income as a result of the government's actions. Ultimately, single parents in some of South Australia's most disadvantaged areas will suffer the most from the budget measures. The government's cuts will hit South Australia particularly hard. Directly ripping $898 million over the next four years alone from South Australia, the budget slashes critical funding for South Australian hospitals, schools, vocational training and industry. Rather than making life easier for people,
the Abbott Liberal government is increasing the pressure and adding to the stresses on both families and individuals.

Some $655 million will be cut from South Australia's health system over the next four years. The impact of the indexing of hospital funding below cost growth is equivalent to closing 600 hospital beds—or roughly a hospital the size of the Flinders Medical Centre—and it will significantly increase waiting times in emergency departments. On top of that, the proposed $7 GP co-payment would hit vulnerable South Australians very hard. Indigenous South Australians, the elderly, those with chronic illness and people with young children will struggle. But perhaps the most affected will be those living in rural and remote areas of my state. As if the pressures of accessing decent health care in regional areas were not difficult enough already, now the government wants to make it even harder by charging an up-front fee to see a doctor and to access a range of medical services. Of course, there was no mention at all of that very nasty surprise before the last federal election.

The former Labor government worked very hard to alleviate the pressures faced by regional patients when it came to health care. Labor's Medicare Locals were a regional primary healthcare initiative designed to lessen the pressures on our health system by planning and coordinating improvements in primary health care within a region. Medicare Locals supported front-line healthcare services and providers—especially GPs—and helped them improve their services, fill the gaps, coordinate care and make it easier for patients to negotiate their service needs. Now, though, the government has decided to close all 61 Medicare Locals, replacing them instead with new health bureaucracies. Going from five Medicare Locals in South Australia, we will only have two new Primary Healthcare Networks—meaning many of my regional constituents will not have their health needs met. Medicare Locals were established to respond to the specific health needs of local communities. With fewer than half the number of their predecessor, PHNs already have twice the challenge ahead of them to achieve this. Having just two Primary Healthcare Networks in South Australia is grossly inadequate and is likely to only create more bureaucratic rigmarole, cause further delays and impose even greater costs on the health system.

South Australians are bearing the brunt of the Abbott government's cuts. It is almost as if every other day another blow is dealt to the people of my home state. The Australian Workplace Innovation and Social Research Centre's report highlighted that the proposed health and education spending reductions will result in a whopping $1.6 billion hit to South Australia's economy, as well as up to 7,000 fewer jobs being created in 2017-18. This, combined with the devastation that will result from the closure of Holden—exacerbated by the government's plan to cut funding to the Automotive Transformation Scheme and wind it up early—will make it harder for South Australia to survive the budget cuts.

Just when families thought things could not get worse, there was the particularly nasty surprise of the petrol tax increase. This announcement was sprung on all Australians—there was no forewarning or consultation. The Prime Minister completely bypassed parliament to implement a new tax, which is hurting families. Again, it is those who are most disadvantaged, those who are struggling the most, who feel the full impact of the increased petrol tax. While Mr Abbott might claim that the rise equates to only 40c a week for a family—and his Treasurer stupidly says that poor people do not drive cars—what is not widely known is that the tax will be increased again next February, and there will be a
subsequent rise in August too. My regional constituents—who have little or no public transport options and far greater distances to drive—are again amongst those who feel the impact of this tax increase the most.

Today the NRMA released a statement that calculates the government's petrol tax will burden Australians by up to $255 extra per year by 2018. As at 28 August this year, there were 1.326 million registered cars in South Australia. That means that, on top of losing much of the Family Tax Benefit, the reduction in Newstart allowance, reduced indexation to pensions, removing the pensioner education and seniors supplement and the change in the Schoolkids Bonus, over one million South Australians will now be affected by the government's latest cash grab. At a time when families are doing it tough in South Australia, at a time when manufacturing is on the decline and at a time when everyday expenses are soaring, the Abbott government keeps adding to the pain.

Labor will continue to oppose the worst of the budget measures but it seems that Liberal senators in this place support the nasty surprises served up by their government. They are completely mute when it comes to supporting the 30 per cent of South Australian families who are going to bear the brunt of the broken promises and nasty surprises dished up by a Prime Minister who conned many of them into voting for him before the next election. You can be sure that South Australians will not trust anything this government says before the next federal election.

**Hunting**

**Senator LEYONHJELM** (New South Wales) (20:56): Today I speak to the hunting community in Australia to say, 'Thank you for hunting.' You are part of an enduring tradition of humanity. Your endeavours are an integral part of Australia's rural community and economy. You are a vital resource for managing our lands and saving our precious native fauna. Your love of nature would equal that of the most committed tree-hugging greenie, but your appreciation of freedom would leave the irs far behind. And, yet, you are a vilified minority.

Hunting is a traditional activity—embedded in the evolutionary DNA of the human race. Indeed, hunting is as old as human existence itself. Indigenous peoples hunted to feed themselves long before white settlement. Australia's indigenous peoples still have the right to hunt certain species in the present day, and rightly so. But why would anyone believe that only Aboriginal people have a cultural attachment to hunting? Deep cultural and intergenerational bonds are a significant part of the hunting ethos of all people. There are hundreds of thousands of Australian hunters who were introduced to hunting by their fathers, who were in turn introduced to it by their fathers, and who will inevitably introduce their children to hunting. Many can also trace their hunting tradition back hundreds of years in Europe and Asia. As for myself, I am proud to have been a shooter and hunter for most of my life—and to show that I am not biased, I also happen to think vegetarians are cool. All the meat I eat is vegetarian—except for the occasional fish.

Hunting is an integral part of Australia's rural community and economy. A study published recently in the journal *Wildlife Research* by Associate Professor Peter Murray from the University of Queensland, titled 'Expenditure and motivation of Australian recreational hunters', showed Australia's 300,000 hunters spent over $1 billion per annum on their hunting activities. A report released in June by the Victorian government shows that licensed game
hunters spent $417 million on their activities in Victoria alone in 2013, with 60 per cent of that expenditure occurring in regional areas. Millions of dollars in taxpayer funds are spent trying to increase visitor numbers to rural and regional Australia, while recreational hunting continues to grow and contribute to the regional economy without costing the public purse anything at all. Yet, like many minority groups, hunters are often vilified for their activities by those who have never taken the time to understand them. The nay-sayers—animal rights activists and gun haters—who have no qualifications other than moral indignation, complain long and loud about hunting. Many who loudly claim to be environmentalists rarely enter an environment where they might encounter any creature larger than a cockroach, and the only thing that matches their sense of moral superiority is their lack of real world experience. They heap scorn and vitriol on hunters who go quietly about their activities—self-reliant, self-funded and not asking for handouts, grants or approval, only for tolerance.

I am happy to say that I celebrate hunting and the freedom to choose to own firearms and to hunt. I am proud of the contribution hunters make to the control of foxes, pigs, rabbits, goats and feral cats. I delight in the native marsupials that are saved from extinction because of their efforts. I congratulate hunters for pursuing a healthy diet that includes wild ducks, pigs and venison they have hunted.

But there is much more that could be done. At the risk of mentioning guns and America in the same sentence, let me quote from Teddy Roosevelt, the 26th President of the United States. I am sure he would be admired by all sides in this parliament. He busted up monopolies. He avoided war and indeed won the Nobel Peace Prize. He is famous for the sage advice of 'speak softly and carry a big stick'—and he was a conservationist, responsible for expanding national parks and forests across America.

Teddy Roosevelt was also a hunter. He said:

The encouragement of a proper hunting spirit, a proper love of sport, instead of being incompatible with a love of nature and wild things, offers the best guarantee for their preservation.

In the United States, recreational hunters are widely engaged with wildlife managers. Taxes on hunting equipment constitute the majority of conservation funding. Legislation also dictates that some of the funds must be used to employ trained wildlife specialists. This hunter-supported taxation has contributed to a well-founded belief in the hunting community that they are the true conservationists. Hunters support their beliefs with funding and effort. This stands in stark contrast to the carping and lack of productive action by nay-sayers.

There are reasons to believe this American success could be replicated in Australia. In the study I mentioned earlier by Dr Peter Murray, he said:

Wildlife management in Australia could benefit from greater engagement between wildlife managers and the recreational hunting community. The potential exists for this large and active community to become a valuable resource for wildlife managers as many are already hunting feral pests. If the public understands there are pest animals eating native animals and destroying native habitat throughout Australia, it makes a lot of sense for hunters to be allowed to assist in the management of those populations at no cost to the government.

Few hunters disagree. Of the 7,200 recreational hunters surveyed as part of the study by Dr Murray, 99 per cent indicated they would be willing to participate in pest control activities if they had the opportunity to do so. More than two-thirds supported the idea of paying a levy on hunting merchandise to contribute to wildlife conservation above and beyond the removal of
feral animals. Ninety per cent of the hunters who supported a levy were prepared to pay between five and 10 per cent for wildlife conservation. Dr Murray said:

… should such a levy be introduced in Australia, it could generate significant funding for conservation in this country.

Harnessing the benefits of hundreds of thousands of hunters to assist resource-poor land managers, while at the same time contributing significantly to the local economy, requires a change of policy at both state and federal levels.

We know from many small-scale programs run for years at a local level that much good can be done to control pest animals and protect endangered species. Often these programs are initiated by hunters concerned about species survival, even when those species are not game. One of the best case studies involves the protection of brolgas. Environment ministers everywhere should be working with state land managers to engage with hunters to address the growing problem of pest animals, and regional development ministers should invite hunters into their areas.

So I say to Australia's many hunters: thank you for hunting, thank you for the billion dollars you spent last year and, most of all, thank you for helping our environment by killing—for free, for recreation, for food and for cultural reasons—tens of thousands of introduced pests when nobody else could or would.

Senate adjourned at 21:05

DOCUMENTS

Tabling:

The following documents were tabled by the Clerk:

[Legislative 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.]

Australian Research Council Act 2001—Funding Rules for schemes under the Linkage Program for 2014—Special Research Initiative for Antarctic Gateway Partnership [F2014L01517].


Repeal of Airworthiness Directives—CASA ADCX 018/14 [F2014L01507].


Defence Act 1903—Section 58B—Additional risk insurance and deployment allowance—amendment—Defence Determination 2014/59.

Benchmark schools, location allowance and hardship posts—amendment—Defence Determination 2014/58.


Migration Act 1958—


Tabling

The following document was tabled pursuant to standing order 61(1)(b):

Trade—China-Australia Free Trade Agreement—Letter from the Minister for Finance (Senator Cormann) to Senator Madigan, dated 17 November 2014, providing additional information relating to the question asked by Senator Madigan on 17 November 2014.