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**SITTING DAYS—2016**

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FORTY-FIFTH PARLIAMENT  
FIRST SESSION—FIRST 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 Susan Lines  
Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC  
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann  
Leader of the Opposition in the Senate—Senator Hon. Penny Wong  
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy  
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield  
Manager of Opposition Business in the Senate—Senator Katy Gallagher  

Senate Party Leaders and Whips  
Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC  
Deputy Leader of the Liberal Party in the Senate—Senator Hon. Mathias Cormann  
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 Hon. Penny Wong  
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy  
Leader of the Australian Greens—Senator Richard Di Natale  
Co-deputy Leaders of the Australian Greens in the Senate—Senators Scott Ludlam and Larissa Joy Waters  
Chief Government Whip—Senator David Christopher Bushby  
Deputy Government Whips—Senators David Julian Fawcett and Dean Anthony Smith  
The Nationals Whip—Senator Matthew James Canavan  
Chief Opposition Whip—Senator Anne Elizabeth Urquhart  
Deputy Opposition Whips—Senators Catriona Louise Bilyk and Jennifer McAllister  
Australian Greens Whip—Senator Rachel Siewert  

Printed by authority of the Senate
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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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PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party;
CLP—Country Liberal Party; DHJP—Derryn Hinch's Justice Party; FFP—Family First Party
IND—Independent; JLN—Jacqui Lambie Network; LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; NXT—Nick Xenophon Team; PHON—Pauline Hanson's One Nation

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanic
Parliamentary Budget Officer—P Bowen
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<tr>
<td>Prime Minister</td>
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<tr>
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<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
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<tr>
<td>Cabinet Secretary</td>
<td>Senator the Hon Arthur Sinodinos AO</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for Counter-Terrorism</strong></td>
<td>Hon Michael Keenan MP</td>
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<tr>
<td><strong>Minister Assisting the Cabinet Secretary</strong></td>
<td>Senator the Hon Scott Ryan</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for Cyber Security</strong></td>
<td>Hon Dan Tehan MP</td>
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<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>Senator the Hon James McGrath</td>
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<tr>
<td><strong>Assistant Minister for Cities and Digital Transformation</strong></td>
<td>Hon Angus Taylor MP</td>
</tr>
<tr>
<td><strong>Deputy Prime Minister and Minister for Agriculture and Water Resources</strong></td>
<td>Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>Hon Luke Hartsuyker MP</td>
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<tr>
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<td>Hon Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade, Tourism and Investment</strong></td>
<td>Hon Steve Ciobo MP</td>
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<tr>
<td><strong>Minister for International Development and the Pacific</strong></td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
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<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<td>(Leader of the Government in the Senate)</td>
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<td><strong>Minister for Justice</strong></td>
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<td><strong>Treasurer</strong></td>
<td>Hon Scott Morrison MP</td>
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<tr>
<td>Assistant Minister for Rural Health</td>
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Each box represents a portfolio except for (1) which is in the Education portfolio, (2) which is in Treasury portfolio and (3) which is in the Health portfolio. Shadow Cabinet Ministers are shown in bold type.
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

DOCUMENTS
Tabling
The Clerk: Documents are tabled pursuant to statute and returns to order. 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
Meeting
The Clerk: Proposals to meet have been lodged as follows:
Environment and Communications Legislation Committee for a private meeting today from 1 pm.
Environment and Communications Reference Committee for a private meeting today from 1.10 pm.
Parliamentary Joint Committee on Intelligence and Security for a private meeting today from 12.30 pm.

The PRESIDENT (09:31): Does any senator wish to have the question put on any of those meetings? There being none, we will proceed to business.

BILLS
Marriage Equality Amendment Bill 2013
Second Reading

Consideration resumed of the motion:
That this bill be now read a second time.

Senator RICE (Victoria) (09:32): I rise to speak on the Marriage Equality Amendment Bill 2013. This bill has actually been on the books since 29 September 2010, introduced by Sarah Hanson-Young on the first sitting day of the 43rd Parliament, almost six years ago. It builds upon the first bill to legislate for equal marriage in this parliament that was introduced by a former Greens member of the House of Representatives, Michael Organ, in 2004. Then there were Australian Democrats bills in 2006 and Greens bills in 2007, 2008 and 2009. I am proud to say it has been the Greens that have been there since the beginning—every parliament, every vote, every time.

The 2004 bill that was introduced by Michael Organ was introduced in the wake of the changes to the Marriage Act by John Howard, who redefined marriage as being between a man and a woman. And, no, he did not need a plebiscite to do that. He moved to do that because of the changes that were happening around the world. Equal marriage was legislated for in Canada and Massachusetts in 2004—12 years ago. But, of course, in Australia, under former Prime Minister Howard, we could not possibly be as supportive, as accepting and as non-discriminatory of equality as countries like that! So it has been a long haul.

I feel very honoured to have the baton as the Greens spokesperson for lesbian, gay, bisexual, transgender, intersex and queer people for the part of this quest. I am deeply hopeful
that I will keep the privilege of being the Greens spokesperson when we finally get to celebrate equal marriage as quickly as we possibly can. This week has represented the highs and lows of humanity: we have had sides unite, we have had people trying to tear us apart and we have even had weird conspiracy rubbish. But what a farce it has all turned out to be for Malcolm Turnbull. We know that he supports marriage equality.

Malcolm Turnbull failed, before he was in this parliament, to lead us into a referendum, and now he wants us to trust him with a marriage equality plebiscite. Marriage equality has perhaps been the most public example of the Prime Minister's failure of leadership in his first year in that office. The Abbott government was the worst government I have seen: ruling for the fringes and forgetting that government needs to be fair. When Mr Turnbull took over one year and one day ago we had such high hopes. But what a disappointment he has been. What is the point if he is just going to do the same things that the Abbott faction was pushing for? We have seen in the parliament today how much Turnbull is completely controlled by the right wing, the reactionaries and the troglodytes of his backbench.

In question time yesterday we had Senator Brandis telling us how wonderful the plebiscite was going to be and how he had met with the LGBTI community. But it is completely clear that he has been listening much more to the right wing of the backbench rather than to the LGBTI community. I have met with those same people that Senator Brandis met with, and they have told me in no uncertain terms that they want to see marriage enacted in Australia through a free vote in our parliament, and they want to see it happen as quickly as possible. They do not want to see us put through a hateful, divisive and unnecessary plebiscite.

Earlier this week Rainbow Families and Parents, Families and Friends of Lesbians and Gays, or PFLAG, came into parliament. They were here to highlight to representatives from all sides of politics that there was overwhelming opposition to the plebiscite from the LGBTIQ community. What they told us, and what was very clear, was that even people who do not feel they are directly impacted by discrimination in marriage and the possible consequences of the plebiscite are guaranteed to know someone who is—their brother, their sister, their son, their daughter, their friend or their workmate. Imagine walking down the street with your child and seeing a flyer or a poster questioning the legitimacy of your family. Despite what the Attorney-General claims, it is already happening. Just one example were the flyers being handed out at the footy at the MCG a few weeks ago saying, 'Two men cannot replace a mother,' and 'Two women cannot replace a father.' What absolute hateful, hurtful nonsense. And a plebiscite, especially one where the no campaign is handed $7.5 million, will be giving these people a megaphone—a licence to hate.

We know that while there is support for marriage equality in the community there is also overwhelming opposition to a plebiscite to decide this issue. Eighty-five per cent of the LGBTI community do not support a plebiscite. PFLAG surveyed 5,500 members of the LGBTI community, and overwhelming they said, 'Don't put us through the hatefulness and the hurtfulness of a plebiscite.' The people who answered the PFLAG survey outlined their worries and concerns. One person said:

'It's absolutely clear the plebiscite will unleash a torrent of abuse against our community in general, but, even more importantly, at our children.'

Another said:

I don't want to have to justify my family in public or beg my Facebook friends to be good allies.
Another said simply:

I don't want my children to suffer.

Recently, nearly 17,000 people had signed our petition against the plebiscite. Again, as part of signing this petition—it has gone completely viral—many LGBTIQ people, as well as their families, friends and supporters, outlined why they oppose the plebiscite. Owen said:

As a bisexual youth, and having had experience with organizing marriage rights events and attending them, there is OVERWHELMING support from young people to have marriage equality and safe, supportive environments for LGBTI+ persons in Australia. This is the next generation we're talking about, how could the Liberals be so ignorant and DANGEROUS as to propose this plebiscite? This puts the lives of every LGBTI+ person at risk by justifying discrimination and hate.

Helen said:

My son is gay and, whilst he is not in a serious relationship at the moment, I cannot understand why he should not be allowed to marry if he does meet Mr. Right.

Another, who did not want to be identified, told us:

As a bisexual man who already deals with a lack of understanding and support, the last thing I want is an invitation for the whole country to call me unnatural, perverted and disgusting. I already deal with depression, like many LGBTQ people. Please don't put us through this.

The Greens have listened to the community—we have a history of listening to this community, from when we introduced our first bill for marriage equality in 2004—and we will always stand with them.

I think of my partner, Penny, and myself, who have had the most amazing 30 years of marriage. We are very privileged to be one of the very few same-sex couples who have been legally married in Australia—but of course we are only so because Penny cannot change her birth certificate to reflect her gender, otherwise, because of our ridiculous marriage laws, we would have to be divorced. We have people across the country against same-sex marriage who say they are in support of marriage. We have marriages like Penny's and mine that are at risk because of our current marriage laws. It is up in the air whether the changes proposed by the Labor Party in Victoria are going to go through the state parliament that would allow her to change her birth certificate without having to show that she was not married. Currently it is being debated in the Victorian parliament, and is being opposed by the Liberal Party. I can tell you from personal experience that a heterosexual marriage and a same-sex marriage are no different. It is ludicrous to discriminate between them. I loved Penny when she was called Peter when we married, and I have continued to love her for the last 13 years as Penny. All other same-sex couples should have the right to be married like we are.

I think of the wonderful speech given by Senator McCarthy last night. She urged Prime Minister Malcolm Turnbull:

… please reconsider your plebiscite bill. Please pull back from this brink of public vitriol and make marriage equality a reality in this parliament. We need only be reminded of the hateful and hurtful commentary on race that ended the career of an AFL hero in Swans legend Adam Goodes—do not let that happen here to any of these families in Australia.

It was a truly wonderful speech, full of hope. Yet the government persists, and we know why: the Prime Minister has lost control of his party. He is beholden to his backbench, and while this continues the discrimination continues.
This week we have finally seen the details of their proposal. First of all, we have a rigged question. The LGBTI community and same-sex couples are being asked to seek the approval of the rest of the country for their right to marriage. We have a question where excluded from the question is any mention of whether people who identify as neither male nor female would be permitted to marry. The government could make the Marriage Act gender neutral by replacing 'one man and one woman' with 'two people', but then the far Right backbench, who we know are going to everything they can to stop equal marriage, could argue that that was not explicitly covered in the plebiscite.

We have $15 million of funding—public funding; yours and my taxpayer dollars—for these campaigns, on top of the $160 million that we are already spending. That would mean $7½ million to propagate hate speech, to use a megaphone to say that there is something wrong with people like Penny and me, something wrong with the families we met yesterday. Then there is the issue that we heard about from Senator Brandis yesterday, that the advertising for this plebiscite will not be covered by the advertising standards. It will be considered political advertising, so it will not be covered. So it does not have to be factual. So we can have the most hateful, hurtful, harmful, completely untrue rubbish going out there—into everybody's letter boxes, on their streets, on their televisions—using our money.

And then finally, of course, the big issue with this plebiscite is that we can spend all this money, we can have this outpouring of hatefulness against LGBTI people, and politicians can still ignore it. It is not binding, and we know that many members of our government are saying that they are going to vote against it anyway.

Parliament should protect the rights of minorities, not subject them to a harmful and hurtful debate. This is such a dangerous precedent to set. As Senator Dean Smith very courageously wrote in the Fairfax papers yesterday:

I have never heard a candidate standing for election say they want to represent their community - except on issues where it's all too difficult, in which case they will contract-out their responsibilities as a legislator.

Senator Smith asked:

In an age where public respect for the institution of Parliament is already at a low ebb, we can ill afford to further undermine public confidence by effectively admitting that our Parliament can no longer deal with the big questions. …

What will be the justification used to deny future plebiscites on euthanasia, on abortion, on military deployments, or even on spending cuts? Where will be the new line in the sand?

Senator Brandis yesterday also claimed that he did not expect to see, as part of the plebiscite campaigning, signs like those seen during the Irish referendum, such as those saying that kids are not complete without a mother and a father—such a ridiculous proposition. But, Senator Brandis, that is already happening, and this plebiscite and the public funding for this plebiscite will just give the haters a megaphone.

So I want to outline a way forward that lets the parliament do what it is meant to do and gives the LGBTI community hope for a simpler way to end marriage discrimination. First of all, we have to pull the plug on the hateful, hurtful, unnecessary, expensive plebiscite. I call upon the Labor Party not to leave the LGBTI community waiting for another three weeks before definitively announcing their position. They need to fully commit to rejecting this
hateful plebiscite now. Australia is ready for marriage equality. We do not need a plebiscite to tell us what we already know.

Secondly, once we have rejected the plebiscite we need to let parliament do its job. There are currently two bills in the House of Representatives. The bill with the most chance is probably not going to be the bill we are debating today but a cross-party bill. I invite members of the Labor Party, members of the crossbench and—who knows?—maybe even some Liberal Party members to join together in introducing a cross-party bill in this Senate. Then, if the Senate so desires, we can have a respectful committee inquiry which can explore the cases for and against and what has changed since the last time we inquired into equal marriage—how the rest of the world has moved on, from Spain to New Zealand, from the UK to the US. We can be definitive about the level of support for marriage equality across the country. We can put together the case for and the case against and, armed with that information, members of the Senate and then members of the House of Representatives can vote. I am confident that we already have a majority of senators and members who, in a free vote, will vote in favour, and we can have wedding bells ringing by Christmas.

We can do this. We just need to work together. We can enrich the lives of many Australians through a simple vote in parliament.

When I first entered this place I said that I am here for all lesbian, gay, bisexual, transgender and intersex people and their families. Marriage equality is such an important step towards the goal of ending discrimination against them. I say to my fellow LGBTIQ Australians: the time is coming. Every day, we take a step towards achieving marriage equality. Every day, LGBTIQ people, our family, our friends and our supporters fill me with hope. We know that love is love, that love will prevail and that it is time to put love into law.

Senator REYNOLDS (Western Australia) (09:49): I rise to speak against the Marriage Equality Amendment Bill 2013, for a number of reasons, which I will outline in my speech this morning. But first of all I will say that last night in this place we heard two very passionate first speeches from Senators Hanson and McCarthy, two very different women sharing their lives and their personal beliefs with those of us in this chamber and with the Australian people.

I was deeply angered and greatly saddened by the difference in the responses that both of these colleagues of ours received last night. While one was heard in respectful silence from both sides of the chamber, the other was not. I have to say, despite my affection for some of my colleagues in the Greens and my enjoyment of working with them, I think that what I believe was an unprecedented and staged walk-out conducted by them last night put great shame upon all of us in this chamber. To me, it highlighted more than anything else what is wrong with the state of public debate and with our ability to deal with the big issues of the day in this chamber. So delicate were their ears that they could not even stay and show respect to Senator Hanson, who was elected by the people of Queensland to represent them and their voice in this chamber.

If they were really so offended and did not want to listen to a different point of view they could have just exited out the back entrance here without making a performance of walking past Senator Hanson in the ultimate show of disrespect. I personally did not agree with everything each senator said last night, but I absolutely respected their right to say what they did on their own behalf and on behalf of those who elected them. I was given pause to reflect
last night on what hope freedom of expression has in our nation if those on the Left will only ever listen to and tolerate their own truths and those who espouse their own version of the truth, when they cannot even listen to a colleague who challenges their own beliefs in this very parliament and this very chamber, which is charged with preserving and protecting our freedoms. And nothing is more important than freedom of expression.

In my experience here in Australia and also working in many new democracies and many struggling democracies I have been left with one very clear impression and belief: intolerance never, ever defeats intolerance; it only breeds further intolerance and resentment and further social division. I think that is very clear.

Again, I was reminded of that last night by some in this chamber not being willing to even respect the right of others in this chamber to express their opinions, to freedom of expression.

In relation to this bill, I reaffirm the commitment made to the Australian people prior to the election on 2 July that they will be able to have their say on same-sex marriage, through a national plebiscite. As a senator for Western Australia and a Liberal senator I firmly believe in equality of opportunity for all Australians, and that means full legal equality. However people see and define themselves, all Australians should have the same basic legal rights in this country. As the published polls show, I think that people in Western Australia, given the opportunity, will vote yes. Of course, I will respect all views, and most if not all of my colleagues here have indicated they will do the same thing.

The Australian people have given us a mandate to have the plebiscite, and it is very clear out in the community that people want to be able to have their say. That is not something to be afraid of but something to embrace—a sensible, passionate debate on an issue of great social concern and relevance. The Turnbull government yesterday honoured its mandate when the Prime Minister introduced the Plebiscite (Same-Sex Marriage) Bill. We are keeping faith with the people of Australia and doing what we said we would do. I believe that this commitment is one that all members of this parliament should support and respect. Unlike those opposite, we are not playing games this issue. We are not taking part in parliamentary stunts and theatre that disrespects others in this place. We are simply doing what we promised to do.

I remind all colleagues in this place that, just over 12 months ago, my party and the National Party—the coalition—had a seven-hour meeting to discuss this very issue. It was a very robust debate because, like in the Australian community, there is a great difference of opinion in our joint party room on this issue. We had seven hours of debate and, at the end of that debate, in what I think was a watershed moment for the coalition parties, we agreed that this was an issue that should go to the Australian people. The great encouragement I took from that debate was the fact that, for the first time, the coalition parties had opened the door, offered an olive branch to those opposite and said, 'This is a way that we can get this policy through.'

If we in our party can have such a robust but respectful debate, I am absolutely gobsmacked that those opposite—and we have just heard it again from Senator Rice—that the Australian people are incapable of engaging in a debate on this issue. I do not think a debate with the Australian people is something to be scared of. It is something that we should be embracing and that we do with great courage, passion and commitment, because, even if the bill before us were to pass in this place and the other place, we can only benefit from
having this discussion with the Australian people now, to remove a lot of the bigotry that Senator Rice says exists out there currently. We can only benefit from this discussion and debate.

Not only did the coalition have those seven hours of debate 12 months ago; on Monday in the party room we again discussed this issue. I was so proud of my colleagues, because there was unanimous support, I think, that this should go to the Australian people, and we agreed that whatever the Australian people said on this issue—and the published opinion polls say that they will support it—whatever our own personal opinions are on it, we would support the will of the Australian people. I was so proud that we had done that. It makes me very sad to think that, now we have the opportunity to get full legal equality on this issue, those opposite might put that in jeopardy.

I believe this private member's bill denies Australians the chance to have their say. Again, it will cause such division that those couples who want to have full legal equality will now not get it. It is so close, but they might not get it.

Senator Rice said that the plebiscite is a licence to hate. But it is only a licence to hate if those opposite and those on this side who agree with the 'yes' case do not get out there and combat it. You never combat intolerance and hate with further intolerance, as I said at the beginning of my speech, or by not engaging in the debate at all, which is exactly what those opposite are going to do—just walk away from a public debate on something that they are so passionate about. Unlike those opposite, I trust the Australian people to make a decision on this in a reasoned, logical and very compassionate way.

Members and senators who are committed to same-sex couples being able to have their relationship regarded as marriage should support the government's plebiscite bill. This private member's bill before us says to Australians that the Greens are indifferent to the deeply held views of ordinary Australians and to the importance Australians attach to expressing those views and having them heard by their elected representatives. Again, on this side we do not fear having that discussion with the Australian community; we are embracing it. Where we hear hate, we will also counter hate, but we will do it openly and fearlessly to actually root it out of our society.

Those opposite say they are serious about the issue, and I have heard many impassioned speeches in this place in my two years here—certainly, no more impassioned than Senator McKim's first speech. And I have to say that we on this side sat and listened to Senator McKim. We were certainly insulted and offended by some of what he had to say and we did not agree with everything he said, but we sat here, we accorded him respect for his point of view and we congratulated him. We did not turn our backs on him just because we did not agree with him. In Senator McKim's first speech, 12 months ago, he said:

Every Greens MP has voted for marriage equality every single time, and we will continue to work to support people in our community to champion this reform until every Australian, regardless of their sexuality, will know that they are equal before the law in all respects.

Well, with great respect to Senator McKim, a colleague in this place, I could not disagree with him more. Those on this side have provided an unprecedented opportunity and a way that we can move forward on this issue, and those opposite are playing politics with it. If you do not support the plebiscite, the sad fact is that any two individuals, however they identify, will not have the opportunity for legal equality, and that makes me very sad.
I think the Prime Minister was right yesterday when he made reference to his belief that many people oppose the plebiscite because they believe that, if there were a free vote in the parliament, same-sex marriage would be supported. So they do not want to run the risk of the Australian people giving the answer they do not want to hear. My own impression is that there is no doubt that there has been a significant shift in public opinion and in society as a whole on this issue. The most recent Essential poll on 30 August this year showed that 59 per cent of people support a plebiscite and that if there were one it would get up and the majority of Australians would say yes to full equality. I would say to those opposite: do not be afraid of the Australian people. Engage with them. Discuss with them. Where you find people who may hold hate in their hearts, who may be bigoted or prejudiced, speak to them; address them. Do not run away from them and be afraid of even engaging in the debate because you do not want to hear what they have to say and you have no ability to counter them face to face.

As the Attorney-General said yesterday, same-sex marriage is now so close we can almost touch it. This side of the chamber has come a long way on this issue. We may not have come the full way in the way that those opposite wanted, but we have moved so much on this issue that it would be a tragedy if the plebiscite did not occur. There is no doubt that the fastest and surest way to guarantee a vote on same-sex marriage in this parliament is to support the plebiscite. I think that anybody listening to those opposite would often think that those opposite have a mortgage on compassion, that they have a mortgage on an ability to deal with social issues and that they are the single moral compass for this nation. That is highly insulting not only to me but also to all of my colleagues on this side of the chamber.

Of course we all want the best outcomes for Australia, but we come from very philosophical points of view on policy and on what is compassion and on what is the right way forward. But just because we have a different way of achieving the same outcome, it does not make it any lesser. It is profoundly undemocratic and a very poor reason to oppose consulting and relying on the good judgement and the sense of the Australian people simply because you do not want to put the argument out there in the public and you might not get the answer you want. It would be a sad irony indeed if this opportunity were not grasped because advocates for same-sex marriage have discarded the fastest and surest way of recognising same-sex marriage in this country simply because it was not their own bill.

For me, and I think for all of us in this chamber, one of the most important responsibilities in this place is to preserve the institutions and principles that underpin our democracy. As I observed the other day in this chamber, our own unique liberal democratic culture recognises that societies improve by individuals thinking for themselves and by those of us in this place listening to what our constituents and Australian voters are saying. We might not always like what they say and it might make us very uncomfortable, but we do have a responsibility to listen to all arguments and all ideas, to allow all Australians to impart their own views, and then to have those views contested in open and robust debate, so that the really great ideas gain traction and stick and the bad ideas and, as Senator Rice said, the hateful ideas wither away and die.

That is what this exact debate is about. Let's have this debate once and for all in this nation. Let's engage the public. Let's make sure that the good ideas—the ideas of legal equality and legal opportunity—flourish in this country and that those in the community who might be hateful or have different points of view are absolutely shot down. In Australia, freedom of
speech is never, ever completely free, but I do not believe that freedoms are successfully preserved through legislative or practical censorship of deeply held opinions and beliefs. The walkout we saw last night was a classic example of not respecting other people's points of view, even if you do not agree with them. Freedom of speech is essential to preserving and protecting the rights of minorities. As I said before, intolerance never, ever defeats intolerance; it only breeds more intolerance and social disharmony.

The very reason we are debating this issue today in this place is to make sure that our laws reflect societal norms of today. That is exactly why we do not have a bill of rights. Our founding fathers did not create a bill of rights very deliberately. That was because, even back then at the turn of the century, they realised that to codify rights would actually codify rights of societal norms back in 1901. Thank heavens they did not, because otherwise we would have a bill of rights that reflected the social values and social norms from back in the 1900s. They did that also to make sure that, in this place in particular, we had the ability to robustly debate what the societal values and societal norms were and to make sure that laws reflect current societal values. From opinion poll after opinion poll it is very clear that most Australians now support equality under the law in relation to marriage. The only issue for us is: how do we get to that point?

Those on this side have offered the olive branch. We have said, 'We will walk with you on this, but let's make sure that we have this debate out in the Australian community and that the Australian community is ready if and when this legislation comes in.' All of us who exercise freedom of speech and freedom of opinion in this place, be it in public life or in the media, have to accept that others are likely to be in vehement disagreement with what we have to say and, conversely, others will be in vehement opposition and disagreement with what the other person says. Again, this is a healthy thing in any democracy. It is critically important to make sure that our standards are acceptable to the Australian community.

I really believe that our founding fathers, if they were looking at us today and assessing this place's ability to keep engaging with the community and reflecting community norms, would be very proud that not only can we simultaneously debate issues that are fundamental to the health of our democracy and make sure that changes to legislation reflect societal values and norms of the day, but also the government of the day can get on with governing to do the things that it was elected to do. This is something that we should value and celebrate. It should not be the cause of derision and hatespeak.

Unlike those opposite, I believe that the Australian people are mature enough to have a sensible debate on this issue. I respect their intelligence, their civility and their ability to make a decision. Above all, I respect the fact that each and every one of them has a right to have say on this issue. The Irish vote in 2015 demonstrated clearly that the public and individuals are more than capable of having this very mature debate. I think it is grossly insulting to suggest that the Australian public are not equally capable of having this debate and coming to a decision that they do want equality under the law. Thank you.

Senator MOORE (Queensland) (10:08): I rise to speak on the Marriage Equality Amendment Bill 2013. In 2004 we had a debate in this chamber about the change to the Marriage Act. The process that led to that debate was extraordinarily painful. Senator Reynolds has just discussed the process that happened in her party room that led up to the decision that we now have about the plebiscite. The process in my party room that led up to
that debate in 2004 was equally painful. People had a wide range of opinions. It was discussed. There had not been a long period of time in the community leading up to that debate. The decision by Prime Minister Howard to propose that change was very rapid. There had not been the opportunity for the community in its widest sense to feed in to the parliamentarians as much as has happened previously. I was agonising about whether I would take part in that debate, because I was personally very distressed by what was going on and my own views were not the ones that were then taken by my party. I listened and I was concerned, but I finally felt that it was my job as a parliamentarian to express what I felt about what was happening. Whilst we were bound at that stage to vote for the government—there had been a binding decision in our caucus—what I talked about at that time was the pain I felt as a result of the community comments that had been flooding in during the very short time of this discussion. I said in this place that I was saddened by the anger and hatred that people in the community were prepared to express around the issue of marriage and any concept of what I termed marriage equality.

That was 2004. As Senator Rice has explained in her contribution, since then we have had a range of opportunities in this place, a range of bills that have come forward, where we have had a debate like the debate we are having today. Sadly, most of those debates have been in private members' time. It is a wonderful opportunity to express our views and to share our opinions, but we knew that there would be no result of that process. It was a chance to discuss how people felt about marriage equality. It has been valuable to listen to those contributions over the years. You learn much about the people with whom you work when you hear people expressing their own views and hear what drives them and the comments they have.

But I continue to say that the thing that upsets me and concerns me most is the amount of hatred that comes through my emails and my office from people who are opposed to marriage equality. I hear Senator Bushby mumbling under his breath over there. There are also concerns and hatred expressed by people who support marriage equality, Senator Bushby. But what I have done a couple of times recently is I have shared with people I know, without naming names, some of the things that people have sent me on my email.

This is not a reasoned debate. There seems to be a depth of feeling and concern around this issue that causes people to attack others, to make comments which do not actually always relate to marriage, but which relate to their worries, concerns and fear about homosexuality. That is where the emails focus. Not only do they focus on their hatred of people whose views they do not share, they then turn that hatred on the parliamentarians, saying, 'If you vote for this you will be anti God, you will be turning your back on your community, you will be burned in hell.' That is my personal favourite; I actually keep that in my office as a hope for my future.

I do not wish to minimise the concern, but I want to put on record something that is very important to me about how we are engaging with our community. I take absolutely many of the points that Senator Reynolds has just made about the fact that we need to listen and share, have the tough debates and engage with people whose opinions we do not share. It is clear that that is part of our job. It is part of our job as elected representatives of our communities to listen, to respond and to try and understand, so that when we are in this place taking votes on a range of important issues we come here well informed, we have done our job and researched our issues, and we continue the debate with the community to explain what has led
to the decisions we have made. On that point, I truly believe that the debate we are having now is about the decision the government of the day has made that the parliament will not be the place where a decision is made about marriage equality but rather that this decision will be outsourced to a plebiscite.

We have only just heard the details of the plebiscite, but still we have no clear indication on whether this plebiscite will be binding. I listened with interest to Senator Reynolds’s comments. Her contribution tended to say that the members of the government had agreed, at one of their meaningful party room meetings, that now they would vote as the plebiscite determines. That is what I heard, but I have not heard any clear decision from the government that says that they will be bound by the results of the plebiscite. That is a side point, but it is still quite important.

We are being told as a community and as a parliament that this plebiscite will have a certain purpose. Certainly it was my understanding that it was a large and expensive opinion poll—that people in the community would have the opportunity to give their opinion on a question placed before them. I have not heard from the government that that would actually determine what would happen in the parliament, and I am very keen to hear that. If that were their position, whilst I still strongly reject the need to have a plebiscite, that would change one of the arguments I have been using against it—that, in fact, it is just throwing a question out to the community and saying, 'We want to hear what you say, thanks a lot, and then we will just go ahead and vote.' However, the argument that we have been hearing is that the plebiscite will take place and then, after that, at some time, there will be a vote in the parliament.

This relates marriage equality to the choice of the national flag, because, up till now, that is the only other issue that we have had a plebiscite on in our country. If taking a plebiscite to the people is the way that the government will make decisions on difficult matters, we are then setting up for future operations of parliament that—when there is a difficult decision that has an impact on people in the community—we will then go to a plebiscite before we come back to a parliamentary vote. That could lead to a very long period of parliament in the future, and we would be able to sit here and just about make a case for any difficult question. For any question about which there was any concern, any question about which there are wideranging issues in the community, we would say, 'Whacko, well, we will not do that. We will let the people have their say on this issue and, at some time in the future, we'll have a plebiscite and then we'll listen to that and then have a vote and not care what they say anyway,' which is seemingly the argument that we have had around the issue of marriage equality.

I am reluctant to say that I am offended and upset by this, because people on the other side seem to say that a lot on this issue, but I am offended and upset as a person in the parliament that we are not able to have the respect of the Australian community—or in fact the respect of people in this place—to do our job, to make decisions, to effectively listen to the community, to effectively tell the community why we made the decision and to bring them with us. If we are going to say that a difficult question needs to go to the community, how, then, are we able to operate in the parliament? How are we able to say that we have any respect or integrity as elected representatives if we do not have the understanding in the community that the way the parliamentary system operates is that we take information, work through those issues and make a decision in law for the Australian community, as we have done on extraordinarily
difficult issues ever since Federation? Some of those have been very tough decisions—
decisions that impact on people's lives and on people's future. Nonetheless, the element of
democracy determines that that process comes through this place—though, of course, there
was that really important issue with the Australian flag. I should not forget that. We should
remember that that was subject to a plebiscite in the past!

I am worried about this process, because of what I saw in the series of debates that
happened in 2004. There have been very many debates around the issue of marriage equality,
and many people stand up and talk about their personal views, how deeply they feel and how
upset they are about the issues around marriage equality—which is important. No-one
minimises the importance of, the sensitivity around or the deeply held views about this issue,
but we are not moving forward on this.

In the last parliament, in the lower house, parliamentarians were asked to go out and ask
their communities about how they felt about marriage equality and then to come back and talk
to the parliament about it. It was a passing strange process to actually tell parliamentarians
that, on this particular issue, they need to go out and talk to their communities and then come
back and discuss it in parliament—and they did that, though I was deeply hopeful that would
be parliamentarians' standard process on most issues. But they did that, and many
parliamentarians stood up in the House of Representatives and talked to the parliament about
what they had found when they had spoken with the people in their community. There were a
wide range of views and, as always, not everyone agreed. But we had this process put in place
by the House of Representatives, where they went out and talked with their communities and
then came back into parliament and shared those views in the House of Representatives.
There was no vote after that. They went out and did the process, came back and talked in
parliament, but it did not lead to a vote on the floor of the House of Representatives! That was
unusual. Why does this particular issue continue to have unusual processes which are not part
of standard political practice? But that happened and nothing final happened at that time.

Then, towards the end of the Abbott period of government, this issue of the plebiscite
arose. It actually caused a great deal of concern, because people had to find out what a
plebiscite was. We had to find out how it operated in our system and found it did not,actually, because we only had one example, and that was the flag, to look at. But then
marriage equality was not taken on the value of the issues, was not taken on the information
that people who came to see all of us gave us. They were not the determining factors of how
we would move forward on marriage equality; rather, suddenly, the plebiscite became the
important element and that indeed was taken forward by the then government into the
election. Now we are hearing that that election result, as narrow as it was, has enshrined the
concept of the plebiscite process for handling marriage equality into this parliament.

The next element of the debate which is being ramped up now and which we will hear in
debate now for weeks, I believe, is the direct allegation that people on this side of the
parliament—I actually like that term 'people on this side of the parliament'; I do not how far
that goes, maybe just down to the middle of the chamber—are making the issue of marriage
equality politicised, that we are making political comment about marriage equality. That we
are politicising a political process in the parliament—and I use the term rarely—is truly
offensive. I would normally just brush that off as part of the rhetorical process, the normal
process practice of causing hurt across the chamber and making comment. Why I find
accusing people of making something political offensive is that it is talking about people who are vulnerable and who have rights. As a recent document by the Australian Marriage Equality Organisation said, 'Issues of marriage equality are about people.' Making an allegation that we are politicising the issue to the extent that we are putting politics above people's concerns is offensive.

I truly believe that we have an opportunity to move forward with marriage equality now. I truly believe that we, as political representatives that have been voted in by the community, have the opportunity to put a question before parliament, a question I hope would be actually led by the government. I think that the message to the community about where our parliament stands on marriage equality should be led by the government and then be taken up in a full cross-party, cross-parliamentary way so that we could say we have listened to our community, which is our job. And any parliamentarian who believes that they have not had the voices of their constituents shared with them on this issue since 2004, any parliamentarian that could say they have not listened to their community on these issues should not be in this parliament, because that is indeed how our system operates. As elected representatives, as I said at the beginning of my contribution, it is our job to ensure that we listen to our community on all issues but most particularly, I believe, this issue, which impacts on people's lives so deeply. It should be one that we treat with respect through our parliamentary process and do our job.

A couple of weeks ago I had the immense honour to listen to Justice Kirby when he was making comments in Queensland at a happy occasion. It was an occasion about the LGBTI Legal Service in Queensland celebrating an important anniversary. Of course there was a wide range of people there joining in this celebration of a hardworking team—who also need a lot of government money but we will handle that issue separately—that look at legal issues around LGBTI people in our community. Justice Kirby, whose experience is renowned, actually put it very clearly. Why should issues around marriage equality, issues around the legal rights of people who are gay or who wish to marry be treated so differently? Why should that be treated as a process for a plebiscite rather than a standard responsible parliamentary debate in this place, as all other issues are treated? He did not make the comparison to the flag; I did because I think that is the only time in our previous history that we have had such a discussion in our community. We can do better than what is happening now. Reverend Peter Catt, a mate of mine in Queensland from the Anglican faith, said in a contribution quite recently:

The marriage service in the Anglican Church commences with a quote from the Bible—
And it is a good time to quote the Bible because lots of people quote it to me.
God is love and those who live in love live in God and God lives in them.
Marriage equality will allow our communities celebrate a wide range of loving relationships and will therefore strengthen our common life.

We want that opportunity to come forward and we can make the decision in our parliament.

 Senator DI NATALE (Victoria—Leader of the Australian Greens) (10:28): I rise to speak in support of the Marriage Equality Amendment Bill 2013 to change the Marriage Act to allow for marriage equality regardless of gender. This week in this place we have heard from a number of senators offering their favourite quotes in support of their arguments and claims for a better future. We have heard from people quoting Banjo Paterson, Aristotle and Judith Wright. So let me keep with this trend and begin with a quote from JFK who said:
If we cannot end our differences, at least we can help make the world safe for diversity.

JFK was speaking to an idea that we can hold different views on issues without subjugating one group to another, without whipping up fear and hate in the community. That is what I take from his words about keeping the world safe. I might not understand the faith of my neighbour, I might not share it but I hold that he or she is entitled to it.

Some people—and I get it; I understand this—may not think that the love between two men or between two women is equal to the love between a man and a woman. I understand that they might hold those views, but we do live in a secular society and we do live by the rule of law, which should be able to be enjoyed equally by all citizens.

It is that diversity that JFK was seeking to protect and was working towards through a profound process of dialogue and social change with the likes of leaders like Martin Luther King and other civil rights activists. They were working at a time when there was so much to be done across the world to ensure that freedoms experienced by some people within the community could be experienced by all. They were working for equality. It was a different time back then. It was a time when lesbian, gay, bisexual, transgender and intersex people were demonised, criminalised and medicalised. They were excluded from their faiths, they were thrown in prison, they were harassed out of their jobs, they were bashed for fun, they were subjected to horrendous medical procedures in an effort to change them, or, in some cases, just to punish them.

I was listening to former leader of the Greens, Bob Brown, talk about his own personal experiences in this regard. It was a different time. He described in detail—and he has only done this in recent years—some of those medical procedures that he was involved in. He shared about the torment that he felt at the time. His experience is similar to many other experiences like his at a time when people regarded the way they felt as something that was abhorrent—that was what society was telling them—and that needed to change. Thankfully, a lot has changed since that era. It has changed for women, it has changed for First Nations people, it has changed for people with disabilities and it has changed, in many regards, for the LGBTI community. But, sadly, many things remain the same. We have a lot of work to do if we are to make the world safe for diversity.

You cannot half do human rights. Human rights are absolutes. You cannot go some way. It is something that is an absolute. On one hand, you cannot say that same-sex relationships should no longer be punished by law and that they should, in fact, have the same material rights and responsibilities as opposite-sex relationships—that is, they should be treated equally with regards to taxes and welfare—and then, on the other hand, exclude them from an institution that we consider to be the bedrock, or cornerstone, of our society—that is, marriage. Human rights are an absolute. While we continue to exclude people from this fundamental institution, offering them some concessions but denying them what others take for granted, we send a profound message that perpetuates the history of oppression. What it does do is it emboldens the haters.

In this place, the debate has now moved from one simply about the principle of inclusion to one about how we best resolve this issue on behalf of all Australians. We know that there are still those warriors out there who want to continue to perpetuate the cause of division and exclusion. We have heard from some in this place who try to equate the love that people feel towards each other to something that is abhorrent. We have heard claims about this being the
thin end of the wedge and where it might lead. I will not dignify those comments with a response. But at least here in this chamber we are now having a debate about not whether marriage equality should happen but, indeed, how it should happen. I do think the Prime Minister is genuine about this. I think he genuinely believes in the principle of marriage equality. He does not support the prejudice that exists enshrined in law that says to people who love each other that they have no right to enjoy an institution that most Australians have access to. But what I do know—and what, I think, most Australians know—is he does not support the pathway to get to marriage equality that he is putting before the Australian people. This was one of those decisions that he made in an attempt to secure the leadership of the Liberal Party. Let's not kid ourselves that he thinks this is the safest or most appropriate way of achieving a goal that many Australians believe in.

We all face choices in this place. Sometimes when power is within reach we can compromise on those core values. The test of all of us is to know when not to compromise— when a line needs to be drawn, when we need to be true to our own values and principles. Because the Prime Minister did compromise, he himself stands compromised by those warriors on the hard right—we know many of them—who continue to win time and time again when it comes to issues of diversity. In this place we are now dominated by a view among government senators that we should be winding back protections against hate speech, despite the fact that the Prime Minister espouses a different view.

So when the Prime Minister was handed the marriage equality plebiscite, which was the gimmick that the equality sceptic Tony Abbott presented as a way to try to diminish chances of reform, he should have taken a stand, and he did not. Now, he is defending the huge cost—the $160 million-and-growing price tag for the plebiscite—when, at the same time, we are told that we need to tighten our belts. The irony, of course, is that, later on today, we will be presented with legislation that tells us about the urgent need for budget repair. It will cut investment in schools, it will take money out of renewable energy, it will cut funding for some of the most vulnerable people within the community. Yet, here he is prepared to not only offer that an $160 million price tag for the plebiscite but also scoop out another $15 million to fund both the yes and no campaigns.

Just think about what that means. You only need to look at where the debate is right now; you only need to access some social media pages to see what some of the opponents of marriage equality will do—the lengths to which they will stoop. Of course, by providing them with an additional $7½ million we are going to turbocharge that hate. We are going to fuel it. We are going to say to those voices within the community: 'Not only do you have a right to express those hateful and harmful positions but we are going to fund you to do so.'

There of course is a much more sensible, fairer, faster, cheaper and less harmful way to resolve this question, and we all know that is to allow a free vote in this parliament. We have got plenty of time—at least in this term—for the Prime Minister to take some leadership on this question, follow what his espoused convictions were before he became Prime Minister and allow a free vote in the parliament. Far be it from me to offer him some free advice but I will do it nonetheless: his prime ministership is in big trouble and, if he continues to pander to those hateful voices on the far right of his party, he will not see out the next few years. If he does, he will be trounced in the next election. Here is an opportunity, a golden opportunity, for the Prime Minister to stand up once this plebiscite is defeated and say, 'Enough is enough.'
I'm going to be true to the person that I am and I'm going to allow a free vote in the parliament.' It may just be the tonic that he needs to help turn his fortunes around but it requires leadership and courage to be able to take such a stand.

We saw some of that courage from one of his counterparts in the Senate only a few days ago. I want to pay tribute to Senator Dean Smith who showed courage and conviction this week by making it very clear to his colleagues, as an openly gay senator, that he believes the plebiscite to be an abhorrent idea. He believes, as do we, that we are put in this place, the seat of Australian democracy, to consider and resolve the easy and difficult issues that face our nation.

Senator Smith's voice is not a voice in the wilderness; it is shared by many others within the LGBTI community. He is joined in this view by former High Court judge Michael Kirby, who, again, made his comments publicly only a few weeks—again, he is somebody who is an openly gay judge who has long been an advocate for marriage equality and understands that our job as elected representatives is to ensure that we do not put issues of fundamental human rights to opinion polls.

Michael Kirby is joined by almost 200 LGBTI community leaders who this week put out an advertisement also declaring the plebiscite to be an abhorrent idea. He is joined by the parents and friends of gay and lesbian children who say they do not want their children and the children of others to be exposed to the hate that will come with a plebiscite. He is joined by rainbow families. He is joined by the health professionals, such as the Australian Psychological Society who have said very clearly that they believe this plebiscite would lead to harm. They also believe that young people will take their lives, if this hate is unleashed on our community.

The Greens have been listening to these voices. We understand that good people will differ on what the pathway to marriage equality is but we also understand that the overwhelming majority of the community—both those affected and those health professional engaging in this debate—believes that the plebiscite is the wrong way to go.

Fundamentally, these people all believe that human rights should not be subjected to an opinion poll and they are concerned about the precedent that resolving this question in this way sets for other issues. Let me say: I am in awe of those people, who have spent a great part of their life campaigning for marriage equality, who have said, 'Not now in this way, because of the harm that it will cause.'

We should never set the precedent that human rights are simply a matter of getting 51 per cent of the popular vote. We should never set a precedent that says: 'Minority rights should be subject to a vote of the majority.' That is not how issues of fundamental human rights are resolved in this country. Of course the irony here is that John Howard felt no need to go to a plebiscite when he joined with the Labor Party to amend the Marriage Act to ensure it only applied to a marriage between and man and a woman.

Like many people, I have wrestled with this issue and what the most appropriate pathway is to get there. However, when you do work as a medical practitioner and see the harm that is experienced by young people, who are struggling with gender and sexuality, and that that harm results in physical and emotional pain, and is associated with increased rates of mental
ill-health, substance abuse, you understand that even in the current environment that people are suffering. The last thing that we want to see is that suffering increase.

Yesterday we heard the profound words of Senator McCarthy in both the language of her Aboriginal ancestry and in English about tradition, culture, hardship and love. She shared with us the deeply touching story of her sister who lost her life simply because of the prejudice that she experienced. The idea of placing $7.5 million into a campaign that will stir up hate speech against people like Senator McCarthy's sister is utterly unacceptable. To use the words of Senator Smith: 'It may not be the intention of the 'no' campaign to do this but it will absolutely be the effect.'

We are now only beginning to learn of the hurtful effects of the Irish marriage referendum that is being promoted as the model for resolving the issue here. Like Senator Brandis, we have also met with people involved in that campaign. In fact, we were presented with a letter from the convenor, or one of the convenors, of the 'yes' campaign in Ireland, who said to us, 'If you have a choice, do not proceed with a plebiscite'. She shared with us, as have others, that the LGBTIQ community in Ireland felt threatened and, indeed, were threatened. The children with two mums or two dads were made to feel like second-class citizens. The very idea of putting their relationships up for judgement diminished their sense of belonging to that society.

Let us be clear: people in Ireland had no choice. Their constitution required change and the only way to change it was to go to a referendum. We do not have to follow that path here. As I said, it was done with the stroke of a pen when John Howard and the Labor Party joined to amend the Marriage Act and we can do the same to ensure that we achieve marriage equality here in Australia.

Returning to the start of my speech, we can make a choice here in this parliament to ensure that our world is safer for diversity. Let's show some courage, let's show some leadership, let's have a free vote in this parliament and let's ensure that we stamp out prejudice once and for all.

Senator HUME (Victoria) (10:46): I rise today to speak on the Marriage Equality Amendment Bill 2013, put forward by Senator Hanson-Young. I oppose this bill. However, I do firmly believe that same-sex couples should be able to marry. I am a proud member of the Liberal Party, the party that has gone to great lengths over many years to ensure that same-sex couples are not discriminated against and that their entitlements—be they in respect of medical benefits, taxation, superannuation or employment—are no different to those accorded to heterosexual couples. This is not a moral issue. This is simply fairness.

I am extremely proud to be part of the Victorian Liberal Party, which in 2014 righted a historic wrong by expunging the convictions of those who—although it was already decriminalised in 1981—had been convicted of homosexual acts. That was a proud moment for us. I am also proud to be a regular guest of the Victorian party's Montalto branch. The Montalto branch is a Liberal LGTBI branch whose views on all matters, not just LGTBIQ issues, are given voice and respectfully heard and considered in policy development. Marriage equality is certainly not the only issue important to the LGTBIQ community.

I know there are others who do not share my views. Same-sex marriage is an issue that invites very different opinions within political parties, communities, friendship groups and
families. Though my sister and I stridently and firmly believe that same-sex couples should be able to marry, my parents do not. Every couple of weeks my sister, my parents and I get together with our partners and children for a very noisy and messy family dinner where, inevitably, we argue out the issues of the day. The sharing of opinions is extremely boisterous—none of us are shy and retiring—and the issue of same-sex marriage is one that arises regularly.

My parents were brought up Catholic and, although they are no longer practising, they still respect and practise Christian values. My parents are firmly of the position, as am I, that families are the foundation of society and that we would be a stronger society if marriages were encouraged. I firmly agree with this. I am unpersuaded by the proposition that any one marriage is undermined by two gay men or two lesbians setting up house down the road. But I know that others are of the same view as my parents. They have difficulty moving beyond their traditional view of marriage. They have pointed out that according to the Book of Leviticus, God speaking to Moses described homosexual acts as 'an abomination', and it calls for those who practice them to be put to death. My sister and I, over dinner, have pointed out that the Bible also believes that cursing your parents is also a heinous crime and that it too deserves a death sentence. That would certainly put an end to these very garrulous family dinners! But no matter how hard my sister and I try to persuade my parents otherwise, no matter the evidence of other countries' experiences, no matter how many people our family know or are related to whose lives this would affect, my sister and I cannot budge my parents' opinion. Does this make them bigots? No. Does it render my parents outdated, outmoded or uncool? Maybe it does—certainly, I think it does in the eyes of the Greens. Does it make them less considered, less educated, less intellectual, less involved or less evolved? Does it make them extremists, conservatives or del-cons? No, I do not think it does. Does it give them less of a right to have a say on this issue than my sister, Annie, or me? I do not think it does. All Australians—whether they be young or old; whether they be politically engaged, disengaged or ambivalent; whether they be in regional Australia or in the suburbs; whether they be inner-city urban hipsters; whether they be gay or straight, lesbian, bisexual, queer, transgender or intersex—everyone—should have a say on this issue.

Yesterday, the Turnbull government honoured its mandate when the Prime Minister introduced the Plebiscite (Same-Sex Marriage) Bill 2016. This bill provides for the plebiscite to be held on Saturday, 11 February 2017. The question that will be put to the people on that day is, 'Should the law be changed to allow for same-sex couples to marry?' Voting will be compulsory, and the result will be determined by a simple majority of votes—50 per cent plus one vote. It cannot get any simpler. 'Should the law be changed to allow same-sex couples to marry?' There is nothing tricky. It is very simple. There is nothing unclear. The terms that are used are not pejorative and they are not persuasive. The mechanisms that are used are entirely transparent. The architecture of the process is familiar from the 1999 referendum. There are no surprises. Most importantly, it is thoroughly democratic.

The coalition made a commitment to the Australian people at the July election that a decision on same-sex marriage would be made through a vote by all Australians in a national plebiscite, and that is exactly what we are doing. We have a mandate to do it, and it is disingenuous for any party or any independent senator in this place to try and circumvent that process. The coalition won a majority. The coalition have a mandate. By introducing any
amendments to the Marriage Act yourselves, you are denying the will of the majority of the people.

Such an act is pure showmanship. It is grandstanding, because you know the bill will be defeated. You know it will be defeated, because it has been defeated before. How many bills do we need to introduce into this parliament that will be defeated? However, if there is a plebiscite and that plebiscite demonstrates with a simple majority—50 per cent plus one—that the Australian people want to change the laws to allow for same-sex couples to marry, the coalition will act on their wishes.

Please do not doubt my party colleagues’ intentions here. The discussions I have had with my colleagues have been more than encouraging, and this is an issue about which I feel particularly passionate. I have canvassed their views and I am comfortable. Indeed, I am extremely encouraged. Literally dozens of them have said to me on separate occasions in public and in private that they will vote no in a plebiscite but, if the plebiscite returns a yes vote—not an overwhelming yes; just a yes vote—they will listen and they will respect the views of the nation. Then and only then will they vote to change the laws to allow for same-sex couples to marry. The plebiscite will allow the nation to make a decision on same-sex marriage, and then the coalition will respect the outcome.

The Turnbull government will listen to the will of the Australian people and it will act. Unlike Labor, we stick to our commitments. We are committed to the democratic rights of Australians. The plebiscite gives every voting Australian a say. It is thoroughly democratic. Those who fear a plebiscite—those who oppose consulting the Australian people—do so because they are concerned that they might not give them the answer that they want. That is not a good enough reason for obstructing democracy. If you are genuinely worried about the answer you might get, do not criticise the process; concentrate your efforts on mounting a better argument. That is what I will be doing.

I genuinely believe that there has been an evolution of attitudes. When the Victorian CWA can vote in favour of same-sex marriage, I believe that our society has come a long way, so please trust the Australian people. To those who criticise the plebiscite on the basis of cost, the answer is simple: what price democracy? $7.5 million for both the yes and the no camps is fair, it is reasonable, it is measured and it is considered. It is based on past experience. The entire architecture of this plebiscite is fair and transparent. The date set is the earliest possible according to the advice from the AEC. It is also timely. The coalition is living up to its commitments to the Australian people. It is obeying the mandate it has been given.

I urge those opposite to respect the decision of the Australian people, to respect the people that they represent, to respect their intelligence and their civility and their capacity to debate and discuss and decide and resolve this issue. I urge those opposite to extend the hand of friendship, to extend the hand of love and to extend the hand of progress. I urge those opposite to use common sense and pragmatism rather than sloganeering and rhetoric, because that is what we have been elected to do, so let's get this done.

The fastest and surest way to ensure that same-sex couples can marry is not to introduce yet another bill amending the Marriage Act. It will be defeated. This bill will be defeated. The fastest and surest way to ensure that same-sex couples can marry is to support the bill introduced by the Prime Minister yesterday. The fastest and surest way to ensure that same-sex couples can marry is to support a plebiscite. The fastest and surest way to ensure that
Australia joins the ranks of 20 other nations around the world that allow same-sex marriage is to support a plebiscite. The fastest and surest way to ensure that same-sex couples can marry is to trust our citizens to have a mature and civil and responsible debate like my family does—to have a robust and respectful and reasonable and rational debate about something that so many of us care about very deeply.

I implore you to reject this bill like the parliament has rejected so many others that have attempted to do the same. I implore you to support the Prime Minister's bill to hold a plebiscite and to give all Australians a say. And then, I implore you all to do what I will be doing: I will be voting yes in the plebiscite. Colleagues, please, let us get this done.

Senator PRATT (Western Australia) (11:00): I rise to speak to the Marriage Equality Amendment Bill 2013 today. We should be given the chance to speak and to vote on a bipartisan bill not unlike this one. The approach of the parliament at this time could not be more wrong. It is well past the time for marriage equality in this country. Instead, we have this bill being debated in private members' time while the government pursues a divisive plebiscite agenda.

I would like to take issue with a few of Senator Hume's statements. It was lovely of her to share some of her family's experiences about robust and civilised debates on the issue of marriage. Indeed, they probably are quite satisfying, engaging family debates. But I put to you that it is an entirely different thing to be in a family having those debates if you are a GLBTI person yourself. For many LGBTI Australians, that is and has been a hurtful and difficult thing for them to be subjected to. This is precisely the key as to the reason why a plebiscite is not an ideal way forward and should be opposed. Indeed, I look at it from the point of view of an Australian family having that debate and whether we truly want to subject LGBTI Australians to such a debate.

We have waited too long already for marriage equality, myself included, and this is but one of many speeches I have given in this place, making a plea for myself and my community. My view—that all couples, regardless of their sexual orientation or gender identity, should have access to the institution of marriage—is well known. I have spoken about those views on many occasions. I have repeatedly stated my strong support for full marriage equality both inside and outside this place and in the community. This bill, like many others before it, is about equality. It is about removing the last remaining piece of discrimination against LGBTI Australians in the laws of our country. So, clearly, it goes without saying that it is an issue of great importance to me, my family and our community.

Four years ago, almost to this day, I gave a speech in this place on this very same issue. I said to the parliament:

… we exist, we already exist, our relationships exist, our children exist, our families exist, our marriages exist and our love exists. All we ask is that you stop pretending that we don't. Stop pretending that our relationships are not as real as yours, our love not as true, our children not as cherished, our families not as precious—because they are.

And still those on the other side are pretending—pretending that it is somehow okay to subject our relationships to some kind of abstract public debate, as Senator Hume has highlighted should be the way forward. This is simply not on and not the way forward. It is psychologically humiliating and distressing for this to take place. The simple fact is that
removing the last vestige of discrimination against gay, lesbian, transgender, bisexual and intersex Australians from federal law has the support of the majority of the Australian community. Bills like this, before us today, simply call on us to do that job.

This week, I was greatly honoured to meet with Rainbow Families. I heard from children of rainbow families who are deeply concerned about the impact that the plebiscite will have on them and their families. There were beautiful children wishing that their parents were able to be married. They spoke very compellingly about their fear of a nasty, divisive campaign and about the impact that that would have on them. They spoke of their hope that our nation's Prime Minister would one day soon change his mind and show them that he already thinks their families are equal—families like mine; ordinary families who live very ordinary lives, except that they do not have equality under the law. They made a very simple plea: for the kids' sake, please, no plebiscite. It was a moving and heartwarming but also heartbreaking experience. They are wonderful families, wonderful kids, wonderful parents, who have a simple plea to us—that is, that this place does its job.

So, today, again, I join the call made by LGBTI organisations, who released a very strong declaration yesterday, who have called on the Australian parliament to ensure that every Australian is able to marry the person they love, the person they cherish, in a country that they cherish. I have worked with many of these organisations over many years and I support their calls. Their declaration says:

Making a solemn commitment to build a secure future with your partner, in front of your family and friends, is something that should be publicly celebrated. Declaring your commitment to look after your partner in sickness and health both cements your relationship through the rough times and shares your joys in the good times. We make this call not only on behalf of LGBTI communities and their families who have been waiting for over a decade, but importantly to ensure future generations of LGBTI Australians can grow up on equal footing with their peers.

That means families like the ones I had the privilege of getting to know yesterday. The declaration continues:

Two thirds of the Australian people—
and this is based on qualitative and quantitative research—
a majority of both houses of parliament and leaders of all major parties support marriage equality.

And, if you do the numbers one by one in this place, researching people's views, that is how it stacks up: they all support marriage equality. The declaration continues:

We have never had so much support for achieving this small step towards every Australian having the same opportunities as their neighbour.

Our shared goal is simple—we want marriage equality as soon as possible at the lowest cost. The most efficient and effective way of achieving marriage equality is a vote in Parliament, a power confirmed by the High Court in 2013.

I would like at this point to pay tribute to my family, Stephen Dawson and Denis Liddelow, who were married here in the ACT—before the High Court overruled their marriage here. It just goes to show how real and true marriage and these relationships already are, bar the fact that this parliament continues not to do its job. The declaration continues:

Marriage equality is about people, not politics. It is about the grandma who wants to see her granddaughter married in her lifetime, the parents who want to walk their children down the aisle, the
children who wish to see their parents marry, and the many ageing couples who have endured inequality throughout their lives.

Our relationships, future happiness and security should not be used for political point-scoring.

We call on our political leaders to put aside partisanship and come together to find an achievable pathway for marriage equality, this term.

The Government proposes a plebiscite which we believe is unnecessary, costly and divisive, when the law can be changed through a straightforward vote in parliament.

The bill that the Greens have put forward today, for example, is about as simple as you can get. It is about the shortest piece of legislation that this parliament would ever really have the opportunity to consider. The substantive part of the bill is but a few paragraphs long. And still we seem determined, by virtue of the government's view on the other side, to subject our nation to a $160 million opinion poll. No Australian, in my view, should have to witness a national debate on the worth or the value of their relationship. Like many other community members, I am very concerned about the psychological impact on our communities caused by repeated exposure to divisive national discourse—concerns that are based on research and evidence.

It is, I think, much the same as Senator Hume's family debate. You can have such a family debate but, if you are an LGBTI person yourself and you are in the middle of that family, it can be damaging and hurtful—damaging and hurtful to be seen by your parents as not equal to your siblings, damaging and hurtful to have fundamentalist religious views defining your identity and your place within the family. As Senator McCarthy highlighted yesterday, in her family's tragic story, it is precisely that identity conflict that causes that psychological harm and can result in depression, death and suicide. So, when I say no Australian should have to witness a national debate on the worth or the value of their relationship, I truly do mean it. This can and will be, as the Irish experience shows, a damaging debate.

Those in the LGBTI community who have been both campaigning against a plebiscite and getting ready for one should this place make the unfortunate decision to go ahead with one, always said that, at the very least, the parliament would need to ensure a fair and reasonable plebiscite process that recognises the impact of having this national conversation. But the simple fact is that the machinery in the legislation before the other place, presented by the government, is neither. What has been presented is unfair, unjust and unworkable. It is not a reasonable path to marriage equality. Instead we need a bill not unlike the one that is before us, a bill that has bipartisan support across the parliament, a bill that everyone in this place is free to vote for according to their conscience, a bill whereby people in this place do their job rather than outsourcing it to an expensive process.

I would like to echo the sentiments of the Leader of the Opposition and Tanya Plibersek when they put forward their bill in the House of Representatives. The Leader of the Opposition said:

Achieving marriage equality should be an occasion for joy, a unifying moment of celebration. That is why the Deputy Leader of the Opposition and I have brought this proposed legislation forward today. I say to the Prime Minister: this is an issue you said you cared about. You have been Prime Minister for a year now. You can get this done and, instead of a private member's bill introduced by the opposition—or, as I say today, introduced by the Greens—let marriage equality be a truly cooperative achievement.
It really does go to show why the path set forward by the coalition is so absurd.

No amendments to the Marriage Act have yet been provided, nor are they guaranteed to come into effect following a successful yes vote. It is unreasonable to expect the community, LGBTI or not, to vote on a plebiscite, and for this parliament to vote on whether to have a plebiscite, without first seeing the detail of what would be enacted in a successful vote.

We have, for example, heard rumours that the version of marriage equality that the government wants to put forward is quite different from what I would support or what the Greens have put forward in their bill today because it supports conscientious exclusions—for people baking cakes for a wedding, for example, or enables people to refuse to provide services for same-sex couples. These are substantive matters when we look to what kind of vote we have and what kind of question the Australian people and this parliament would be expected to vote on. So there is no detail of what would be enacted upon a successful yes vote.

It is unacceptable to use $15 million worth of taxpayers' dollars to fund 'yes' and 'no' committees, adding to the already extraordinary cost of a plebiscite. The proposal requires no truth-in-advertising test yet will be seen as being endorsed by the Australia government.

There is also a significantly uneven playing field. For example, religious organisations already enjoy a wide range of tax benefits and concessions that are denied to other entities. Very few LGBTI organisations have comparable tax deductibility status. Limiting tax deductible donations to $1,500 for individuals within the plebiscite process, which is what the government is putting forward, completely exacerbates this unfairness. Religious organisations will be able to funnel money to it, but other parts of the community in favour of marriage equality, because advocacy is not something that is tax deductible in this country, will not.

The question is also unnecessarily complex, and the wording, 'same-sex', fails to be inclusive of all LGBTI relationships. For example, it is extremely misleading to use the term 'same-sex' when some of the people who are excluded from marriage equality are intersex—that is, they are biologically of indeterminate sex, biologically of both sexes or biologically of neither sex, and that is their physical sex characteristic. So it is simply a nonsense to talk about 'same-sex' because you are excluding people who are not—so female-female, male-male or male and female—from that definition because their biological sex is none of those things. So you are indeed putting forward a technical nonsense in that regard. Many of these people have had their gender legally recognised by the states as 'of indeterminate gender' or as 'of both genders', for example.

In addition, there have been media reports that the question has been crafted, indeed, to improve the chances of a 'no' vote. And that I find extremely troubling.

The package also provides no strategies or funding to address the considerable concern about the impact of the plebiscite, as I have already highlighted, on LGBTI communities, our families and our friends. Indeed, we have already seen reports—as I have already seen on my Facebook feed and heard in personal communication—of a high level of distress being experienced from even the very nature of this debate.
A plebiscite is an opinion poll and nothing more. The substantive issue still has to come back to parliament for debate and a vote, regardless of the outcome, through a bill like the one we have before us today. And, even then, MPs and senators will have a conscience vote.

So a plebiscite, in my view, will foster acrimonious debate, split communities, divide church congregations and embattled families. If members of parliament—members and senators—were entitled to a free vote on the issue of marriage equality, a bill would pass this place and LGBTI Australians would be equal under the law.

Senator KAKOSCHKE-MOORE (South Australia) (11:19): This is not my first speech. At the outset, I would like to say that I am proud to speak on the Marriage Equality Amendment Bill 2013 and to be able to, in my relatively short time in this place so far, make a contribution to a debate the outcome of which would fundamentally change the lives of LGBTI couples in this country for the better.

The position of the Nick Xenophon Team on this issue has been made clear for some time. We support legislating marriage equality, and we do not support a plebiscite on this issue. It is our belief that, as members of parliament, we are paid very well to vote on laws for our country, and that is exactly what we should do in this case.

When former Prime Minister John Howard changed the Marriage Act in 2004 to exclude same-sex couples, he did so with legislation through the parliament. There was no plebiscite. As could and should be done now, but in reverse, legislation was passed by the parliament.

Before speaking on our support for marriage equality, I wish to note the reasons why we do not support a plebiscite. As already stated, we believe that parliament can and should decide on the issues in a free vote of all members and senators. In our representative democracy, we are paid to make decisions on behalf of Australians who have voted us into office. This bill is our opportunity to do that today.

Secondly, the plebiscite—which, in any event, could be disregarded by the parliament—could cost in the order of $160 million, although this figure is probably conservative. Plus, as we have heard this week, an additional $15 million of public funding will be spent on campaigns for both sides of the debate. It would be the world's most expensive opinion poll. We believe this money could be much better spent.

Another point, which has not been touched on much by us as a group because we believe the first two points are enough of a case against a plebiscite, is that of the concerns around the divisiveness of the debate—the impact on the health and wellbeing of LGBTI people during the lead-up to the vote. Once we, as a team, confirmed again that we opposed the plebiscite a couple of weeks ago, our electorate offices were bombarded with calls, many from people wanting to express their disgust at the suggestion that same-sex couples should be able to marry. One of my staff members recounted one of the phone calls, and it went something like this: 'Gay people are a minority; why are we bowing down to what they want?' Other calls have been so distressing that I could not repeat them in this place. If the debate over whether or not to have a plebiscite is inciting this much hate, imagine what will be said when the question becomes should the law be changed to allow marriage between same-sex couples. I shudder to think. To sum it up in the words of High Court justice Michael Kirby:

We didn't do this for the Aboriginal people when we moved to give equality in law to them, we didn't do it when we dismantled the White Australia policy ... we didn't do it in advances on women's...
equality, we didn't do it most recently on disability equality. Why are we now picking out the LGBT, the gay, community?

It is important that the views of all are considered and respectful; I believe that is important in a great democracy such as ours. It is my job, indeed my duty, to do my best to understand the people who both support and oppose a change to the Marriage Act. I believe that I have done that in forming my position on this bill. Although this is a conscience vote for me—and for those within our party—my colleagues have also carefully considered both sides of the debate and, luckily for us, we have arrived at the same position.

We have all been married. We have had that right to marry the person who we love. I married my husband Simon in 2007. We were married in Adelaide in front of our closest friends and family. We declared our love for each other and pledged to spend the rest of our lives together. Our marriage has highs and lows but we have them together—as a married couple. That is a different and very special connection and bond. According to Australian Marriage Equality, 72 per cent of married same-sex partners feel a greater commitment to their spouse, 60 to 70 per cent feel more accepted by family and the community and 93 per cent of same-sex people who marry do so because of the love and commitment they share. This is no different to the reason Simon and I married. It is not okay with me that I have had this opportunity but someone who happens to love a person of the same sex does not. Why shouldn't they have rights which are equal to those afforded to heterosexual couples?

Those who oppose changing the law say that to do so—to legalise same-sex marriage—would undermine the traditional definition of marriage, and that it would also affect children. Let us deal fairly with those two arguments. Interestingly, Prime Minister Malcolm Turnbull can help me to deal with these arguments through a speech he gave in 2012 at the Southern Cross University on the Gold Coast, in honour of former High Court Justice Michael Kirby. Mr Turnbull, could not see how allowing a same-sex couple to marry would somehow affect the sanctity and strength of a marriage between a heterosexual couple. And, as for children, Mr Turnbull pointed out that unfortunately some biological parents are neither loving nor wise. What is important is that a child is brought up in a safe and loving environment. The reality is that this bill does not in fact change the right of same-sex couples to raise children. That was dealt with at a federal level several years ago, with bipartisan support, and this bill does not change state laws about adoption or IVF. But this bill would give recognition to the inherent commitment that marriage brings with it.

Many other countries have legalised marriage equality, including Argentina, Belgium, Canada, Denmark, Iceland, the Netherlands, Norway, Portugal, South Africa, Spain, Sweden and New Zealand. And when it happened, the sky did not fall in. This is proof that our traditions are continuing to evolve. A thousand, a hundred, even 30 years ago, marriage did not mean what it does today. This evolution is important. Our traditions are valued because they are still relevant, because they still mean something to us today. But this bill will not in fact change the tradition of marriage within our churches. Ministers of religion will be free to continue to abide by their beliefs and their definition of marriage. This debate has seen an intense degree of lobbying by various churches—which they are entitled to do in our democracy. Our team believes that churches and religious bodies should retain the right to decide for themselves whether to perform or recognise a marriage. We regard the right of a person to hold their religious beliefs as fundamental in a free society.
But, beyond religion and religious beliefs, we also believe in the law—and I believe our laws should apply equally to all. Aristotle said, 'The law is reason, free from passion.' This is a debate that raises passions more than almost any other issue. But if we remove the passion from this debate, we are looking at a simple fact: this bill rectifies discrimination in our law. As elected representatives and law makers, we have a duty to make the best laws we possibly can. A law that excludes people from such a significant cultural institution just because of who they are? Well, it is time that changed.

Much of this debate has focussed on apparent so-called conservative values, such as marriage and the family unit, although I think it is unfair to suggest that those values only belong to conservatives, in some political partisan sense. I am a strong supporter of these principles. But I believe they are reasons for, not against, marriage equality. Former British Conservative Prime Minister David Cameron said, on this very issue:

Yes, it's about equality, but it's also about something else: commitment. Conservatives believe in the ties that bind us; that society is stronger when we make vows to each other and support each other. So I don't support gay marriage despite being a Conservative. I support gay marriage because I am a Conservative."

There are so many problems facing our society today. Anything that encourages people to commit to each other ultimately can only be a good thing. That is why the Nick Xenophon Team supports this bill.

**Senator BACK** (Western Australia) (11:29): This is a very interesting debate on a very interesting topic, and I will focus on the plebiscite. For those who have any interest in my particular view, it has not changed on this question since a speech I gave on 18 September 2012, but I will make a couple of points prior to moving to the plebiscite. They relate to issues that I have heard raised here today about equality in this situation. As the now Attorney-General, Senator George Brandis, said in a contribution in August 2012:

Equality for same-sex people was won in this parliament, in this Senate, with the support of all parties, including mine, by the amendments that were made to a suite of Commonwealth statutes in 2008.

At that time, Senator Brandis said it 'had been too long in coming' and that he had been agitating for it for some years. It had support right across the spectrum within the parliament and within the Senate. I refer to my comments from 2012:

It was in 2009 in this parliament that discrimination was removed in relation to same sex couples. There were four bills: the Same-sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Bill 2008, the Family Law Amendment (De Facto Financial Matters and Other Measures) Bill 2008, the Evidence Amendment Bill 2008 and Same-sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Act 2008. They went through the parliament with bipartisan support.

Their whole intent was to:

… remove discrimination against same-sex couples from a raft of Commonwealth legislation, including veterans' affairs, social security and income tax.

If time permits and if there is some interest, I can go through in greater detail what some of those bills actually allowed.

This is a serious matter, so I will not go into a number of the questions and answers that I was going to put before my colleagues in the chamber, but they related, ultimately, to who won the election on 2 July. We are all here as a result of the decisions of the people of
Australia. In our democratic process we went to an election—it was long, arduous and in the middle of winter. The only bright thing I can think about it was that it saved us Western Australians from eight weeks of Canberra winter—if there was one bright side, that must have been it.

But let me put this view to you, Deputy President, and to those in the public gallery and to anyone who might be listening: there can be no doubt that Malcolm Turnbull—as our Leader of the Liberal Party and, ultimately, of the coalition—made it very clear to the people of Australia that, should we win the election, we would have a plebiscite on this question. It is equally clear that Mr Shorten—representing our opponents, the Labor Party—said that he would not at that time support a plebiscite but that he wanted the matter resolved by a vote in the parliament. I do not think I am incorrect in my recollection that Senator Di Natale, representing the Greens party, had much the same view. If I am wrong, no doubt I will be corrected.

At a time when the polls were showing fifty-fifty, there were three polls to which I which to direct your attention. The first was held the day before the election, on 1 July. It was a Fairfax Ipsos poll, and it asked people in the Australian community: do you favour a plebiscite on the question of same-sex marriage? In that poll, 69 per cent—more than two-thirds of Australians—said they wanted a plebiscite on this matter. How or in which way they wanted to determine it was not the subject of the question, but this was when we were fifty-fifty, on the day before the election, and 69 per cent were in favour. During the election campaign, The Australian Financial Review conducted a survey on the same question: who within the Australian community wanted this matter resolved by a plebiscite of the people? That figure was 76 per cent. Only 24 per cent said they did not want a plebiscite. The third of those surveys was an Essential poll held at the end of August this year, after the election. Again, 59 per cent—almost two-thirds of the population—said they wanted a plebiscite.

So, the coalition, which subsequently won government, said they would conduct a plebiscite. Two-thirds of the community or more supported a plebiscite in polls—so there must be Labor voters and Greens voters as well as Liberal and Nationals voters and those supporting Independents. They must have, in this case, been across the political void. The people of Australia knew that if the coalition were re-elected we would have a plebiscite. And we are going to the Australian people with a plebiscite. It is interesting that there is a call for this matter to be determined by the parliament, even after the people of Australia have had their say.

Let me put another point to you, which has been expounded on this morning by the previous speaker, representing the Nick Xenophon Team. We now know that the Labor Party will vote one way. We know that the Greens political party will vote one way. We know now that the Nick Xenophon Team will vote one way. We know the last late—not late as in having met his demise, but recent—senator from Western Australia, Joe Bullock left this parliament because, he said, 'I cannot support the position of the Labor leadership with regard to this issue of same-sex marriage.' So Senator Bullock, knowing that he could not support the position of that party, left the parliament—and it is good to see you back here again, Senator Pratt, but it is the fact that Senator Bullock was no longer available for election.

This matter cannot be resolved by the parliament. We already know before the vote takes place what is going to be the position of the Greens party, the Labor Party and, we now know,
the Xenophon party. So I put this point: there is a mandate for the plebiscite to take place. There are not many issues that have been the subject of a plebiscite. I think something about
our national flag was going to be the subject of a plebiscite. We know that in the First World
War the question of whether we should or should not have conscription was of such
importance—and, indeed, the government of the day cannot have liked the result of the first
plebiscite, which was anti-conscription, so they went back for a second go. And I guess, in a
sense, there is a situation—isn't there?—where the people of Australia might have their say
and then the leadership, the parliament, might say, 'Oh, we don't like that one. Let's have
another crack at it.' So they had another plebiscite into—

Senator McKim: Are you sure it wasn't a referendum?

Senator BACK: I will take the interjection from the senator. I am positive it was not a
referendum. As I understand it, unless the law has been changed, a referendum is a matter
associated with changing the Constitution. A plebiscite is about the will of the people. This is
not a constitutional matter at the moment. It is not the subject of a referendum; it is the subject
of a plebiscite. It is very interesting that when others from the Greens political party speak we
are not allowed to interrupt them, because of their omnipotence.

Senator McKim interjecting—

Senator BACK: But, of course, when anyone is speaking with a view alternative to that
of the senator from Tasmania, you cannot have an alternative view. I wonder when this
omnipotence comes upon Greens senators. Is it, for example, when they are elected to the
Tasmanian parliament? Or is it only when they come into this place? I am entitled to put my
view, and put it I will. This is a plebiscite engaging the population of Australians of 18
years of age or older, and the question that will be put on 11 February next year is simply this:
should the law be changed to allow same-sex couples to marry? It is interesting, I think—

Senator McKim: Of course not.

Senator BACK: Oh, we have a view already. Thank you very much! And, just in case I
have a view alternative to Senator McKim's, he is able to tell me what my view needs to be. I
am so appreciative that, sir, you are able to assist me in the way you do! It would be much
better if you were to keep your views to yourself until such time as you are invited to speak
on this particular topic. I do not need the support of your views.

The machinery has been very carefully worked out. A comment was made that perhaps it
has been structured in such a way as to support a no vote. And yet, as other speakers have
said—in fact, from my own side—the Prime Minister supports a certain position, the
Attorney-General supports a certain position. Do you think the leadership is going to agree to
words that declare, move, favour or weigh a position different from the one that they have
publicly declared? Of course it is not.

For those of you in the gallery, through you Deputy President: what is being followed is
exactly the same process we have in this country for elections and, indeed, for referenda and,
in particular, what we had following the discussion that was held when the country decided
whether or not it wanted to proceed to a republic. In other words, voting will be compulsory.
It will be according to polling booths. The only difference will be that, where normally in an
election or a referendum we have it on an electorate-by-electorate and state-by-state basis, in
this case it is a vote across the country of all Australians—50 per cent plus one. That is
probably disadvantageous to us in Western Australia, as you and I know, Deputy President, for two reasons. Firstly, the concentration of population in this country is in Melbourne and Sydney, so we would expect to see a weighting in favour of Melbourne and Sydney. Secondly, 11 February is quite important to me: it happens to be my birthday. We know very well that there is a three-hour time difference between WA and New South Wales, Victoria and Tasmania on that day. At three o'clock in the afternoon, while we are still voting, not only will the voting have concluded on the east coast but the counting will have started, so there is every chance that by the time we conclude our activities at six o'clock the result will probably be known.

Now, we move to the question of financial support, and it will be of interest to those who do not know that it will be exactly the same situation as occurred in 1999 with the republic debate. It is being conducted in this way: $7½ million for the yes side, $7½ million for the no side. Let me tell you how the audit process for how those funds will be allocated will be undertaken. Five parliamentarians will be invited for the yes side and five for the no, and another five citizens will be invited for each of the yes and no sides. Those five parliamentarians—two from the government side, two from the Labor opposition and the fifth from the Independents or crossbenchers on each side—will have accountability and responsibility for how those funds are expended. I have no doubt it will subsequently be the subject of review by the Australian National Audit Office, so that any advertisements, any use of the funds for research et cetera must have the agreement of that panel of 10 people respectively from each side. A point has been put by a previous speaker about some apparent level of unfairness in terms of the situation the churches may have—

Senator Pratt interjecting—

Senator BACK: I thank Senator Pratt for her interjection, because it gives me the opportunity to make an obvious comment. The last time I looked, the Australian Broadcasting Corporation and SBS were publicly funded. I do not think I have heard one comment from the ABC in the last 12 months with any view other than favouring same-sex marriage, so when people talk to me about the fairness associated with putting the two sides I just ask them to reflect on that. The ABC is publicly funded. The ABC has run one line on this question for as long as I can remember. But those who are opposed to same-sex marriage would all be pleased to learn that, in accordance with the policies surrounding an election campaign, the media will be required to give even-handedness to both sides of the debate. As we know, in an election campaign people very carefully calculate the number of words and the amount of time given to the Leader of the Opposition and the Prime Minister of the day, and so it goes. That will also be applied in the run-up to this particular event.

Yes, $160 million is a lot of money. Again, let me remind—through you, Deputy President—you and those in the gallery that, as a result of the profligate debt visited upon this place by the last Labor government between 2007 and 2013, we now have a debt that is so high that we borrow $1.2 billion from overseas a month. We do not borrow that money to repay the debt; we borrow that money to pay the interest on the debt! We borrow $40 million a day to pay back the interest on Labor's debt. Yes, $160 million is a lot of money. It is the equivalent of four days in interest, to satisfy an issue that around 65 to 70 per cent of Australians have said they do not want their parliamentarians to decide—65 to 70 per cent of people in this country want to decide themselves.
My last point is this. For those who have not gleaned the view yet, I will be voting no. I happen to believe that marriage is an institution between a man and a woman, but I only have one vote amongst the Australian community. But I give this undertaking, and I hope that Senator Pratt might do the same—as might Senator McKim and Senator Rice. This is my commitment: if the people of Western Australia decide, by 50 per cent plus one, that they support the law being changed to allow same-sex couples to marry, then in the parliament I will vote in favour, because I am here representing the people of Western Australia. I challenge every senator in this place to do the same thing. If the people from their state or territory, the people who put them here, vote a certain way, I challenge them to accept the will of the people from their state. And indeed, in terms of electorates, I challenge every member in the other place to do the same thing. If their electorate favours same-sex marriage, I challenge them to do the same thing. That is the point I am making. It is a plebiscite. It is the will of the Australian people. It should be respected, and Labor should agree with it.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (11:49): I only have a few minutes left in which to speak, so I will be very quick. I think we need to allow a conscience vote across the parliament, because that is the best way to achieve marriage equality. People know that I used to not support marriage equality and that, over the years, I have changed my views and my mind on that issue. I now support marriage equality, but I do not think that the way to achieve it is by having a plebiscite. If the Prime Minister would only allow his members and senators a free vote on marriage equality, we could pass a bill by the end of this year. The numbers are already there in both houses; all we have to do is bring on the vote.

It would be a much better approach than having an expensive and wasteful plebiscite—one that is going to cost taxpayers $160 million minimum, plus the additional $7.5 million each, given to the yes and no cases for their campaigns. I say $160 million minimum, because that is a very conservative estimate. There have been estimates of up to $250 million for the cost of a plebiscite, before adding another $15 million in public funding for the associated campaigns. For many years now, we have been lectured by those opposite—in fact, we were about 40 seconds ago—about financial responsibility, about the debt and about the need for the government to tighten its belt. Well, those opposite, who have added more than $100 billion to the national debt and more than tripled the deficit, ought to look at the numbers around this.

After all the lectures about responsible spending, now the Turnbull government wants to waste hundreds of millions of dollars in taxpayers’ money on the most expensive national opinion poll in history. It is a poll that does not even bind any members of parliament to its outcome, so what is the actual point of it? The fact that many members and senators have said they will not be bound by the results of a plebiscite makes this exercise a joke and a complete waste of taxpayers’ money. Not only is it a waste of money, but it will serve as a platform—which is of concern to me—for the hateful and divisive comments that call into question the value and legitimacy of same-sex relationships.

How can those opposite convince the Australian people of the need for this taxpayer-funded opinion poll when they are divided on the detail? We have heard about Senator Brandis, the Attorney-General, being rolled by the conservatives in the cabinet on the issue of public funding, and Senator Paterson, who recently spoke, said quite openly in a doorstop—

CHAMBER
Debate interrupted.

NOTICES

Presentation

Senator Conroy to move:
That the following bill be introduced: A Bill for an Act to amend the Commonwealth Electoral Act 1918 to ban foreign donations, improve donation transparency and accountability, and protect our democratic institutions. Donation Reform and Transparency Bill 2016.

Senator Siewert to move:
That the Senate—
(a) notes that:
   (i) in 1770, two members of the Gweagal people stood on the shore of the place now called Botany Bay, as a boat containing James Cook and some of his crew approached the shore,
   (ii) the Gweagal men were holding spears and a shield and they attempted to warn off the interlopers, an action that was responded to with gunfire,
   (iii) one of the men, Cooman, was shot in the leg and he ran for cover, dropping his shield,
   (iv) this shield and a number of spears and other artefacts from their camp were taken by James Cook and given to the British Museum when he returned there, and the shield and a number of the spears remain the Museum's collection, and
   (v) a significant number of the spears taken are now also held by the Cambridge Museum of Archaeology and Anthropology;
(b) acknowledges that:
   (i) it is a core part of Aboriginal belief that artefacts must be kept on the country they came from, as they form a part of the ongoing story of that place,
   (ii) laws covering Aboriginal cultural heritage in New South Wales recognise the strong connection between Aboriginal people, their land and their artefacts, and
   (iii) the Gweagal people and their descendants are the rightful and lawful owners of all artefacts produced on their territory, including the shield and spears held in the British Museum and the Cambridge Museum of Archaeology and Anthropology;
   (c) recognises the work done by Cooman's descendant Mr Rodney Kelly to push for the repatriation of these important artefacts;
   (d) supports the repatriation of these important artefacts to the Gweagal people; and
   (e) requests the Australian Government extend diplomatic assistance to Mr Rodney Kelly while he is in the United Kingdom seeking the return of the artefacts.

Senator Ludlam to move:
That the Senate—
(a) notes that:
   (i) all parties to the nuclear Non-Proliferation Treaty, including Australia, have expressed their "deep concern at the catastrophic humanitarian consequences of any use of nuclear weapons",
   (ii) nuclear weapons remain the only weapons of mass destruction not yet prohibited under international law in a comprehensive and universal manner, and 127 nations have pledged to fill this legal gap.
(iii) the United Nations (UN) open-ended working group on nuclear disarmament adopted its report on 19 August, which recommends that the UN General Assembly convene a conference in 2017 "to negotiate a legally binding instrument to prohibit nuclear weapons, leading towards their total elimination", and

(iv) the Australian Red Cross and the International Campaign to Abolish Nuclear Weapons have called for the adoption of a UN General Assembly resolution this year to convene negotiations in 2017 on a legally binding instrument to prohibit nuclear weapons; and

(b) urges:

(i) the Australian Government to support all efforts in the First Committee of the UN General Assembly this October and November to establish a mandate for negotiations to commence in 2017 on a legally binding instrument to prohibit nuclear weapons, and

(ii) the Australian Government to participate constructively in negotiations on such an instrument.

COMMITTEES

Selection of Bills Committee

Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (11:52): I present the 6th report of 2016 of the Selection of Bills Committee and I seek leave to have the report incorporated in Hansard.
Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 6 OF 2016

1. The committee met in private session on Wednesday, 14 September 2016 at 7.37 pm.
2. The committee resolved to recommend—That—

(a) the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 30 November 2016 (see appendix 1 for a statement of reasons for referral);

(b) the provisions of the Competition and Consumer Amendment (Country of Origin) Bill 2016 be referred immediately to the Economics Legislation Committee for inquiry and report by 10 October 2016 (see appendix 2 for a statement of reasons for referral);

(c) the provisions of the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016 and the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016 be referred immediately to the Education and Employment Legislation Committee but was unable to reach agreement on a reporting date (see appendices 3 and 4 for a statement of reasons for referral);

(d) the provisions of the Migration Amendment (Family Violence and Other Measures) Bill 2016 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 10 October 2016 (see appendices 5 and 6 for a statement of reasons for referral);

(e) the provisions of the National Disability Insurance Scheme Savings Fund Special Account Bill 2016 be referred immediately to the Community Affairs Legislation Committee but was unable to reach agreement on a reporting date (see appendices 7 and 8 for a statement of reasons for referral);
(f) the provisions of the Social Services Legislation Amendment (Budget Repair) Bill 2016 be referred immediately to the Community Affairs Legislation Committee but was unable to reach agreement on a reporting date (see appendix 9 for a statement of reasons for referral);

(g) the provisions of the Treasury Laws Amendment (Enterprise Tax Plan) Bill 2016 be referred immediately to the Economics Legislation Committee for inquiry and report by 10 October 2016 (see appendix 10 for a statement of reasons for referral); and

(h) the provisions of the Treasury Laws Amendment (Income Tax Relief) Bill 2016 be referred immediately to the Economics Legislation Committee for inquiry and report by 10 October 2016 (see appendix 11 for a statement of reasons for referral).

3. The committee resolved to recommend—That the following bills not be referred to committees:

- Criminal Code Amendment (High Risk Terrorist Offenders) Bill 2016
- Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2015
- Foreign Acquisitions Amendment (Agricultural Land) Bill 2010 [2013]
- Industry Research and Development Amendment (Innovation and Science Australia) Bill 2016
- International Tax Agreements Amendment Bill 2016
- Marriage Equality Amendment Bill 2013
- Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016
- National Cancer Screening Register Bill 2016
- National Cancer Screening Register (Consequential and Transitional Provisions) Bill 2016
- Plebiscite (Same-Sex Marriage) Bill 2016
- Social Services Legislation Amendment (Youth Employment) Bill 2016
- Statute Law Revision (Spring 2016) Bill 2016
- Statute Update Bill 2016.

The committee recommends accordingly.

4. The committee deferred consideration of the following bills to its next meeting:

- Australian Crime Commission Amendment (Criminology Research) Bill 2016
- Broadcasting Legislation Amendment (Television and Radio Licence Fees) Bill 2016
- Counter-Terrorism Legislation Amendment Bill (No. 1) 2016
- Criminal Code Amendment (Firearms Trafficking) Bill 2016
- Freedom to Marry Bill 2016
- Narcotic Drugs Legislation Amendment Bill 2016
- Narcotic Drugs (Licence Charges) Bill 2016
- Racial Discrimination Amendment Bill 2016
- Social Services Legislation Amendment (Simplifying Student Payments) Bill 2016
- Tax and Superannuation Laws Amendment (2016 Measures No. 2) Bill 2016
- Water Legislation Amendment (Sustainable Diversion Limit Adjustment) Bill 2016.

(David Bushby)
APPENDIX 1
Proposal to refer a bill to a committee:
Name of bill:
Australian Broadcasting Amendment (Rural and Regional Advocacy) Bill 2015
Reasons for referral/principal issues for consideration:
To continue to investigate the proposed Amendments and to identify any other measures that may promote regional news services and journalism in rural and regional Australia.
Possible submissions or evidence from:
Regional journalists, Regional; residents, regional businesses, regional representatives.
Committee to which bill is to be referred:
Environment and Communications Legislation Committee
Possible hearing date(s):
Various
Possible reporting date:
Wednesday 30 November 2016
(signed)
Senator Bridget McKenzie

APPENDIX 2
Proposal to refer a bill to a committee:
Name of bill:
Competition and Consumer Amendment (Country of Origin) Bill 2016
Reasons for referral/principal issues for consideration:
To examine matters in the bill
Possible submissions or evidence from:
Industry, food producers, consumer organisations.
Committee to which bill is to be referred:
Economics Legislation Committee
Possible hearing date(s):
26 September 2016
Possible reporting date:
10 October 2016
(signed)
Senator Kakoschke-Moore
APPENDIX 3
Proposal to refer a bill to a committee:
Name of bill:
    Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill
Reasons for referral/principal issues for consideration:
    To seek information about the impact of the Bill on children, families and providers to facilitate informed consideration of the Bill.
Possible submissions or evidence from:
    Early Childhood Australia
    Australian Child Care Alliance
    National Outside School Hours Care Association
    Secretariat of National Aboriginal and Islander Child Care
    Home Child Care Alliance
    National Association of Mobile Services
    Children and Young People with Disability Australia
    The Parenthood
Committee to which bill is to be referred:
    Senate Education and Employment Legislation Committee
Possible hearing date(s):
    To be determined by the Committee
Possible reporting date:
    22 November 2016
(signed)
    Senator Urquhart

APPENDIX 4
Proposal to refer a bill to a committee:
Name of bill:
    Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016
Reasons for referral/principal issues for consideration:
    The Australian Greens are concerned that the introduction of the activity test will reduce access to subsidised childcare for vulnerable children.
Possible submissions or evidence from:
Committee to which bill is to be referred:
    Education and Employment Legislation Committee
Possible hearing date(s):
    First week of October, 1 day sufficient.
Possible reporting date:
    21 November 2016
APPENDIX 5
Proposal to refer a bill to a committee:
Name of bill: Migration Amendment (Family Violence and Other Measures) Bill 2016
Reasons for referral/principal issues for consideration:
Potential conflict with Australia's human rights obligations and potential issues with proportionality.
Possible submissions or evidence from:
Please see submitters to lapsed inquiry into this Bill.
Committee to which bill is to be referred:
Legal and Constitutional Affairs Legislation Committee
Possible hearing date(s):
27 October 2016
Possible reporting date:
11 November 2016

(signed)
Senator Rachel Siewert

APPENDIX 6
Proposal to refer a bill to a committee:
Name of bill: Migration Amendment (Family Violence and Other Measures) Bill 2016
Reasons for referral/principal issues for consideration:
For completion of a report that was previously referred in March 2016, scrutinising the impact of legislative change on the sponsored family visa program.
Possible submissions or evidence from:
Committee to which bill is to be referred:
Senate Legal and Constitutional Affairs Legislation Committee
Possible hearing date(s):
Possible reporting date:
Monday 10 October

(signed)
Senator Anne Urquhart
APPENDIX 7
Proposal to refer a bill to a committee:
Name of bill:
National Disability Insurance Scheme Savings Fund Special Account Bill 2016
Reasons for referral/principal issues for consideration:
Examination of purported argument for linkage between savings measures and NDIS funding
Possible submissions or evidence from:
People with Disability Australia, Australian Council of Social Services, Australian Cross Disability Alliance
Committee to which bill is to be referred:
Community Affairs
Possible hearing date(s):
On the papers
Possible reporting date:
7 November 2016
(signed)
Senator Rachel Siewert

APPENDIX 8
Proposal to refer a bill to a committee:
Name of bill:
National Disability Insurance Scheme Savings Fund Special Account Bill 2016
Reasons for referral/principal issues for consideration:
More information is required to understand the purpose and operation of the proposed Fund.
Possible submissions or evidence from:
Department of Social Services
Department of the Treasury
Department of Finance
Disability Organisations
Committee to which bill is to be referred:
Senate Community Affairs Legislation Committee
Possible hearing date(s):
To be determined by the committee
Possible reporting date:
7 November 2016
(signed)
Senator Anne Urquhart
APPENDIX 9
Proposal to refer a bill to a committee:
Name of bill:
Social Services Legislation Amendment (Budget Repair) Bill 2016
Reasons for referral/principal issues for consideration:
More information is required on the impacts of these measures on those affected.
Possible submissions or evidence from:
Department of Social Services
Department of the Treasury
Multicultural organisations
Welfare organisations
Committee to which bill is to be referred:
Senate Community Affairs Legislation Committee
Possible hearing date(s):
To be determined by the committee
Possible reporting date:
7 November 2016
(signed)
Senator Anne Urquhart

APPENDIX 10
Proposal to refer a bill to a committee:
Name of bill:
Treasury Laws Amendment (Enterprise Tax Plan) Bill 2016
Reasons for referral/principal issues for consideration:
To examine the economic impact of the Bill.
To examine the social impact of the Bill.
Possible submissions or evidence from:
Economists.
Business groups.
Civil society groups.
Trade unions.
Committee to which bill is to be referred:
Economics Legislation Committee
Possible hearing date(s):
Weeks starting 19 September, 26 September, 3 October
Possible reporting date:
Week starting 10 October
(signed)
APPENDIX 11

Proposal to refer a bill to a committee:

Name of bill:
Treasury Laws Amendment (Income Tax Relief) Bill 2016

Reasons for referral/principal issues for consideration:
To examine the economic impact of the Bill.
To examine the social impact of the Bill.

Possible submissions or evidence from:
Economists.
Business groups.
Civil society groups.
Trade unions.

Committee to which bill is to be referred:
Economics Legislation Committee

Possible hearing date(s):
Weeks starting 19 September, 26 September, 3 October.

Possible reporting date:
Week starting 10 October

(signed)
Senator Rachel Siewert

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

Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:52): On behalf of Senator Gallagher, who is unavoidably absent at a press conference in relation to the government's new superannuation package, I move:

At the end of the motion, add, "and,

(a) in respect of the provisions of the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016 and the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016 the Education and Employment Legislation Committee report by 22 November 2016;
(b) in respect of the provisions of the National Disability Insurance Scheme Savings Fund Special Account Bill 2016 the Community Affairs Legislation Committee report by 7 November 2016; and
(c) in respect of the provisions of the Social Services Legislation Amendment (Budget Repair) Bill 2016, the Community Affairs Legislation Committee report by 7 November 2016."

The amendment seeks to refer three different packages of legislation for committee consideration. They are the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015, the National Disability Insurance Scheme Savings Fund Special Account Bill 2016 and the Social Services Legislation Amendment (Budget Repair) Bill 2015.
We do believe that these bills are worthy of consideration. I will make some comments in relation to the child care package. This government has had a number of positions in relation to child care. Senators may recall prior to the election in the last term of government the chopping and changing on child care that was the government's policy and then subsequently we were going to have a talk about it. The government has put forward a bill. We do consider it is important to understand the impact of the bill on children and families but also on childcare providers in order for the Senate to be able to consider the bill in a fully informed way. We also think a Senate committee will allow consultation with the sector on potential improvements to the bill.

Similarly, the Labor Party does wish to consider more closely the operations the National Disability Insurance Scheme Savings Fund Special Account Bill 2016. We want to understand better the purpose and operation of the proposed bill. Finally, we believe there is additional consideration required in relation to the impact on those Australians who are affected by the budget repair bill. We commend the amendment circulated in the name of Senator Gallagher to the chamber.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (11:55): by leave—I move the following amendments to Senator Gallagher's proposed amendment:

Paragraph (a), omit "22 November 2016", substitute "10 October 2016".
Paragraph (c), omit "7 November 2016", substitute "10 October 2016".

Senator FIFIELD: We are not seeking to amend the second part of Senator Gallagher's proposed amendment for the National Disability Insurance Scheme Savings Fund Special Account Bill 2016 to report by 7 November 2016. But we are proposing to bring forward the reporting dates for the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 and also for the Social Services Legislation Amendment (Budget Repair) Bill 2015. Both of those packages have previously been to inquiry before Senate committee before the last election. We think that this exercise would largely be duplicating that. But given there is a proposition that they be referred for committee, our proposition to the chamber is that the reporting dates for those two inquiries be brought forward in the recognition that there have been significant inquiries recently to both those packages.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:57): The Greens will not be supporting the government's amendments to this amendment. We will be supporting the original amendment because we do think that these bills should be subject to committee inquiry, in the case where there has been one, because of the important issues that have subsequently come up since the last inquiry into these bills. Certainly for (b), we require enough time to look seriously at this issue because it is a significant change to the current arrangements.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:58): I indicate in relation to the amendment to my amendment moved by Senator Fifield, we are not inclined either to accept it. We would countenance a later October date but we do not think having both of them report by 10 October is a reasonable proposition.

The PRESIDENT: The question is that the amendment moved by Senator Fifield to the amendment moved by Senator Wong to Senator Bushby's motion be agreed to.
The Senate divided. [12:03]

(The President—Senator Parry)

Ayes ...................... 34
Noes ...................... 30
Majority ............... 4

AYES

Abetz, E
Birmingham, SJ
Burston, B
Canavan, MJ
Cormann, M
Duniam, J
Fifield, MP
Hanson, P
Kakoschke-Moore, S
Macdonald, ID
McKenzie, B
Parry, S
Payne, MA
Roberts, M
Scullion, NG
Sinodinos, A
Williams, JR

NOES

Bilyk, CL
Cameron, DN
Chisholm, A
Conroy, SM
Gallacher, AM
Hinch, D
Lambie, J
Ludlam, S
McAllister, J
McKim, NJ
Pratt, LC
Rice, J
Stere, G
Waters, LJ
Whish-Wilson, PS

B) Brown, CL
Carr, KJ
Collins, JMA
Dastyari, S
Hanson-Young, SC
Ketter, CR
Lines, S
Marshall, GM
McCarthy, M
O'Neil, DM
Rhiannon, L
Siewert, R
Urqhart, AE (teller)
Watt, M
Wong, P

Question agreed to.

The PRESIDENT (12:06): The question now is that the amendment, as amended, moved by Senator Wong be agreed to.

Question agreed to.

The PRESIDENT: The question now is that the motion moved by Senator Bushby, as amended, be agreed to.

Question agreed to.
Economics Legislation Committee  
Economics References Committee  

Meeting  

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (12:06): by leave—I move:  
That the Economics Legislation and References Committees be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 3.30 pm.  
Question agreed to.

BUSINESS  

Leave of Absence  

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (12:07): by leave—I move:  
That leave of absence be granted today to Senator Farrell for today, 15 September 2016, for personal reasons.  
Question agreed to.

Rearrangement  

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:07): I move:  
That—  
(a) government business orders of the day as shown on today's order of business be considered from 12.45 pm today; and  
(b) government business be called on after consideration of the bills listed in paragraph (a) and considered till not later than 2 pm today.  
Question agreed to.

Rearrangement  

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:08): I move:  
That the order of general business for consideration today be as follows:  
(a) general business notice of motion no. 59 standing in the names of Senators Xenophon, Griff and Kakoschke-Moore relating to Commonwealth procurement; and  
(b) orders of the day relating to documents.  
Question agreed to.

NOTICES  

Postponement  

The Clerk: Postponement notifications have been lodged in respect of the following:  
General business notice of motion no. 13 standing in the name of the Leader of the Opposition in the Senate (Senator Wong) for today, relating to racial and cultural diversity, postponed till 10 October 2016.
COMMITTEES
Legal and Constitutional Affairs References Committee

Reference

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:08): I move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 8 November 2016:

The nature and scope of the consultations prior to the making of the Legal Services Amendment (Solicitor-General Opinions) Direction 2016, with particular reference to:

(a) the extent to which any consultation drew on the knowledge or expertise of persons having expertise in the relevant fields;
(b) whether persons likely to be affected by the proposed instrument had adequate opportunity to comment on its content;
(c) the form of the consultation, including whether any written submissions were sought;
(d) the timing of when any consultation occurred; and
(e) any related matter.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (12:09): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGrath: The government opposes the motion. The proposed inquiry by the Legal and Constitutional Affairs References Committee would be a complete waste of the Senate's limited time and resources. Under section 17 of the Legislation Act 2003, the Attorney-General was required to undertake such consultation as he considered appropriate and reasonably practical. Under that provision, it was entirely up to the Attorney-General to decide what form the relevant consultation should take.

The Legal Services Amendment (Solicitor-General Opinions) Direction 2016 deals with the process to be followed in briefing the Solicitor-General to provide an opinion on a question of law under paragraph 12(b) of the Law Officers Act 1964. The Attorney-General has repeatedly made clear that the Solicitor-General was consulted about the process for briefing him and a meeting held on 30 November 2015. Written feedback from the Solicitor-General was sought, received and considered.

The PRESIDENT: The question is that the motion moved by Senator Wong be agreed to. The Senate divided [12:14]

(The President—Senator Parry)

Ayes .....................36
Noes .....................29
Majority ...............7

AYES

Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Chisholm, A
Collins, JMA
Dastyari, S
Di Natale, R

CHAMBER
Question agreed to.

BUSINESS

Days and Hours of Meeting

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:17): I move:

That, on Thursday, 15 September 2016:

(a) the hours of meeting shall be 9.30 am to adjournment; and

(b) if the Budget Savings (Omnibus) Bill 2016 has not been finally considered by 6 pm:

(i) consideration of committee reports, government responses and Auditor-General's reports under standing order 62(1) and (2) shall not be proceeded with,

(ii) the routine of business from not later than 6 pm shall be government business only and the order of the day relating to the Budget Savings (Omnibus) Bill 2016 have precedence over all other government business until determined,

(iii) divisions may take place after 4.30 pm, and
(iv) the Senate shall adjourn after it has finally considered the bill listed above, or a motion for the adjournment is moved by a minister, whichever is the earlier.


The PRESIDENT: Leave will be granted, I am sure. I did call for the ayes and the noes, but I have not actually called the result; however, I am happy to go back and allow you to speak as you had senators in front of you. If you are seeking leave to speak on the motion, leave is granted for one minute.

Senator DI NATALE: I want to be clear about what we are agreeing to here. We have a bill that puts forward over $6 billion worth of savings. We were denied a public inquiry. We were denied a hearing with the appropriate length of time that is required to look into what is a broad swathe of changes to higher education policy, to renewable energy policy and to income support, which is being cut from some of the most vulnerable people in the community. Now here we are, after this government has spent the first two days of the parliament filibustering, talking about God knows what, and we are being asked to stay here to ram this bill through the parliament tonight. That is what this hours motion does. It forces us to stay here because the government has not been doing its job and given this legislation the scrutiny it needs. (Time expired)

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

The Senate divided. [12:23]

(The President—Senator Parry)

Ayes ....................52
Noes ....................9
Majority...............43

AYES

Abetz, E
Bilyk, CL
Brown, CL
Bushby, DC (teller)
Carr, KJ
Collins, JMA
Culleton, RN
Duniam, J
Fifield, MP
Griff, S
Hinch, D
Kakoschke-Moore, S
Lambie, J
Lines, S
Marshall, GM
McCarthy, M
McKenzie, B
Nash, F
O'Sullivan, B
Paterson, J
Pratt, LC

Back, CJ
Brandis, GH
Burston, B
Canavan, MJ
Chisholm, A
Cormann, M
Dodson, P
Fawcett, DJ
Gallacher, AM
Hanson, P
Hume, J
Ketter, CR
Leyonhjelm, DE
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O'Neill, DM
Parry, S
Polley, H
Reynolds, L
AYES

Roberts, M
Seselja, Z
Smith, D
Urquhart, AE
Williams, JR

Ruston, A
Sinodinos, A
Sterle, G
Watt, M
Wong, P

NOES

Di Natale, R
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

Hanson-Young, SC
McKim, NJ
Rice, J
Waters, LJ

Question agreed to.

COMMITTEES

Community Affairs References Committee

Reference

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:26): I, and also on behalf of Senator Griff, move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 25 November 2016:

The operation of the Aged Care Funding Instrument, with particular reference to:
(a) its effectiveness in providing quality care;
(b) covering costs of care; and
(c) any other related matters.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:26): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator WONG: Labor remains concerned about the impact of the changes to the aged-care funding instrument and believes the government should immediately share the full modelling and assumptions on the changes with the sector and engage in a genuine assessment of future aged-care funding. However, the proposed inquiry, rather than addressing concerns with aged-care funding, simply would give the government an excuse to delay engaging on this issue. I understand that Labor has given notice in the House that we will introduce a private member's bill to submit aged-care funding and ACFI to an independent legislative review. The bill will amend the review arrangements in the act to include a full review of the ACFI and the care needs of older Australians, so we call on those concerned to show they are serious about the care of older Australians and back our move for a full, independent review into aged-care funding that can deliver a sustainable future funding model.

Question negatived.
BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:28): I move:

That consideration of the business before the Senate on Tuesday, 11 October 2016, be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator Kakoschke-Moore to make her first speech without any question before the chair.

Question agreed to.

BILLS

Water Legislation Amendment (Sustainable Diversion Limit Adjustment) Bill 2016

First Reading

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (12:29): I move:

That the following bill be introduced: A Bill for an Act to amend the Basin Plan 2012 in relation to the notification of supply and efficiency measures for the adjustment of the long-term average sustainable diversion limits, and for related purposes. Water Legislation Amendment (Sustainable Diversion Limit Adjustment) Bill 2016.

Question agreed to.

Senator RUSTON: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (12:30): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Australian government is committed to implementing the Murray-Darling Basin Plan in ways that deliver the best social, economic and environmental outcomes for the Basin and its many industries and communities. Water is essential to our agricultural production, and the associated wealth supports regional communities and the nation.

This bill provides more time for Basin jurisdictions to work together to maximise the benefits of the sustainable diversion limit adjustment mechanism—a key element of the Basin reforms. This will ensure that we get the reforms right. It will ensure the reforms are equitable and that they support the health of our valuable rivers, while also ensuring the communities and industries that rely on the rivers flourish into the future.

In 2012, the Basin Plan set out sustainable diversion limits at both a Basin-wide and individual catchment scale. At the time, these sustainable diversion limits represented the Murray-Darling Basin...
Authority's best judgement on a triple bottom line balance between healthy rivers, strong communities and a prosperous Basin economy. Before the Basin Plan was finalised, Basin water ministers requested that the Basin Plan include a mechanism to allow flexibility in setting the sustainable diversion limits in ways that further enhance social, economic and environmental outcomes. As a result the sustainable diversion limit adjustment mechanism was incorporated in to the Plan to enable the Basin-wide sustainable diversion limit for surface water of 10,873 gigalitres per year to be changed by up to five per cent.

These adjustments can be achieved through two types of measures. Supply measures are projects that enable environmental outcomes equivalent to those in the Basin Plan to be achieved using less environmental water. The bigger the supply contribution from the sustainable diversion limit adjustment, the smaller the remaining amount of water that needs to be recovered. Efficiency measures, on the other hand, are intended to enhance Basin Plan environmental outcomes through infrastructure projects that recover more environmental water without adverse socio-economic impacts.

Basin States are also looking at options for easing river bottlenecks that limit how much water can flow through the system at any one time, in order to achieve Basin Plan environmental outcomes with less water. Basin State governments are continuing to work through the feasibility of these projects with landholders to ensure that any adverse third party impacts can be avoided or otherwise mitigated to the satisfaction of landholders and communities.

On 5 May 2016, Basin Governments reached a major Basin Plan milestone by formally notifying the Murray-Darling Basin Authority of 36 supply and efficiency measures for consideration under the sustainable diversion limit adjustment mechanism. The notified package is intended to improve the social, economic and environmental outcomes of the Basin Plan. The Authority is now modelling the effect of these supply measures to determine how they will affect the sustainable diversion limits. While the notification of this package of measures was a significant step, Basin governments think more can be done, and this bill will enable us to provide for that.

This bill amends the Basin Plan to allow Basin States to notify a second package of sustainable diversion limit adjustment measures by 30 June 2017. This provides additional time for Basin jurisdictions to work-up new projects that augment the first package of measures.

In setting this timeframe, the Australian government is conscious that Basin governments are considering the potential for ‘complementary measures’, such as measures to control carp and boost native fish populations, to be considered under the sustainable diversion limit adjustment mechanism. There is a potential for significant environmental outcomes to be achieved through measures other than simply adding more water. Should Basin governments agree to proceed in this way, the timeframes set out in this bill will be sufficient for the development of such measures by Basin jurisdictions, and for the subsequent assessment of these measures by the Murray-Darling Basin Authority.

Of course, when undertaking reform as critical as the Basin Plan, timing is critical. The Basin Plan sustainable diversion limits are to come into effect from 1 July 2019 and, to achieve this, accredited water resource plans need to be in place and remaining water recovery targets need to be met. These processes all take time and certainty on the adjustment of sustainable diversion limits is required as early as possible. Therefore, while it is important to allow more time to get the most out of the adjustment mechanism, it is also imperative that Basin jurisdictions are afforded the time and certainty that they need to complete their water resource plans in 2019.

For this reason, the bill requires that the Murray-Darling Basin Authority present its determination of the proposed sustainable diversion limit adjustment to the Commonwealth Minister by 15 December 2017.

A determination deadline of 15 December 2017 will ensure that the adjustment operates in sufficient time to provide certainty for those key processes that depend on a timely outcome from the adjustment mechanism. To meet this deadline, the Murray-Darling Basin Authority will need to impose cut-off
dates for project amendments well beforehand. However, the Australian government remains confident
that all Basin jurisdictions will continue to work cooperatively together and with the Murray-Darling
Basin Authority in securing the best possible outcome.

To ensure Basin jurisdictions are able to develop a suite of further projects by 30 June 2017, they
must have certainty that the second notification will occur. This bill expedites the amendment process in
sufficient time to provide this certainty.

This bill continues the Government’s commitment to sensible and considered water reform. It strikes
the appropriate balance between providing more time to deliver the best possible outcomes of the
adjustment mechanism, while at the same time achieving the best possible outcomes for Basin
industries, for Basin communities and for healthy, working Basin rivers.

The Australian government is determined to implement the Basin plan in a manner that ensures the
economic and social wellbeing of our Basin communities, while achieving environmental objectives.
Farmers are the primary environmental stewards of the land and no one knows the creeks, rivers,
wetlands and flood plains of the Basin better than those communities that call the Basin home. It is vital
that we work with them to ensure the sustainable use of the water resources into the future.

Ordered that further consideration of the second reading of this bill be adjourned to the first
sitting day of the next period of sittings, in accordance with standing order 111.

Counter-Terrorism Legislation Amendment Bill (No. 1) 2016
Criminal Code Amendment (Firearms Trafficking) Bill 2016
Criminal Code Amendment (High Risk Terrorist Offenders) Bill 2016

First Reading

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive
Council and Leader of the Government in the Senate) (12:30): I indicate to the Senate that
these bills are being introduced together. After debate on the motion for the second reading
has been adjourned, I will be moving a motion to have the bills listed separately on the Notice
Paper. I move:

That the following bill be introduced: A Bill for an Act to amend the law relating to counter-
terrorism, and for related purposes, the Counter-Terrorism Legislation Amendment Bill (No. 1) 2016, a
Bill for an Act to amend the Criminal Code Act 1995, and for other purposes, the Criminal Code
Amendment (Firearms Trafficking) Bill 2016 and a Bill for an Act to amend the Criminal Code Act
1995, and for related purposes, the Criminal Code Amendment (High Risk Terrorist Offenders) Bill
2016.

Question agreed to.

Senator BRANDIS: I present the bills and move:
That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive
Council and Leader of the Government in the Senate) (12:31): I table the explanatory
memoranda relating to the bills and government amendments to be moved to the Counter-
Terrorism Legislation Amendment Bill (No. 1) 2016 and move:
That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—

COUNTER-TERRORISM LEGISLATION AMENDMENT BILL (NO. 1) 2016

The Counter-Terrorism Legislation Amendment Bill (No. 1) marks an important step in the government's efforts to further strengthen Australia's robust national security laws and counter-terrorism framework. It is broadly the same as the Bill of the same title introduced into the Senate in November of last year—with the important additions of further safeguards recommended by the Parliamentary Joint Committee on Intelligence and Security.

Australians currently face the most significant threat from terrorism in our nation's history. The Australian Government continues to work diligently towards combatting the threat we face from terror groups and individuals, both overseas and at home. Sadly, by any measure, the threat we face has only risen.

Around 110 Australians are currently fighting or engaged with terrorist groups in Syria and Iraq. At least 58, and potentially as many as 66, Australians are believed to have been killed in the conflict, while approximately 40 Australians have returned to Australia after travelling to Syria or Iraq and joining groups involved in the conflict. Some of these returnees remain a significant security concern.

There are about 200 people in Australia being investigated for providing support to individuals and groups in Syria or Iraq, including through funding and facilitation, or are seeking to travel.

The National Terrorism Threat Level for Australia is Probable. This means there is credible intelligence that indicates that individuals or groups have developed both the intent and capability to conduct a terrorist attack in Australia. Since 12 September 2014, when the national terrorism threat level was raised, 48 people have been charged as a result of 19 counter-terrorism operations around Australia. That's over half of all terrorism-related charges since 2001.

These numbers highlight the significance of the threat we face.

One of Australia's greatest strengths is our harmonious, diverse, multicultural, multi-faith community. This must be preserved and protected.

The measures introduced in this Bill reflect operational learnings from recent counter-terrorism investigations. The Bill also includes a number of recommendations from the Council of Australian Governments Review of Counter-Terrorism Legislation.

The Bill seeks to maintain a careful balance between enhancing our law enforcement capabilities and protecting individual rights. To this end, the Bill reflects the Government's acceptance of the recommendations of the Parliamentary Joint Committee on Intelligence and Security on the 2015 Bill. The provisions complement the earlier tranches of counter-terrorism measures introduced by this Government since 2014.

The Bill strengthens Australia's already robust counter-terrorism laws in several key areas.

Schedule 2 – Control orders for young persons

First of all, the Bill amends the existing control order scheme to provide that a control order may be issued against a young person from the age of 14 years.

Recent experience, including law enforcement operations, has shown that young persons can pose a significant risk to national security through their involvement in planning, supporting, and executing terrorist acts.

Regrettably, recent events demonstrate the necessity of our law enforcement agencies being able to access the full suite of measures in relation to young persons.
Australia’s national security legislation must provide law enforcement with appropriate tools to ensure the safety of the public and to ensure they are well equipped to respond to, and prevent, terrorist acts. This is the case even where the threats are posed by people under the age of 18.

A control order would only be issued against a person aged under 18 in the rare circumstances that it was required to:

- protect the public from a terrorist act;
- prevent a young person from supporting or facilitating a terrorist act; or
- prevent a young person from supporting or facilitating the engagement in a hostile activity in a foreign country.

The Bill retains the existing safeguards in relation to young persons and introduces important new provisions applicable to 14 to 17 year olds. These include:

- a maximum 3 month duration for the control order; and
- a requirement for the issuing court to take into account the young person’s ‘best interest’.

In response to Recommendation 2 of the Parliamentary Joint Committee on Intelligence and Security’s advisory report, the Bill includes a requirement for the Australian Federal Police to advise all people subject to a control order of their right to obtain legal advice and legal representation. This provision will improve the safeguards not only for young people, as recommended by the Committee, but for all people who are subject to control orders. I am circulating a Government amendment providing that if a young person to which this section applies is not legally represented, the Court will appoint a legal representative for that person.

Schedules 8, 9 and 10 – New monitoring powers

Schedules 8 to 10 contain amendments to Commonwealth legislation to ensure law enforcement agencies can monitor compliance with control orders.

With the increased use of the control order regime to address the risk posed by foreign fighters, these measures will ensure that we can effectively monitor compliance with the obligations, restrictions and prohibitions imposed by control orders.

The amendments will ensure investigative tools are sufficiently adapted to monitoring the risk of possible breaches of control orders.

Warrants will be available for the purposes of:

- protecting the public from a terrorist act
- preventing support for or the facilitation of a terrorist act or a hostile activity in a foreign country, and
- determining whether a control order has been or is being complied with.

These powers will only apply to individuals subject to a control order. Importantly, in response to recommendations of the Parliamentary Joint Committee on Intelligence and Security, the use of these powers will be subject to oversight from the Commonwealth Ombudsman.

Schedule 15 – National security information

Schedule 15 provides a broader range of options for protecting national security information that is used in control order proceedings.

With the increased tempo of counter-terrorism operations, it is sometimes necessary for our law enforcement agencies to take action earlier to protect community safety. To prevent death or serious harm, agencies may need to act before a full brief of evidence can be developed.

Consequently, those agencies will need to place a greater reliance on information from intelligence partners and sensitive sources.
The changes introduced in this Bill will provide greater protection to national security information that is considered in control order proceedings. This is vital in order to maintain critical intelligence partnerships and to protect sensitive capabilities.

These provisions amend existing arrangements for the protection of sensitive information whilst balancing the rights of individuals involved. They will provide the court with a discretion to consider very sensitive national security information in support of a control order application that is not shown to the subject of the control order proceeding or their legal representative. However, the Bill reflects the Government’s acceptance of Recommendation 4 of the Parliamentary Joint Committee on Intelligence and Security on the 2015 Bill, to make clear that the subject of the control order proceeding must be provided with sufficient information about the allegations against them on which the control order is based to enable effective instructions to be given in relation to those allegations.

In addition, the Government has implemented Recommendation 5 of the Parliamentary Joint Committee on Intelligence and Security to create a special advocate role to represent the interests of persons subject to control order proceedings where the subject and their legal representative have been excluded from hearing or seeing sensitive national security information. The special advocate provides an important safeguard in ensuring that the procedural rights of the subject of a control order proceeding are upheld.

Whilst the Bill creates the architecture for a special advocate role, some time will be needed for the supporting regulations and administrative arrangements to be established for the regime to work. The Government will work swiftly to ensure these arrangements are put in place as soon as possible.

Consistent with the recommendation of the Committee, the provisions in the Bill providing for the protection of sensitive information in control order proceedings will commence without delay. The court will be able to continue to exercise its inherent powers to appoint a special advocate on an ad hoc basis.

Schedule 11 – Offence of advocating genocide
To address the negative impact of hate preachers, Schedule 11 introduces a new offence of advocating genocide.

The Australian Government is doing everything it can to tackle the threat posed by those who justify terrorism and who radicalise and recruit people to take part in terrorism.

The Australian Government has a long and deep commitment to free speech. But the community cannot allow the advocacy of terrorism or of genocide, which is the incitement to murder an entire population, not an exercise of free speech.

In the current threat environment, the use of social media by radical Islamist proselytizers means the speed at which persons can become radicalised and could prepare to carry out acts in response to a call to commit genocide may be accelerated.

Law enforcement agencies require tools to intervene earlier in the radicalisation process to prevent and disrupt further engagement in terrorist activity. This new offence is intended to be one of those tools.

Schedule 18
Schedule 18 implements all of the recommendations made by the Independent National Security Legislation Monitor in his report on section 35P of the ASIO Act.

These amendments will introduce new protections to section 35P by establishing two separate offence regimes, with one regime to apply to persons who came to the knowledge or into the possession of the relevant information in their capacity as an entrusted person and a separate regime for ‘outsiders’.

Under these new regimes the disclosure of information made by members of the community, except those who received information in their capacity as an entrusted person, will only constitute an offence
if the information will endanger the health or safety of a person or prejudice the effective conduct of a special intelligence operation.

The amendments will also establish a defence of prior publication available only to persons who did not receive the relevant information in their capacity as an entrusted person.

It is critical that ASIO continues to have the tools and capabilities, such as the use of special intelligence operations, available to them in order to effectively combat the significant terrorism and espionage threats that Australia faces.

Indeed, in making his recommendations the Monitor agreed that it is appropriate to retain disclosure offences, and that the special intelligence operation scheme is both necessary and proportionate.

The Government understands the importance in maintaining public awareness of, and confidence in, the activities of our security agencies. The decision to implement all of the Monitor's recommendations regarding section 35P in full further demonstrates our commitment to ensuring that we are achieving the right balance between the public interest and our national security requirements.

Concluding remarks
The Government is committed to ensuring that Australia's national security laws and counter-terrorism framework are as robust as possible.

This Government has worked closely with the states and territories to ensure that Australia's counter-terrorism framework is as good as it possibly can be. Countering terrorism and violent extremism is a priority for all Australian governments. We greatly appreciate the ongoing cooperation of the states and territories in this endeavour.

Consistent with the legislative reforms made in 2014 and early 2015, the Government continues to monitor the adequacy of our legislation and will develop further necessary legislative amendments.

We will continue to take on board operational learnings and ensure that Australia's counter-terrorism framework adapts to the constantly changing threat environment.

The Australian Government is committed to fulfilling its most important responsibility—protecting Australia, its people and its interests. We will continue to do so while instilling confidence that our national security and counter-terrorism laws will be exercised in a just and accountable way, consistent with the values of a free and open society.

This Bill demonstrates the Australian Government's determination to address, proactively and effectively, the constantly evolving threats to our national security.

CRIMINAL CODE AMENDMENT (FIREARMS TRAFFICKING) BILL 2016
At the 2016 election the Coalition Government reaffirmed its commitment to the Australian people to implement tougher criminal penalties for gun-related crime.

The criminal misuse and trafficking of firearms is a deadly crime and an ongoing threat to the safety of our communities.

We know that criminals use these weapons to protect their interests such as drugs, or to commit acts of violence.

The imperishable nature of firearms and the ongoing supply of firearms to the illicit market mean they remain a serious threat to the Australian community.

Now, more than ever, we must do everything in our power to ensure the ongoing safety and security of all Australians.

That is why the Coalition is determined to introduce measures to double the existing maximum penalties for firearm trafficking to 20 years imprisonment and implement 5 year mandatory minimum sentences.

This sends the strongest possible signal that we will not tolerate gun crime.
But time and time again, those opposite have blocked these tough measures – playing politics with the safety of every Australian.

Labor claims that mandatory minimums should be avoided. The member for Batman, former shadow for the Justice portfolio told the Parliament: “...it is laid out in the Australian Labor Party’s national platform that it is the strongly-held view of my party that mandatory minimum sentencing is often discriminatory in practice … So we oppose mandatory sentencing.”

But, when they were in Government they introduced mandatory minimum sentences for people smuggling offences.

They have confirmed what we already know – Labor is not prepared to do what it takes to get on with keeping Australians safe.

While Labor goes soft on gun crime, the Coalition Government is getting on with delivering what it promised to the Australian people – a safer and more secure nation.

Details on the Bill

This Bill will introduce a mandatory minimum sentence of five years imprisonment for offenders convicted of trafficking firearms or firearms parts under the Criminal Code Act 1995.

Mandatory minimums send a strong and clear message that gun-related crime and violence will not be tolerated.

The mandatory minimums will capture all offenders who engage in the illicit firearms trade, not just those who trade in large numbers of firearms or parts.

However, these mandatory minimum penalties are not without safeguards. They will not apply to minors and will not specify a minimum non-parole period - that decision will remain at the discretion of the sentencing judge, enabling the circumstances of the individual to be taken into account.

In addition to the mandatory minimum sentence, this Bill will also increase the maximum penalties for firearms trafficking to 20 years' imprisonment, 5,000 penalty units or both – double the current penalty.

The increased maximum penalty will ensure that the most serious instances of trafficking firearms within, into or out of Australia are matched by appropriate punishments.

This combination of penalties will be a strong deterrent against people seeking to illegally import firearms and their parts into Australia. The amended penalties will more adequately reflect the serious nature and potential consequences of supplying firearms and firearm parts to the illicit market.

Other measures to deal with illegal firearms

This bill is just one of the measures that the Government has taken to address the serious problems arising from illegal firearms.

Under Labor we saw savage cuts to customs, the AFP and the Australian Crime Commission - a 25% reduction in sea cargo inspections and a 75% decrease in air cargo inspections.

When we came to government, the Coalition boosted funding for our law enforcement and security agencies, including $88 million for the Australian Border Force to boost inspections at our border.

We continue to invest significantly to ensure that our law enforcement agencies have the tools and powers they need to keep Australia safe.

For example, the Government recently announced an additional $25.4 million to fund the expansion of the AFP’s National Forensics Rapid Lab. This will enhance the AFP’s capacity to detect and seize illegal firearms and target the criminal syndicates that peddle them.

Since coming to Government, we have also invested $116 million in the National Anti-Gang Squad, which targets organised crime groups within Australia – particularly their role in firearms trafficking.
Through the Squad, the Government has fostered unprecedented cooperation between federal, state and territory law enforcement agencies, which to date has resulted in 583 illegal guns being taken off our streets.

Earlier this month, the Victoria Strike team of the NAGS, Victoria police and their international counterparts seized a significant number of firearms and firearms parts that had been illegally trafficked into Australia by a criminal syndicate.

A member of that syndicate has now been charged under tough new laws introduced by the Coalition Government last year.

These new laws closed a loophole that allowed criminals to avoid prosecution – making international firearms trafficking a serious criminal offence and extending the offences to include firearms parts, as well as whole firearms.

If the Coalition Government had not acted to strengthen these laws, these dangerous criminals could have evaded penalty.

These measures demonstrate the Coalition's commitment to tough action on gun crime.

We will continue to pursue our legislative agenda to keep our communities safe.

CRIMINAL CODE AMENDMENT (HIGH RISK TERRORIST OFFENDERS) BILL 2016

The Criminal Code Amendment (High Risk Terrorist Offenders) Bill introduces a framework into Part 5.3 of the Commonwealth Criminal Code that will provide for the continued detention of high risk terrorist offenders serving custodial sentences who are considered by a court to present an unacceptable risk to the community.

Terrorism poses a serious threat to Australia and its people. There have been 19 counter-terrorism operations since September 2014, resulting in the charging of 48 persons. Across the jurisdictions, there are a total of 15 terrorist offenders serving a custodial sentence and 37 persons before the courts.

While a majority of states and territories, as well as international counterparts including the United Kingdom and New Zealand, have enacted post-sentence preventative detention regimes dealing with high risk sex and/or violent offenders, there is no existing Australian regime for managing terrorist offenders who may continue to pose an unacceptable risk to the community following the expiry of their sentence. Law enforcement agencies can seek to rely on control orders to manage the risk of terrorist offenders upon their release from prison. However, there may be some circumstances where, even with controls placed upon them, the risk an offender presents to the community is simply too great for them to be released from prison. This is a significant public safety issue.

Commonwealth, State and Territory Governments are committed to ensuring that Australia's counter-terrorism framework remains responsive to the evolving national security threat. At a Council of Australian Governments' meeting in April, States and Territories agreed in principle for the Commonwealth to lead the process of developing a post-sentence preventative detention regime that could apply uniformly across all jurisdictions.

On 5 August, I met with State and Territory Attorneys-General to discuss this issue. The jurisdictions agreed in principle to the creation of a national post-sentence detention regime on the terms of the Commonwealth draft Bill. Subsequent to this meeting, jurisdictions have now agreed to the provisions of the Bill in accordance with the Inter-Governmental Agreement on Counter-Terrorism Laws, which underpins the existing referrals of power on counter-terrorism matters by the States to the Commonwealth.

The Commonwealth considers that the new framework has a sound constitutional foundation. Out of an abundance of caution, however, I have asked my State counter-parts to enact amendments to existing referrals of power relating to Part 5.3 of the Criminal Code to make explicit that State support extends to the post-sentence preventative detention regime.
The regime is modelled closely on existing State and Territory post-sentence detention regimes for high risk sex and/or violent offenders. I thank the jurisdictions for the collaborative spirit in which this Bill has been developed.

The object of the Bill is to ensure the safety and protection of the community by providing for the continuing detention of terrorist offenders serving custodial sentences who pose an unacceptable risk of committing a serious terrorist offence if released into the community upon the expiry of their sentence.

The Bill will enable the Supreme Court of a State or Territory to make two types of detention orders against a person. The first is a continuing detention order, which will enable a person to be detained in prison for up to three years. However, further applications may be made, and there is no limit to the number of such applications. An order can only be made against a person who is currently imprisoned and serving a sentence for specified offences under the Criminal Code, including offences related to international terrorist activities using explosive and lethal devices, treason, serious terrorism or foreign incursions and recruitment.

The second type of order a court can make is an interim detention order, which can last for up to 28 days. An interim detention order will be available in circumstances where the terrorist offender's sentence or existing continuing detention order will end before the court has had an opportunity to determine the continuing detention order application.

The Bill contains significant safeguards to ensure respect for the rule of law. Only the Commonwealth Attorney-General may make an application for a continuing detention order to the Supreme Court of the State or Territory in which the person is currently imprisoned. The Court must be satisfied to a high degree of probability, on the basis of admissible evidence, that the offender poses an unacceptable risk of committing a serious terrorism offence if the offender is released into the community. A serious terrorism offence is an offence in Part 5.3 of the Criminal Code that carries a maximum penalty of seven or more years of imprisonment. The Court must also be satisfied that there is no other less restrictive measure that would be effective to ensure community safety against the risk the person presents.

A continuing detention order is appealable and must be reviewed every 12 months. Furthermore, a person must be at least 18 years old when their original sentence ends and cannot be accommodated or detained in the same area of a prison as persons serving ordinary sentences of imprisonment except in certain circumstances.

Commonwealth, State and Territory Governments are committed to ensuring that Australia's counter-terrorism framework remains responsive to the evolving national security threat. This Bill forms part of the Government's comprehensive reform agenda to ensure Australia's counter-terrorism framework is effective in keeping the Australian community safe.

To enable the Parliament to give full consideration of this important Bill, I am writing to the Parliamentary Joint Committee on Intelligence and Security to ask it to examine this Bill, and to make recommendations. The Government will also continue its valuable work with the States and Territories on this important scheme to protect the community while ensuring the appropriate safeguards consistent with the rule of law in a free and open society.

Senator BRANDIS: I move:

That these bills be listed on the Notice Paper as separate orders of the day.

I advise the Senate that under the terms of the Intelligence Services Act 2001, I have referred the Criminal Code Amendment (High Risk Terrorist Offenders) Bill 2016 to the Parliamentary Joint Committee on Intelligence and Security for its advice.

Question agreed to.
The PRESIDENT: In accordance with standing order 111, further consideration of these bills is now adjourned until 10 October this year.

NOTICES
Withdrawal

Senator GRIFF (South Australia) (12:32): I, and also on behalf of Senators Xenophon and Kakoschke-Moore, withdraw general business notice of motion No. 37, relating to a reference to the Joint Standing Committee on Electoral Matters.

BUSINESS
Consideration of Legislation

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:33): I move:
(1) That so much of standing orders be suspended as would prevent this resolution having effect.
(2) That the following bills be restored to the Notice Paper and that consideration of each of the bills be resumed at the stage reached in the last session of the previous Parliament:
  Australian Centre for Social Cohesion Bill 2015
  Automotive Transformation Scheme Amendment (Securing the Automotive Component Industry) Bill 2015
  Charter of Budget Honesty Amendment (Intergenerational Report) Bill 2015
  Competition and Consumer Amendment (Australian Country of Origin Food Labelling) Bill 2015
  End Cruel Cosmetics Bill 2014
  Guardian for Unaccompanied Children Bill 2014
  Independent National Security Legislation Monitor (Improved Oversight and Resourcing) Bill 2014
  Migration Amendment (Free the Children) Bill 2016
  Mining Subsidies Legislation Amendment (Raising Revenue) Bill 2014
  Motor Vehicle Standards (Cheaper Transport) Bill 2014
  National Integrity Commission Bill 2013
  Private Health Insurance Amendment (GP Services) Bill 2014
  Recognition of Foreign Marriages Bill 2014.
Question agreed to.

BILLS

Great Australian Bight Environment Protection Bill 2016

First Reading

Senator HANSON-YOUNG (South Australia) (12:33): I move:
That the following bill be introduced: A Bill for an Act to protect the Great Australian Bight environment, and for related purposes. Great Australian Bight Environment Protection Bill 2016.
Question agreed to.

Senator HANSON-YOUNG: I present the bill and move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.
Second Reading

Senator HANSON-YOUNG (South Australia) (12:34): I move:

That this bill be now read a second time.

I table the explanatory memorandum and seek leave to have my second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

This Bill is designed to protect the Great Australian Bight from proposed drilling for oil that BP and other mining companies are proposing to undertake.

Regional South Australian primary industry groups, eco-tourism operators, traditional owners and environmental conservationists have all said that the Great Australian Bight is a national treasure that is too precious to put at risk.

The Parliament has to step in and make sure that this this crucial ecosystem is protected for generations to come and that's why I am introducing a Bill to Parliament.

BP will put this spectacular marine park at risk and, if they're given approval, there are several other companies lining up behind them. Between BP, Chevron, Santos and others it's clear the plan is to turn the Great Australian Bight into an oil mining highway.

What is the point of having marine parks if they're not actually protected? Are no Australian areas safe from oil and gas exploration? Allowing the company responsible for the Gulf of Mexico spill to drill in the Great Australian Bight is a disaster waiting to happen.

The Greens are calling for the decision of National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), the regulating body responsible for drilling approvals, to be delayed so that greater scrutiny of the proposal can be undertaken.

This precious marine ecosystem and numerous local industries, including fisheries and eco-tourism operators, deserve to be protected.

The Bight is an essential calving sanctuary for southern right whales and a feeding ground for threatened sea lions, sharks, tuna and migratory sperm whales.

We can't afford to put all of that at risk.

Astounding results from a Curtin University study recently showed that 172 southern right whales used the Great Australian Bight calving sanctuary in just one July day this year. That is an incredible number of whales and shows why the area must be protected from BP’s plans to drill for oil there.

The extremely vulnerable southern right whale population is only just starting to rebound and for BP to be given clearance to drill for oil in the Bight would be an absolute disaster.

I'm worried that the State and Federal Governments’ addiction to fossil fuels is putting South Australian interests at risk.

It's clear that an oil spill would devastate local tourism and fishing industries along with this precious whale calving sanctuary.

Our State should not be exposed to a Gulf of Mexico style disaster and the Greens will join with environmental groups, local communities and industry groups to stand up against BP drilling for oil in the Bight.

It's these hard working families, who are hoping to make a little extra income from sustainable and eco-tourism, that will have their livelihoods put at risk if a massive Gulf of Mexico style oil spill is allowed to take place.
It's the fisheries and oyster growers, who rely on clean and pristine sea waters to grow the most delicious produce in the country that will have their businesses put at risk.

It's the traditional owners who have such a deep and enduring connection to the land, who are being side-lined in this debate, that may see their waters and coastline spoiled beyond repair.

And it's the marine life, like the southern right whales and endangered sea lions, who will have their globally significant calving sanctuaries and feeding zones put at risk.

The Australian Greens will stand with the fight for the Bight Alliance, an amazing collection of passionate people and organisations that want to see reason prevail and this precious area protected.

Senator HANSON-YOUNG: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTIONS

Gun Control

Senator RHIANNON (New South Wales) (12:35): I move:

That the Senate—

(a) notes that:

(i) a video in circulation violently threatens a high-profile gun control advocate,

(ii) the individuals in the video have previously been referred to the New South Wales Police for posting violent videos aimed at racial and religious minorities and the Greens, and

(iii) former Prime Minister John Howard performed a courageous act in 1996 by pursuing national gun law reform; and

(b) calls on the Federal Government to:

(i) maintain and strengthen the National Firearms Agreement,

(ii) commit to a ban on the importation and sale of rapid-fire shot guns, and

(iii) show leadership on firearms similar to that shown by Mr Howard, and work with state governments to have firearms laws amended to provide for the immediate cancellation of a firearms licence and surrender of all weapons when a shooter has displayed threatening, intimidating or offensive behaviour associated with their use of firearms.

Senator McGRATH (Queensland—Assistant Minister to the Prime Minister) (12:35): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGRATH: The coalition government is committed to keeping our community safe and has put in place a range of measures to keep illegal firearms off our streets, including investing $88 million to increase Customs inspections, boost the capacity of agencies to detect firearms at the border, enhance cooperation with the states and territories through the $116 million National Anti-Gangs Squad and close a legal loophole that allowed criminals to avoid prosecution for trafficking firearms parts into Australia. Today, in line with our election commitments, we have introduced legislation to double the maximum penalty for firearms trafficking to 20 years and introduce five-year mandatory minimum sentences.

The PRESIDENT: The question is that the motion moved by Senator Rhiannon be agreed to.

The Senate divided. [12:40]
(The President—Senator Parry)

Ayes ..................... 14
Noes ..................... 41
Majority ............... 27

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Question negatived.

**BILLS**

**Racial Discrimination Law Amendment (Free Speech) Bill 2016**

**First Reading**

**Senator LEYONHJELM** (New South Wales) (12:43): I, and also on behalf of Senators Burston, Culleton, Hanson, Hinch, Roberts and Day, move:

That the following bill be introduced: A Bill for an Act to amend the law relating to racial discrimination, and for related purposes. *Racial Discrimination Law Amendment (Free Speech) Bill 2016*.

Question agreed to.

**Senator LEYONHJELM**: I present the bill and move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Second Reading

Senator LEYONHJELM (New South Wales) (12:44): I move:
That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

Senator LEYONHJELM: I table an explanatory memorandum and seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—
I introduce the Racial Discrimination Law Amendment (Free Speech) Bill 2016 to repeal section 18C and associated sections.

This will remove the prohibition on insulting, offending, humiliating or intimidating speech based, at least in part, on race, colour, nationality or ethnicity.

This prohibition extends well beyond racial vilification law at the State level, which is confined to outlawing speech that incites hatred towards, serious contempt for, or severe ridicule of, a racial group. And it goes beyond State law that prohibits intimidation.

In going beyond State law, 18C discourages public discussion of important issues such as affirmative action policies. It discourages contributions in line with the outlawed articles of Andrew Bolt, as well as more sensitive and less erroneous contributions. All such contributions are necessary to arrive at the truth.

Supporters of 18C believe it reduces racist abuse, at least of the kind not already outlawed by State law.

However, suppressing racist abuse does not make racist opinions disappear. Rather, it hinders efforts to reform those opinions through robust exchange, making it more likely that they will continue, potentially to manifest in more sinister forms.

Further, assigning authority to imperfect legislators, bureaucrats and judges to distinguish acceptable from unacceptable speech involves the danger that important contributions to public discussion will be lost.

It is far more preferable to limit the role of the State with respect to constraints on speech, to rely on the norms of civil society to discourage racist abuse, and to challenge racist opinions when they are aired.

I commend the Bill to the Senate.

Senator LEYONHJELM: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTIONS

National Redress Scheme for Survivors of Institutional Sexual Abuse

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (12:44): At the request of Senators Moore and Brown, I move General Business Notice of Motion No. 57:
That the Senate—

(a) recognises the immense suffering of survivors of institutional child sexual abuse, and that survivors may be affected by the abuse for their whole lives;

(b) acknowledges that 14 September 2016 marks the one year anniversary of the final report of the Royal Commission into Institutional Responses to Child Sexual Abuse;

(c) calls on the Federal Government to establish a National Redress Scheme for Survivors of Institutional Sexual Abuse, following recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse, which include:

(i) the creation of a single national redress scheme, coordinated by the Federal Government, and not outsourcing responsibility to the states, and

(ii) the provision of counselling and financial redress with costs met by the institutions responsible for the perpetrators of the abuse;

(d) notes that:

(i) the Royal Commission into Institutional Responses to Child Sexual Abuse recommended the Government announce a national redress scheme by the end of 2015 and proceed without delay, and

(ii) the Government did not meet this recommended deadline and any further delay puts at risk the recommended start date of 1 July 2017; and

(e) recommends that the Federal Government consult extensively on further details of a national redress scheme to ensure that it fully meets the ongoing and complex needs of survivors and their families.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (12:44): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGrath: The government is committed to ensuring redress is provided for survivors of institutional child sexual abuse by the responsible institutions. Survivors have waited for many years for the justice so wrongly denied them by their abusers. The royal commission expressly acknowledged that its preferred option for delivering that justice, a single national scheme, might not be achievable within the time frame acceptable to survivors and, indeed, to all Australians who have been outraged by the heinous abuse inflicted on children. Discussions which the Commonwealth has led with states and territories have shown that national consistency can only be achieved sufficiently swiftly through a nationally consistent approach. This aligns with the commission’s alternative recommendation.

The PRESIDENT: The question is that the motion moved by Senator Urquhart be agreed to.

The Senate divided. [12:50]

(At 12:54pm)

Ayes .....................34
Noes .....................28
Majority ...............6

AYES

Bilyk, CL
Brown, CL
Carr, KJ
Chisholm, A
Collins, JMA
Dastyari, S
Di Natale, R
Dodson, P

CHAMBER
Question agreed to.

The PRESIDENT (12:52): That concludes the discovery of formal business by termination because of the effluxion of time.

BILLS
Statute Update Bill 2016
First Reading

Bill received from the House of Representatives.
Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (12:53): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (12:54): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Statute Update Bill 2016 makes minor and technical changes to the Commonwealth statute book to improve its quality and accuracy.

The amendments in the Bill update older Commonwealth provisions to reflect changes in the law and ensure the consistency of those provisions with the legal framework in which they operate.

Schedule 1 updates references to dollar penalties for criminal offences. The amendments remove dollar amounts from penalty provisions and replace them with the appropriate number of penalty units. This ensures that the penalty that appears on the face of a statute is the penalty that actually applies.

Schedules 2, 3 and 4 streamline other aspects of penalty provisions, clarify the evidentiary status of certain certificates and registers, and update references to aircraft registered in accordance with the Civil Aviation Regulations 1988.

These amendments enhance readability, facilitate interpretation and administration, and promote consistency across the Commonwealth statute book.

Senator GALLAGHER (Australian Capital Territory) (12:54): I rise to speak in support of the Statute Law Update Bill 2016 on behalf of the opposition. This bill was previously introduced into the last parliament but lapsed. It was reannounced in August as part of Mr Turnbull 25-point battle plan, supposedly to be expedited through the parliament. This bill makes four categories of technical noncontroversial changes to the Commonwealth statute book. These are essentially only matters of drafting style.

The bill amends a range of older Commonwealth acts so that penalties presently set at specific dollar amounts are instead set at the equivalent number of penalty units, as is modern drafting practice. This will make the acts affected easier to understand and apply. Presently any penalty set in a dollar amount in Commonwealth legislation is converted into penalty units in accordance with section 4AB of the Crimes Act 1914. Under that provision the number of penalty units applying to an offence is calculated by dividing the listed dollar amount by 100 and rounding up to the nearest whole number. This provision was added to the act alongside the introduction of the penalty unit system in 1992. At the time, penalty units were set at $100. However, this has now been increased several times and penalty units are now $180. As a consequence, section 4AB now has the perverse consequence that the actual penalties for offences are substantially higher than those listed on the face of the relevant legislation.
The bill also removes references to maximum penalties in various acts. This is a drafting change which will have no legal consequence. Usual practice is to refer only to a penalty, and section 4D of the Crimes Act states that any listed penalty is taken to mean the maximum penalty.

The bill amends provisions in various acts, stating the evidentiary effect of various kinds of certificates, registers and other instruments. Presently those provisions provide that the relevant instrument is evidence of what it states. The bill makes a technical drafting change so that those provisions instead state that the relevant instrument is prima facie evidence of what it states. This brings those provisions into accordance with modern drafting practice.

The bill amends four acts which presently refer to Australian aircraft or aircraft registered or required to be registered under the Civil Aviation Regulations or the Civil Aviation Safety Regulations 1998. There is no concept of Australian aircraft under current civil aviation regulations, and modern drafting practice is to avoid references to specific named regulations. The bill accordingly amends provisions so that they refer simply to regulations made under the Civil Aviation Act 1988.

In late October we heard of the Prime Minister's 25-point battle plan—we were told 25 reforms would have to be rushed through the parliament as a matter of priority. Incredibly, this bill, which was first introduced in the last parliament on 17 March, was one of those 25 points. This bill implements a range of drafting amendments across the Commonwealth statute book. Those amendments have little if any legal effect—they are merely matters of drafting style. It is important that Commonwealth legislation is continually tweaked to ensure that it is clear, coherent and comprehensive. Courts, officials, lawyers and the general public should be able to understand the effect of the law as easily as possible. The changes in this bill assist with this and Labor is happy to support them. But let us be clear: this is not groundbreaking reform; it is not bold policy action. The Prime Minister should be embarrassed that his stocks have sunk so low, that his government is so adrift, that he has to truss up routine legislative work like this as some kind of policy masterstroke. I commend the bill to the chamber.

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (12:58): I thank Senator Gallagher for her contribution to the debate on the Statute Update Bill.

Question agreed to.

Bill read a second time

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Reynolds) (12:58): As no amendments to the bill have been circulated, I call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (12:58): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Corporations Amendment (Auditor Registration) Bill 2016

First Reading

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (12:59): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (12:59): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

Today, I introduce a Bill which will ensure the ongoing validity of certain auditor registrations from December 2005.

Government regulation of company auditors requires minimum standards of both competence and integrity to help protect investors and other users of financial reports.

This is an important part of a robust financial reporting and auditing framework. Audit quality and independence is important to ensuring the integrity of financial statements. Transparent and credible financial reporting coupled with an effective audit regime underpins confidence in our financial system and is essential for sound and sustainable economic growth.

The Bill remedies the legal uncertainty surrounding the Australian Securities and Investments Commission’s (ASIC) approval in November 2004 of an auditing competency standard produced by CPA Australia and the Institute of Chartered Accountants in Australia (now known as Chartered Accountants Australia and New Zealand).

In November 2004 certain administrative requirements which legislation required be followed in relation to ASIC’s approval were not met. After 1 December 2005 the legal validity of auditors registered in reliance on that standard has been uncertain.

The Bill remedies this uncertainty by retrospectively validating the registration of auditors registered under the relevant auditing standard. It provides a clear and permanent legislative solution to an issue which has so far been dealt with through a solution which must be periodically renewed. In doing so it reduces compliance costs and increases certainty for business.

The retrospective effect of the amendments will not add any new regulatory requirement. Rather, the retrospective effect of the amendments is necessary to ensure that decisions and actions taken by auditors, ASIC and business which relied upon the enforceability and integrity of the approval are valid.

The retrospective operation of the Bill provides certainty for those past decisions and actions.

The Bill will commence the day after the Bill receives Royal Assent.

Finally, the Legislative and Governance Forum on Corporations was consulted in relation to the amendments and has approved them as required under the Corporations Agreement 2002.
Senator GALLAGHER (Australian Capital Territory) (13:00): I rise to speak on the Corporations Amendment (Auditor Registration) Bill 2016. I thank the chamber for the opportunity to outline Labor's position with respect to the bill, which is one that we will be supporting. The bill, as presented, is worthy of the support of the Senate. Although it did not reach this chamber in time, the bill enjoyed Labor's support when it was initially introduced in the House of Representatives late in the 44th Parliament, before lapsing when the parliament was prorogued in April to allow the federal election to take place. While this bill’s contents are narrowly focused and highly technical in nature, Labor is always acutely interested in any issues that go to ensuring that Australians are able to enjoy, and have faith in, a robust and stable financial system. The successful passage of this bill will be a small but prudent contribution to that effort.

As is appropriate, the federal government imposes regulatory requirements on the conduct of registered company auditors, whether individuals or firms, in an effort to safeguard investors and to improve the integrity and stability of our financial system and the broader economy. This is done by ensuring that the financial reports produced by auditors comply with minimum quality standards that follow recognised auditing standards. This bill seeks to assist in those efforts by addressing the legal consequences of not registering, in contravention of the Legislation Act 2003, the approval by the Australian Securities and Investments Commission in November 2004 of one these auditing competency standards.

In November of 2004, ASIC approved an auditing competency standard—the CPA/ICAA standard—produced by Chartered Practising Accountants Australia, and what is now known as Chartered Accountants Australia and New Zealand. The Legislation Act 2003 required that legislative instruments made in 2004 were registered on the Federal Register of Legislative Instruments. In the case of the aforementioned CPA/ICAA standard, this did not occur, and the failure to lodge the instrument has had the effect that the CPA/ICAA standard is taken to have been repealed.

In practical terms, this has meant that from 2 December 2005 the legal validity of auditors registered in reliance on the standard has been uncertain. The bill we are considering today remedies this uncertainty by retrospectively validating the registration of auditors registered under that auditing standard. It achieves this by amending the Corporations Act to retrospectively ensure that the Legislation Act has always had effect, as if approval of the CPA/ICAA competency standard had been lodged and registered immediately after it was given, and that all other requirements of the Legislation Act are taken to have been met. The retrospective effect of the amendments is necessary to ensure that decisions and actions taken by auditors, the regulator and business which relied upon the enforceability and integrity of the legislative instrument are valid. We acknowledge that legislating in a retrospective manner is not an ideal circumstance; however, we do note that the parliament has previously enacted retrospective legislation of this nature to deal with the failure to properly register other legislative instruments.

In a broader consideration, the intent of this bill and its practical effects are consistent with Labor's desire to see a sound financial system that works for the benefit of the whole Australian community. We are satisfied that the key issues and provisions contained within this legislation have been sufficiently vetted by the processes of the parliament, and that
adequate consultation with interested parties and stakeholders has been conducted. I commend the bill to the Senate.

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (13:03): I would like to thank Senator Gallagher for her contribution to the debate. The Corporations Amendment (Auditor Registration) Bill 2016 permanently remedies legal uncertainty in relation to the registration of certain company auditors. The bill does not impose any regulatory burden. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Reynolds) (13:04): As no amendments to the bill have been circulated, I shall call on the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator RYAN (Victoria—Special Minister of State and Minister Assisting the Cabinet Secretary) (13:04): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Budget Savings (Omnibus) Bill 2016

Second Reading

Consideration resumed of the motion:

That this bill be now read a second time.

Senator GALLAGHER (Australian Capital Territory) (13:05): Yesterday afternoon, when I had the opportunity to speak on the Budget Savings (Omnibus) Bill 2016, I was talking about the energy supplement measure. I said that, as a result of negotiations we had with the government, changes to the energy supplement measure will mean that all existing categories of recipients will continue to receive this modest supplement, except for those people receiving family tax benefit and for holders of the Commonwealth seniors health card. Once again, Labor has moved to ensure that our amendments protect pensioners, single parents, carers, people with a disability and people who have lost their jobs due to the government's proposed harsh cuts.

In terms of ARENA, Labor committed to just over $300 million in investment in renewables during the election campaign, which was part of our position in relation to climate change and the renewable energy target. Once it became clear that cuts would have seen ARENA gutted, Labor looked for a constructive solution. The discussions with the government mean that Labor has now secured $800 million in funding for ARENA over five years. Importantly, this money is on top of ARENA’s existing commitments and the recently announced $100 million large-scale solar round. It has also been agreed that the Minister for the Environment and Energy, the Hon. Josh Frydenberg, will meet with the shadow minister for climate change and energy, the Hon. Mark Butler, to discuss the profiling of the remaining funds over the forward estimates for a forward work program which will safeguard Australia’s reputation as a world leader in research and innovation in renewable energy, building on the
work of our universities and the CSIRO, and will ensure that there is support for
demonstration of proof-of-concept stage development where debt and equity finance is
insufficient to support projects. The government has also agreed to discuss opportunities for
bipartisan agreement around policies that would accelerate the transition to a modern clean
energy system that delivers reliable, affordable energy to Australian households and
businesses and ensure that this transition is a just transition for impacted workers and
communities.

In relation to the section of the omnibus bill which related to the child and adult public
dental scheme, the arrangements with the government mean that this measure has now been
deleted from the bill. Labor has saved the child dental benefits schedule. The Minister for
Health and the shadow minister for health and Medicare will now enter into formal
discussions with the objective of delivering the same quantum of savings as were attached to
this element of the bill.

In terms of the psychiatric confinement measure, Labor opposed this measure in the
original bill, as it would have unfairly disadvantaged people with serious mental illness. The
government proposed to take away income support payments from people in psychiatric
confinement charged with a serious offence and undergoing a course of rehabilitation. This
policy would have removed support first introduced back in 1986. The recipients of this
support include people suffering from very serious mental health issues such as
schizophrenia, bipolar disorder, intellectual disabilities and acquired brain injuries.

The reality of this proposal was that it would have seen a person in psychiatric confinement
who has been charged with a serious crime treated the same way as a person in jail who has
been charged with or convicted of an offence. Labor agrees that it is right that social security
payments are not paid to a person in prison. However, we believe there is a significant
difference between people who are in psychiatric confinement because of a mental
impairment and who have not been found criminally responsible for their actions and ordinary
criminals who are clearly responsible for their actions. This measure, thankfully, has now
been removed from the bill.

In seeking changes to the bill, Labor has also come up with its own savings measures that
will achieve the required amount of savings but in a much fairer way. These measures include
abolishing the family tax benefit part A supplement for families with incomes greater than
$80,000, which is expected to generate savings of $1.65 billion over the forward estimates. In
addition, the government has agreed not to proceed with the return of the baby bonus. Labor
has always opposed this measure. The payment was never about assisting families; it was
much more about internal deal making between the Liberal and National parties and the Prime
Minister buying the National Party's support to get the top job. This is not in the legislation
before us today. We expect that the government will move amendments to the Social Services
Legislation Amendment (Family Payments Structural Reform and Participation Measures)
Bill 2016 that is before the parliament in order to reflect this aspect of the agreement reach
with the opposition.

I would like to draw the attention of senators to schedule 10, the newly arrived resident's
waiting period. The supplementary explanatory memorandum clarifies and explains the
contingency available for all newly arrived residents to access social security in the form of
special benefit if they are suffering financial hardship and suffer a substantial change of
circumstance beyond their control after they have first entered Australia. As reflected in the minister's second reading speech, it is now clear that the government has agreed that any newly arrived migrants suffering hardship and subject to the newly arrived waiting period will have access to the special benefit in accordance with the existing departmental discretion. In short, if the secretary of the department is of the opinion that the person has suffered a substantial change of circumstance beyond their control after they have first entered Australia then the waiting period for special benefit may be waived.

In a general sense, in relation to the Budget Savings (Omnibus) Bill 2016, the agreement with the government provides a package of fairer savings measures than had been originally outlined by the government and, indeed, improves on the government's package, bringing its budget repair savings from $5.9 billion to $6.3 billion over the forward estimates. This is more than the government originally included in the omnibus bill, and it shows just how prepared Labor is, as a constructive opposition, to repair the budget, but only in a fair and sustainable manner. Labor agreed to support 20 of the 24 measures in the original bill, but we did negotiate important changes to key areas of the bill to make sure that we were able to protect those most vulnerable and continue our advocacy for real and effective action to address climate change, and securing the additional funding for ARENA was a very important part of that.

But let us not pretend that those areas like the child and adult dental scheme changes and the changes around the psychiatric confinement measure were not significant improvements on the bill either, as was the government agreeing to not introduce the return of the baby bonus. Faced with the government's attempts to force their budget cuts, Labor has stuck to its principles. We have negotiated a stronger and fairer set of measures because we were determined to be constructive. We were committed that the position we would agree to would be one that we took to the people, but we also made it clear that we understood the need for budget repair—budget repair that is fair, repair that reflects our values as a Labor party whilst also making sure that the budget is sustainable in the long term. In total, we were able to agree on, put forward and deliver savings of $6.3 billion over the forward estimates, almost $300 million more than the government originally put forward in their bill. I commend the much improved bill to the Senate.

Senator WHISH-WILSON (Tasmania) (13:13): We are now coming to the end of the second week in the 45th Parliament. We are starting to get to the business end of town. This is the first piece of legislation we have got before us today that is substantial, and it is very telling that this piece of legislation is about the priority, both for the Labor Party and for the Liberal and National parties, in this nation for budget repair. This was the priority of our previous government under Prime Minister Tony Abbott. 'Budget repair' is code for 'cruel cuts to the less fortunate in this country and an attack on renewable energy and climate change action'.

Now, I put the proposition to the people of Australia and to senators in this chamber that the great moral challenges of our time have not changed in recent years. They remain inequality and global warming. The Greens are not in parliament and in the Senate just to soften the worst excesses of this Turnbull government; we are in parliament to have the courage and vision to bring about much needed economic reform that deals with the great moral challenges of our time, like inequality. I found it very hard to believe that in The
Australian just three weeks ago the Prime Minister said the great moral challenge of our time is deficit and debt repair. Why can't we do all three at the same time? Why can't we walk and chew gum? Why can't we find revenue measures and cost savings that also make this country more fair and equal and tackle the absolute imperative of global warming? We can do all three. The Greens have put up sensible measures and, during this debate, we will be talking in much detail about what we need to do.

Let us think about deficit repair—$6.3 billion in savings. The omnibus bill is a conglomeration of different pieces of legislation, of different bills. In a way, it is a bit like a bus, with each seat on the bus being a separate piece of legislation. That legislation essentially delivers us cuts to spending, which we can then bank as savings. What you have not heard from the Labor Party today is that on that bus, in the front row, is an attack on renewable energy and climate action in this country. The Australian Renewable Energy Agency has been stripped back to its bare bones in recent years by both the Abbott and Turnbull governments. It is an agency that invests, Senator Williams—through you, Acting Deputy President Reynolds—nearly 70 per cent of its budget in rural Australia, in innovation, in creating jobs, in tackling rising emissions and in developing new technologies that deliver both clean energy and jobs. But it is being stripped back to its bare bones. Labor and the Liberals are the clean energy charlatans of this parliament, and shame on the Labor Party for voting for this. The Australian Renewable Energy Agency was part of a package that the Greens negotiated with Labor under the Gillard government, and it is not acceptable that we will now lose another $700 million from the Australian Renewable Energy Agency. What next?

Let us talk about inequality. I am not going to go into a lot of detail on the schedule of bills within the omnibus bill, but my fellow Greens colleagues will. I am particularly interested that right now, as we are debating this omnibus bill, in the other house, the green house, we have another piece of legislation, the Treasury Laws Amendment (Income Tax Relief) Bill 2016, which gives a tax cut to the top 20 per cent, the most wealthy, of Australians. Anyone earning over $80,000—which is not 80 per cent of Australians, but which includes us here in the chamber—is going to get a tax cut. There might be some justification for a tax cut if you felt it was going to have a positive benefit for the economy or for the people who are going to get that tax cut, but, as we have worked out and as has been spoken about, it is barely a muffin and a coffee. I can accept that $5 or $6 a week is important to people on low incomes—it is incredibly important. Why are we giving a tax cut to the most wealthy Australians? By the way, it will cost $4.3 billion. Today we are debating a bill in the Senate to raise $6.3 billion, taking money off the less fortunate and off clean energy, and, across in the other chamber, we are giving it back to the most wealthy Australians. What else is coming our way when parliament resumes in a month or so? Tax cuts for business. Where is the equality? Where is the fairness? How are we dealing with the growing divide in this country—the gap between the rich and the poor, which we know is getting worse?

This bill before us here today has been rushed. The Labor Party and the Liberal-National government have denied us the chance to have a public inquiry. We have been denied the ability for the Senate to call witnesses and hear evidence. But the Greens went ahead and did our own inquiry, and we thank the crossbenchers for their help. We called witnesses who work in the social services sector—people who deal with these issues every day. They see the impacts on those on Newstart or on the pension. They know how hard it is for these people
and how important it is that the government play an active role in their lives by providing a safety net and supporting them. It is outrageous that after the 2014 budget, which essentially killed then Prime Minister Tony Abbott's leadership and ultimately took away his job, the very first bill we get in the 45th Parliament is almost the same. It is like groundhog day, and winter is coming for the less fortunate in this country if someone in here does not stand up for them.

Let us talk about clean energy. I remember sitting in here during the last parliament and having the Labor Party come in and tell the Greens—and I noticed Senator Conroy is on the speaking list, coming up very shortly—how we had caved in on a multinational tax avoidance negotiation with the government, where the Greens got a fantastic outcome to put in legislation to tackle the biggest end of town not paying their tax. The Greens negotiated a fantastic outcome for the Australian people. I remember Senator Cameron saying, 'You guys don't know how to negotiate; you don't know how to do deals.' Well, guess what: nor do you. You have caved in on renewable energy.

There is an old saying that perhaps maybe senator McGrath may be familiar with: in every government bill, there is always one sacrificial anode. I do not know if that is necessarily true because I have not been in government but, let me tell you, cuts to clean energy did not need ever happen under this bill. If the Labor Party and Liberal Party had negotiated harder, as we were doing, we would not have lost $800 million to the Australian Renewable Energy Agency. But you made your priorities clear, Labor Party and Liberal Party. The priority of the Labor Party and of the Liberal Party for this 45th parliament is deficit repair, not tackling rising inequality or global warming.

So let me deal with this issue of deficit repair. There is a dishonest debate in this chamber that debt is bad, that somehow the moral challenge of our time is to reduce debt. By the way, let's legislate all our policy to keep the ratings agencies happy. That is essentially what you are saying, Senator Gallagher. This is about keeping the triple-A rating and keeping the ratings agencies happy. It comes straight from the big banks. I do not know how many Australians are aware that our triple-A credit rating means that the banks automatically have a double-A credit rating; they sit below the triple-A credit rating because governments are default risk free. So guess what? If the government loses its triple-A credit rating, that means the banks automatically lose their double-A credit rating, which of course they do not want to see happen because it is going to be bad for their business model.

Let's talk a bit more truthfully about debt. As you well know, Acting Deputy President Reynolds, not all debt is bad. I have argued in this place that we can borrow sensibly for productive and transformative infrastructure spending in this country. We should be borrowing at least $50 billion to $70 billion of extra money, off the balance sheet, and restructuring the way we finance infrastructure in this country to get money moving. Government should be playing an active role in Australia. If we do that, and if we pick the right projects with fully transparent cost-benefit analysis financed the right way then we will stimulate sustainable economic growth in this country.

All the metrics that the ratings agencies use that look at the potential loss of a triple-A rating rely on metrics around GDP—expenditure to GDP, debt to GDP et cetera. If we stimulate GDP then there is not a problem. If you sit down with any decent economist in this country and you ask: what is the issue about losing our triple-A rating? They will say actually
it is inconsequential in the short term. The Senate select committee that I chaired said the same thing. Standard and Poor's said the same thing. But they will tell you the problem is the trend and it relies on uncertainty around economic growth at least 12 months down the track. So here is a good suggestion: let's actually stimulate infrastructure spending in this country, do what just about every expert not just in Australia but internationally with the IMF and others say, and actually have government play an active role in our life.

**Senator McAllister:** Like $800 million in climate investment.

**Senator WHISH-WILSON:** I will take that interjection, Senator McAllister. Why is it that the Labor Party think cutting nearly $2 billion from the Australian Renewable Energy Agency, a funding that they agreed to when they were in government in negotiation with the Greens, is a good thing for climate action? Eight hundred million dollars is not the same as $2 billion. And guess what? We called climate experts to our negotiations. We called climate experts to come before the crossbenchers and the senators who actually wanted to hear evidence on this bill and we heard very clearly that researchers, those who we rely on to drive innovation and entrepreneurial activity in this country, are going to lose their grants thanks to the Labor Party.

My colleague Adam Bandt, the member for Melbourne in the other place, spent an hour last night talking to the Treasurer and the Assistant Treasurer, trying to work out where they are going to take the money from to cover the $800 million that has been taken out of ARENA. He did not get any answer so we will certainly be asking those questions of Senator Cormann tonight. Why has the Labor Party not got an answer for this? I certainly hope it does. What else are you going to cut or have you agreed to in a dirty deal behind closed doors with the government? May I say: dirty deals done dirt-cheap for the Renewable Energy Agency and for climate action in this country.

We have the proposition from the Greens that we tackle inequality, that we put up other measures to raise revenue. On that note, on behalf of the Australian Greens I move a second reading amendment:

> Leave out all words after "That", insert:
> "this bill be withdrawn and redrafted to provide for budget savings to be made in the areas of fuel tax credits, mandatory data retention, compulsory income management, and abolishing the Wind Farm Commissioner and reinvesting private health insurance rebates into the public health system; rather than those proposed which have a disproportionate impact on lower to middle income households, students, researchers, innovative companies and building clean energy infrastructure."

Fuel tax credits give subsidies to polluters. My colleague Senator Ludlam would be happy to talk about mandatory data retention today. We have always opposed compulsory income management. And let's not forget the wind farm commissioner that we got up in the last parliament in another dirty deal done to have the crossbenchers support. My colleague Senator Hanson-Young is going to be talking about the nearly $500 million to $600 million that the Labor Party have agreed to support the Liberal-National government on cutting from higher education. It is interesting how we have not heard anything from these two parties about the cuts to higher education in this country. Research grants are now being taken away from the nearly 100 scientists who are working on research projects through the Australian Renewable Energy Agency's innovative companies and taken away from building clean energy infrastructure, which we absolutely need in this country.
We can bring economic reform into this country by tackling negative gearing, by tackling capital gains concessions, by abolishing the diesel fuel rebate—there is nearly $40 billion in cuts. We can have a real crack at progressive super reform. It is fascinating that, again, today, this government has released the details of its super package. Is it a coincidence that, on the day that we have the omnibus bill in the Senate, we have the income tax amendment bill going through the lower house and we have the government releasing its super details. Have Labor done a deal with the government on all three pieces of legislation? It is going to be very fascinating to see.

We give nearly $30 billion a year in concessions in superannuation in this country, and this government is proposing a package to save $3 billion out of $30 billion—that is 10 per cent. We know that a number of wealthy Australians have been using their superannuation system to not pay tax—to use it as a wealth management tool and avoid paying tax. We need superannuation; it is very important. And we need some incentives for people with compulsory saving. I absolutely grant that. But we know that the wealthiest in this country have, for too long, been rorting the system to avoid paying tax. So the Greens want to see a progressive superannuation system in this country.

But why are we fiddling around the edges? It is a missed opportunity not to have real crack at this right now. As it is today, this is a missed opportunity. We are going down the road of targeting fiscal repair by savaging clean energy action in this country, ripping money out of higher education, ripping money out of welfare and social services—as Senator Siewert is going to go through; and she is certainly going to be putting the proposition to the Labor Party that they have not put the interests of low-income Australians first. We could do all three. We could actually reduce debt, raise revenue and stimulate sustainable economic growth in this country, we could bring in reform that tackles inequality and, at the same time, we could take action on the climate.

Lastly, while we walked out of here yesterday during Senator Hanson's speech, the one thing I did agree with her on was that she said this parliament should be doing more on infrastructure spending. I am very pleased to hear that even Senator Hanson is talking about the need for this government to get off its hands and invest a decent amount of money in infrastructure spending.

**Senator Williams:** Fifty billion?

**Senator WHISH-WILSON:** Fifty billion dollars; we need at least another $70 billion, Senator Williams, through you, Acting Deputy President Reynolds. We need at least another $70 billion to get money moving in this country to create jobs, to make our cities more sustainable and to invest in future generations. One of the biggest moral challenges of our time is underinvesting in future generations of Australians. If the Greens are the only party that actually have the courage and vision to stand up in this place, speak sense on this issue and clearly say what our priorities are—

**Senator Williams:** You want to lock the place up.

**Senator WHISH-WILSON:** You know where our heart is; you know what our priorities are. It is as clear as daylight. We want to see real reform that tackles the real moral challenges of our time—inequality and the lack of action on global warming, which is slowly killing this planet and making life much harder and more expensive for all of us.
Senator PRATT (Western Australia) (13:33): We have before us today a bill that is not perfect, but it does go a lot further towards budget repair that is fair than otherwise would have been. We in the Labor Party have worked to protect those who are disadvantaged, while investing in the future. The amendments that the Labor Party has secured in the Budget Savings (Omnibus) Bill 2016 deliver $6.3 billion in savings, which is more than the government put forward in their original legislation, and provide important investments in our future, including in clean energy.

Labor is really proud of its record on driving renewable energy growth in Australia, and this continues today. We created the Australian Renewable Energy Agency and the Clean Energy Finance Corporation. Under Labor, the investment in the renewable energy industry tripled, and we were ranked among the top four most attractive destinations for energy investment in the world. Under the coalition, Australia's ranking has dropped substantially. We have fought very hard for the renewable energy industry in this legislation, against attempts by the Liberal government to destroy it. We will continue to have this fight.

Our policy, which we took to the last election, is to ensure that 50 per cent of the nation's electricity is sourced from renewable energy by 2030. So it was particularly important to us to fight to save ARENA within this bill. We have secured $800 million for the next five years. This funding, we believe, is crucial. ARENA itself says it is funding that will ensure that it can continue investment in renewable energy in Australia into the future. It is a haircut and a compromise, but it is, indeed, viable.

Renewable projects are of critical importance in many states and in a number of particular regions, including in my home state of Western Australia. If you look at a micro-economy in a place like Collie, we have industries that need to transition out of the mining boom and, indeed, out of coal, and to provide jobs and opportunities for the future. A good example of this is the WestGen biomass project, which was in the final stages of securing funding with ARENA and of negotiating with Synergy for a price for its power.

This particular biomass project near Manjimup in the south-west of WA is, critically, located not far from communities like Collie which are in desperate need of a future while jobs have been under attack. In the community of Collie, wages and conditions at the local coalmining plant have halved. This is putting a huge amount of pressure on local shops and all of the local companies throughout the Collie community. Therefore it is industries like this biomass plant that we need to look to help those communities in the future.

The power plant will deliver renewable baseload energy to the south-west using waste plantation timber. It has been developed by WA Biomass Pty Ltd—a joint venture between renewable company WestGen and US company National Power. It will supply approximately 50,000 homes and provide around 300 jobs in the construction phase with 100 jobs in the long term. When you look at the jobs created by the renewable energy industry, they are fundamentally more productive than fossil fuels in their job creation. It is a crucial project for the south-west region of Western Australia at a time when we are seeing job losses and cuts in pay and conditions. These projects are good for the environment and good for jobs, and I really wish the company all the best in going back to the negotiating table with ARENA and Synergy.

Under the Liberal agenda, as originally put forward, there would be no capacity for ARENA to fund vital projects such as this one where they are most needed. I want to thank in
particular the work of unions who have lobbied to save ARENA, particularly the CPSU, the CFMEU and the AMWU. I have received lots of correspondence from residents who have been concerned about ARENA's future. We have listened to these concerns and we have committed to a renewable, clean energy for the future. We will continue to fight the Turnbull government and invest in a renewable energy future.

It is particularly worth noting that we had in the election campaign agreed to a much bigger funding cut for ARENA, but that cut was in the absence of the overall architecture that we put forward in our platform for the election for a renewable target—a much stronger target—and a cap on pollution. We have in this bill recognised that ARENA did need a significant funding platform over and above what we would have given it, should we have formed government, because it was in the absence of effective—

Senator Di Natale interjecting—

Senator PRATT: Are you even listening to what I am saying, Senator Di Natale?

The ACTING DEPUTY PRESIDENT (Senator Reynolds): Senator Di Natale, you do not have the call.

Government senators interjecting—

The ACTING DEPUTY PRESIDENT: Senators on my right, you are not helping the situation at all. Please continue, Senator Pratt.

Senator PRATT: Senator Di Natale has refused to recognise the architecture of what Labor originally put forward in its election commitments, which the coalition has left us a complete absence of.

Moving on from renewable energy, there is a great deal more at stake in this bill. We have secured amendments that support those in our community who are vulnerable. It was of great concern to us, and continues to be, that the coalition has attacked those on low incomes. So we have in this bill secured amendments to protect pensioners, single parents, carers, people with disability and people who have lost jobs—even those due to government cuts. These amendments secured by Labor protect the vulnerable in our community. Those who are disadvantaged should not bear the brunt of the fiscal cuts being made by the government. Our nation is only as good as how we protect those most in need.

It has been critically important that we have secured amendments that maintain energy supplement payments for Newstart recipients and pensioners. We made clear throughout the election campaign that the government had not given us the opportunity to properly scrutinise what they had put forward during the campaign. Once we saw the detail, it was clear what impact these changes would have on the most vulnerable in our community. Our amendments protect these low-income households and secure that small amount of money for the future.

If the removal of the supplement had gone ahead, it would have pushed those people on the very lowest incomes in our community even further below the poverty line, affecting more than 2.2 million people. If the government's full abolition of the energy supplement had passed parliament, those already on low incomes would be hundreds of dollars worse off a year: a single mum on Newstart, $220; a pensioner couple, $550 a year; and a person with a disability, $350 a year and carers as well. We are very proud and pleased to have secured the continuation of these payments, ensuring that people do not have a reduction in their income and we will continue to fight for low-income earners.
We have advocated for children, families and dental care in this package. We have opposed the government's removal of the Child Dental Benefits Schedule. When in government, we introduced the Child Dental Benefits Schedule in response to overwhelming evidence about the poor state of children's oral health in Australia. The program provides eligible children with $1,000 of dental services every two years and has been proven successful in improving the oral health of children around the country.

Our National Partnership Agreement on Adult Public Dental Services has funded dental treatment for 400,000 people. The government's plan to axe these programs and introduce its own child and adult public dental scheme is simply not as good as Labor's scheme. Families and children will be worse off. I understand that the government may want to continue to proceed with its changes to this package, but they are off the table and we will continue to fight those changes. Such a package would see millions of children forced onto long-term public waiting lists and prevent families from choosing their own dentist. The government's scheme would only allow eligible patients to be seen once every 17 years and even longer for people in rural and remote areas. It is simply not good enough. The scheme will also allow states and territories to charge a co-payment. Again, when you look at the expense of dental care, again, it is simply not good enough. It would have a disproportionate impact on those already at risk and on those who are already likely to have poor oral health: people on low incomes, Aboriginal and Torres Strait Islander people, the elderly, people with disability, young adults and students, and sole parents and their children. The impact of poor dental health on these groups is immense. Twenty per cent of adults on low incomes experience severe impacts on quality of life due to oral health conditions, compared with 7.5 per cent of adults on higher incomes. I can tell you that from the time when I left the Senate, when my income was reduced—and I was still on a moderate income—the frequency of my visits to the dentist declined. I am now in a position to afford to have visits again. So for families who are on very, very low incomes and who are living off Newstart, this scheme is critical to them.

The Aboriginal and Torres Strait Islander population has 2.3 times more untreated tooth decay than non-Indigenous people. Public health dental patients are more likely than other people to have dental decay. These figures are incredibly concerning. We must do everything we can to address the oral health of people in need. It is expensive, and it is an expense that many families simply cannot afford. We must ensure that these families have access to dental services regardless of their financial situation.

So we have yet another example of the Liberal government expecting everyday Australians to reach into their pockets and into their bank accounts for health care. We saw it with their attacks on Medicare with the rebate freeze and with the GP co-payment and now we see it again. So we will continue to stand up to the Turnbull government's plans on dental care which, indeed, will put more financial pressure on vulnerable Australian families. We are very pleased to have negotiated those things out but we will continue to fight the government on this agenda.

We have negotiated amendments to the bill that ensure people in psychiatric confinement who are institutionalised for serious offences continue to receive social security payments. This is critical because our vulnerable need to be protected in times of need. The changes would have had a disproportionate impact on Indigenous Australians. As the Aboriginal Disability Justice Campaign reminded us with their advocacy on this issue, there are nine
people detained under mental impairment legislation in the Northern Territory and all of them are Indigenous. More than half of those detained in New South Wales and one-third of those detained in Western Australia are Indigenous. When the Social Services Legislation Amendment Bill 2015 was referred to the Community Affairs Legislation Committee, these changes which were originally put forward were overwhelmingly opposed, in all but one submission, from organisations such as the Royal Australian and New Zealand College of Psychiatrists, Mental Health Australia, the Australian Human Rights Commission and the Australian Association of Social Workers.

The changes in this bill before amendment were completely inequitable. They punished those who require social security, on the basis of their conditions, their impairments—many of them are not even criminally responsible for their actions. They would also have had long-term impacts. They would have created a cycle of dependency and institutionalisation causing long-term financial hardship to people in institutions and, in many cases, to their dependents. For example, just because you are in an institution does not mean that you do not need to pay rent elsewhere and it does not mean that you do not have a need to go out into the community and pay for things such as food and clothing. It was ridiculous to take these payments away from people.

We are pleased that, in putting forward this package, we have been able to put forward other measures, some of which have been difficult but which protect the bottom line. They involve changing family tax benefit part A for those who earn over $80,000. This is a saving of $1.96 billion at the same time as drawing a line under harsher cuts to family payments. We have done that to secure the energy supplements for the most vulnerable in our community. Thanks to Labor, single parents and teenagers will now no longer be worse off under this bill. Thanks to Labor, a family with two young children and with an income of $50,000 will no longer be worse off under this bill. Labor will continue to oppose the government's cuts to family payments, pensions and allowances. We have delivered more in savings over four years than the $5.997 billion first proposed by the government, while working to protect the most vulnerable.

The bill before us today, with amendments negotiated by us, puts us on the path to fairer budget repair. There is a long way to go, and this package is only a part of the solution. I call on the government today to support the rest of Labor's savings package, which would deliver more than $8 billion in budget improvements over the forward estimates and more than $80 billion in budget improvements over the medium term.

We have negotiated with the government to develop fairer measures that will improve the budget bottom line. We are committed to continuing to do so, but Labor will not compromise on our values. We will continue to stand up for vulnerable Australians. We do not believe that pensioners, people with disability, carers or vulnerable jobseekers should be forced to do the heavy lifting of budget repair, particularly while the Turnbull government is spending $50 billion on a tax cut for big business and the banks. We have the right priorities when it comes to repairing the budget. There is a better and fairer set of measures because of Labor's constructive approach.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (13:51): I rise to speak against the Budget Savings (Omnibus) Bill 2016. Let me begin, for the benefit of those people who may be listening to this debate, with a little bit about the history of this bill. People will
be listening in, hear about a bill called an omnibus bill and think: 'What the hell is that about? What is an omnibus bill?' The use of omnibus bills is a political tactic. You lump together a group of legislative changes—often petty or nasty, sometimes hugely regressive measures. You put them together—in this case, 24 separate pieces of legislation—you wrap them up into one bill and you do it in a way that allows you to introduce that legislation to the parliament such that, rather than each of those individual measures getting the scrutiny they deserve, what often happens is that one or two pieces of that legislation might get a little bit of attention. It is basically a tactic to ensure that a number of substantial changes can be lumped together without the scrutiny of the parliament.

The normal process would be that a piece of legislation would be sent to an inquiry. In this case, this bill would go to the Economics Legislation Committee to try and at least provide some level of scrutiny to some of the 24 pieces of legislation that make up this bill. You would expect that, for a bill with over $6 billion in savings that affects areas from clean technology investment to the level of debt that students face to R&D incentives to punishing people with mental illness right through to an attack of some of the most vulnerable people in our community, at the bare minimum this Senate would need to do its job and spend some time in the Senate committee process asking questions of those people who might be affected by these changes, listening to the experts, getting some in-depth analysis and trying to get a clearer understanding of what these changes mean for people. While often that process may not result in us being able to substantively overturn legislation, sometimes we can get a few small wins and improve a bad bit of legislation somewhat by making minor amendments through the committee process.

That is what normally happens. Normally you would have a single piece of legislation getting a thorough inquiry and some scrutiny through that inquiry process. In this case we have got 24 separate pieces of legislation across a whole range of areas. They have been denied the appropriate scrutiny through the inquiry process. And how so? The Liberal Party with the support of the Labor Party denied us the opportunity to have public hearings into this bill. Just think about that. There are 24 separate pieces of legislation, returning savings of over $6 billion, and the parliament has been denied the opportunity to ask questions about what those changes mean for people.

You would think that was bad enough, but it gets worse. Under the cover of darkness, again the Labor Party and Liberal Party joined together to decide to overturn some of the pieces of legislation in this bill and replace them with an alternative set of savings that we really do not understand yet, because they, like the 24 pieces of legislation in the original bill, were denied the scrutiny that they deserve through an inquiry process. So we now have a bill which has been substantially changed that we found out about two days ago that is going to be rammed through the parliament tonight. And how does that happen? How is it that a handshake deal—a dirty deal between the Labor Party and the Liberal Party—to cut funding for Australian renewable energy investment, to cut funding for family support, to impose more debt on students and to slash R&D incentives can be agreed on between the Labor Party and the Liberal Party two days ago and now be about to be rammed through the parliament? That happened because of another dirty deal:

Government senators interjecting—
Senator DI NATALE: the Liberal Party and the Labor Party joining together to ram through an hours motion today that says, 'Well, we're going to slip it in after six o'clock, when—'

Senator Whish-Wilson: Point of order: Senator Williams sound like he's swallowed a tuba. We can't hear Senator Di Natale and we're sitting right behind him.

The ACTING DEPUTY PRESIDENT (Senator Reynolds): I would actually ask senators on my right—I was actually having trouble hearing Senator Di Natale as well—if you could just wait another three minutes for question time.

Senator DI NATALE: So, again, just to summarise how we have got to this point: we have got an omnibus bill, a political tactic to aggregate a whole range of unrelated pieces of legislation so that we cannot give to each of those pieces of legislation the due attention that they deserve. This has bypassed the normal Senate committee process. We were denied a public hearing into this bill. Then we saw a handshake deal between the Labor Party and the Liberal Party to introduce a whole new set of measures worth over $1 billion. Now today we have voted on an hours motion that means we have to deal with it right through the evening, while no-one is watching. How on earth is that fair, democratic process when you consider the scale of changes that are included in this bill?

There is $1.6 billion by ending family tax benefit A for families over $80,000. We hear from the Labor Party that they have saved ARENA by cutting half a billion dollars. It reminds me of the surgeon: the operation was a great success; unfortunately, the patient died. That is where we are at right now. The saviours of renewable energy, the champions of clean tech investment, the Labor Party saving renewable energy investment by taking half a billion dollars out of it. We had Bill Shorten during the election campaign trumpeting his credentials, talking about a 50 per cent renewable energy target. His prescription for ramping up our ambition for renewable energy investment is to cut half a billion dollars from one of the agencies that is delivering on that change.

In the preceding week we had ARENA announce a round of 12 large-scale solar projects worth $100 million—and let's remember that that grant funding brings in huge money. Last week the ARENA announcement of $100 million for that round of solar farms secured $1 billion of investment. Last week the ARENA announcement of $100 million leveraged through ARENA. And here we are with the Labor Party trumpeting their credentials, talking about a 50 per cent renewable energy target. 'How good are we? We've managed to save it by cutting it.' Just think of the logic there. 'We've saved ARENA by cutting it to the tune of half a billion dollars.' And it gets worse.

Then we hear that the money is somehow linked to the Clean Energy Finance Corporation through the Clean Energy Innovation Fund. Malcolm Turnbull is jumping up and trumpeting this as 'Mr Innovation' through this new fund, which we now learn is being cut completely, and we have the minister contradicting the energy minister, neither of them knowing how on earth this cut to clean energy funding is going to occur. This has been a farce and the Senate should be ashamed of itself.

The PRESIDENT: Senator Di Natale, you will be in continuation when the debate is resumed.

Debate adjourned.
MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): by leave—I inform the Senate that Senator Ryan will be absent from question time today because of an urgent personal matter. In his absence, Senator Cormann will represent the Special Minister of State portfolio, Senator Payne will represent the Human Services portfolio and Senator Fifield will represent the Social Services portfolio.

QUESTIONS WITHOUT NOTICE

Superannuation

Senator GALLAGHER (Australian Capital Territory) (14:00): My question is to the Minister representing the Prime Minister, Senator Brandis. On 3 June 2016, the Prime Minister said that the government’s superannuation policy as set out in the budget was ‘absolutely ironclad’. Can the minister confirm that, as a result of the division and the disunity within the coalition party room, the Prime Minister has been forced to abandon significant elements of his ironclad superannuation policy?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:01): This morning the government announced enhancements to the superannuation package that was taken to the election.

Opposition senators interjecting—

The PRESIDENT: Order on my left! The question has been asked; listen to the answer.

Senator BRANDIS: I should emphasise that in no significant respect do the enhancements affect the design features of the arrangements announced during the election. They make no difference to the fiscal outcome of the package and, as Senator Cormann says, they constitute improvements to the arrangements already announced. Thank you, Senator Gallagher, for giving me the opportunity to explain them to the Senate.

First of all, the $500,000 lifetime non-concessional cap will be replaced by a new measure to reduce the existing annual non-concessional contributions cap from $180,000 per year to $100,000 per year. Individuals aged under 65 will continue to be able to bring forward three years worth of non-concessional contributions in recognition of the fact that such contributions are often made in lump sums. The overwhelming bulk of such larger contributions are typically less than $200,000. Individuals with a superannuation balance of more than $1.6 million will no longer be eligible to make non-concessional after-tax contributions, from 1 July 2017. This limit will be tied and indexed to the transfer balance cap.

The second enhancement or improvement to the policy is this: in order to fully offset the cost of reverting to a reduced annual non-concessional cap, the government will now not proceed with the harmonisation of contribution rules for those aged 65—(Time expired)

The PRESIDENT: Senator Gallagher, a supplementary question.

Senator GALLAGHER (Australian Capital Territory) (14:03): I refer to George Christensen, MP, who says:
The doing away of the $500,000 non-concessional life time cap goes even further than I would have thought. I would have been happy with a $1 million non-concessional cap. Doing away with it is one step better.

Is the Prime Minister so desperate to placate his backbench that he has gone even further than the backbench wanted?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:03): Well, Senator Gallagher—

Honourable senators interjecting—

The PRESIDENT: Order! You are holding up your own question time, Senators.

Senator BRANDIS: Well, Senator Gallagher, Mr Christensen did make a contribution to the debate—yes, he did—and it was a very welcome contribution. The government heeded what Mr Christensen had to say, just as it heeded the views of other contributors to the discussion. As a result of that discussion, we actually have an improved superannuation package.

Can I deal with the other features of that package. The government will now not proceed with the harmonisation of contribution rules for those aged 65 to 74. And, finally, the commencement date of the proposed catch-up concessional superannuation contributions will be deferred to 1 July 2018. Each of these three measures is an improvement to the existing package.

The PRESIDENT: Senator Gallagher, a final supplementary question.

Senator GALLAGHER (Australian Capital Territory) (14:05): Minister, both the Treasurer and the Prime Minister have claimed budget repair as the Turnbull government’s greatest moral challenge. Why is the government adopting a superannuation policy that leaves the budget $1 billion worse off over the forward estimates compared to the superannuation proposal put forward by the Leader of the Opposition?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:05): Senator Gallagher, it is not merely the Turnbull government’s moral imperative; it is Australia’s moral imperative, and, therefore, it is your moral imperative as well. But, unfortunately, Senator Gallagher, those on your side of the aisle have actually banked the savings that were announced in the superannuation package, yet you continue to attack it politically. As I said yesterday, Senator Gallagher, you are only able to play political games. When it comes to serious policy design, serious policy discussion, you are just not up to it. We expect that the Australian Labor Party will vote for these measures when they come before the Senate. We expect that they will vote for these measures before they come to the Senate. The government is proud of the fact that it took these measures to an election, and it is equally proud of the fact that it has now enhanced them further.

Opposition senators interjecting—

The PRESIDENT: On my left! Again, you are holding up your own question time.

Superannuation

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (14:07): My question is to the Minister for Finance, representing the Treasurer, Senator Cormann. Can the
minister explain how important it is that Australia's superannuation system be made fairer, more flexible and more sustainable?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:07): I thank Senator Williams for that question. It is of course very important that we make our superannuation system fairer, more flexible and more sustainable. We did take a very comprehensive package of reforms to the last election, designed to ensure that superannuation tax concessions are fairer, more sustainable and fit for purpose. Of course, the purpose of the superannuation tax concessions is to encourage Australians to save, to generate an income in retirement to replace or supplement the age pension.

That was a $6 billion package, and the conversation that has been taking place in recent weeks and months has focused on less than 10 per cent of that package. Five hundred and fifty million dollars was the expected revenue from the introduction of the non-concessional $500,000 lifetime cap. We have listened to the feedback from the community and in particular we have listened to the feedback from our Liberal and National Party members and senators, and we have done after the election what we said we would do before the election: we have consulted on the very substantial package of reform. But I would say to you again: we as a government have made a judgement on flexibly making improvements that make our reforms even better, having taken on board legitimate and genuine feedback. The changes that we are announcing today, that the Leader of the Government in the Senate has gone through for you today, impact on less than 10 per cent of the overall reform package that we announced at budget time.

Let me also say that this question by Senator Williams and the supplementary questions that I expect will be coming will give me the opportunity to dismiss the absolute falsehoods and misleading statements that are at the basis of the questions that we were asked by Senator Gallagher. You do not have to take every question that your tactics committee gives you, Senator Gallagher. That is just my gentle advice to you.

The PRESIDENT: Senator Williams, supplementary question.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (14:09): I thank the minister. Can the minister advise the Senate how the government's improvements to superannuation increase flexibility for Australian seeking to prepare for retirement?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:09): Our overall superannuation tax reform package has got a number of very important features to it which improve flexibility. One of the very important features—and I know that it is something that has been raised with us at various times by Senator Leyonhjelm as well—relates to providing access to concessional contributions to people under age 75 to claim a tax deduction for personal superannuation contributions, irrespective of their employment arrangements. That is very important, in particular to contractors and small business people. This will assist around 800,000 people, particularly benefiting those who are self-employed, partially wage and salary earners—for example, contractors. We also, in order to pay for the changes today, had to defer the implementation of the so-called catch-up provision to 1 July 2018. We are enabling, in particular, women and other carers with disrupted work patterns to make additional contribution to make up for the lost opportunity in the past. (Time expired)
The PRESIDENT: Senator Williams, a final supplementary question.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (14:10): Can the minister outline what effect the government's improvements to superannuation will have on the budget?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:10): I am very pleased that Senator Williams asked me that question, because it enables me to absolutely dismiss and dispel the erroneous assertions made by Senator Gallagher in her questions and the false interjections by Senator Conroy. The government's changes announced today to make superannuation fairer, more flexible and more sustainable will achieve an additional $180 million budget improvement over the forward estimates, which will assist in budget repair. Over 10 years the changes will improve the budget bottom line by a further $670 million. So, far from deteriorating the budget bottom line, this is actually improving the budget bottom line by more. These changes are of course part of the government's overall plan to repair the budget, and what we are announcing today comes on top of the $6.3 billion worth of savings that we have been able to successfully land—and I thank the Labor Party again for their cooperation on this—through this parliament this week. (Time expired)

Superannuation

Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (14:11): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to today's announcement of changes to the government's superannuation policy first announced in the May budget and then taken to the election. I also refer to the Prime Minister, who, after the coalition government was returned with a reduced majority, said, 'All of our policies that we took to the election we will deliver.' Given the Prime Minister has already walked away from this commitment, will the minister please advise how many of his other election policies he will allow his conservative backbench to hold hostage?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:12): Senator McAllister, that is substantially the same question that your colleague Senator Gallagher asked, and the answer will be the same. We announced a superannuation package in the budget. We took it to an election. We mean to introduce that policy, and we have today announced three enhancements to that policy which make it an even stronger policy than the policy that was announced in the budget and endorsed by the people at the election. These enhancements will be welcomed by all superannuants, I am sure. We make no apology for improving our policy.

The PRESIDENT: A supplementary question, Senator McAllister.

Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (14:13): Which Australians will be worse off after today's changes?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:13): We believe that these improvements to the superannuation policy will be beneficial for the entire policies. They will be beneficial in particular for the superannuants. It is a matter of public record that a number of self-funded retirees and superannuants expressed concerns about aspects of the policy,
which is why we have enhanced the policy. Those superannuants, in particular, will welcome those changes.

The PRESIDENT: Senator McAllister, final supplementary question.

Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (14:14): In light of the Prime Minister's capitulation on his 'ironclad' superannuation policy, isn't the Prime Minister's actual position that only the policies approved by Mr Abbott, Senator Abetz and Mr Christensen will actually be delivered?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:14): Senator McAllister, honestly and truly, there you go again. For you, it is all about insider political games and political manoeuvring. Here we are, Senator McAllister, announcing three significant improvements to the superannuation package announced in the budget and endorsed by the people at the election, which will improve the package for many, many superannuants who have expressed concerns about aspects of it, and you do not want to even have a discussion about the policy merits. All you want to do is make cheap political points about what happens in the coalition party room. We have a discussion and we listen to all of our colleagues. Senator McAllister, here is a question for you: will the Australian Labor Party support this package with these changes?

Working Holiday Maker Program

Senator RICE (Victoria) (14:15): My question is to the Assistant Minister for Agriculture and Water Resources, Senator Ruston. In my new role as Greens spokesperson for agriculture and rural affairs, I have already had multiple representations from farmers, growers and industry representatives who say that they are fearful of the introduction of the backpacker tax and what it will mean for their businesses. Could the minister—

The PRESIDENT: Senator Rice, assistant ministers cannot be asked questions during question time. Do you want to redirect that question to the responsible minister, which is Senator Canavan, who is responsible for agriculture?

Senator RICE: Yes. I am happy to.

The PRESIDENT: For my benefit and for Senator Canavan's benefits can you commence the question again?

Senator RICE: I will. Thank you, Mr President. Senator Canavan, in my new role as Greens spokesperson for agriculture and rural affairs I have already had multiple representations from farmers, growers and industry representatives who say they are fearful of the introduction of the backpacker tax and what it will mean for their businesses. Could the minister please outline to the Senate the impact the uncertainty over the proposed backpacker tax is having on the farmers planning for future harvests?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:16): I thank the senator for her question. I met with farmer representatives just today to discuss this issue, and certainly in my area there are plenty who have raised this issue with the government. That is why, during the election campaign, the government announced a review of the changes that were announced in last year's budget. We announced that we would provide relief to the sector for six months. During that campaign we announced that we would
consult widely on any changes that might be proposed to us as a government and what changes could be afforded within the budget environment.

This is an important change to be made to our migration and working holiday visa arrangements. I put on the record that the industry—and certainly the farmer representatives I met with this morning—recognise the need for change in this particular space. Given the changes that were made when the carbon tax came in, the tax-free threshold went up to $18,200, such that many workers on working holiday visas at the moment do not pay tax and do not contribute. I certainly believe that all Australians and non-Australians working here should contribute to our public service.

**Senator Rice:** Mr President, on a point of order: can you request the minister to return to the core of my question, which is the uncertainty that the issue about the backpacker tax is currently having on farmers planning for future harvests?

**The PRESIDENT:** Thank you, Senator Rice. That was the core of your question. The minister has been addressing his experience with concerns, but I remind the minister of the question.

**Senator CANAVAN:** I met with those farmers this morning, Senator Rice, and I listened to the concerns they have. The government has listened to those concerns. That is why we have announced this review and that is why we are consulting with the industry and meeting with farmers. We will make decisions shortly, once that review is complete. Those decisions will be announced before the end of the year, such that farmers can plan their business going into next year.

**The PRESIDENT:** Senator Rice, a supplementary question.

**Senator RICE** (Victoria) (14:19): Minister, could you please inform the chamber which specific stakeholders you have met with to discuss the backpacker tax and further inform the chamber about the details of the concerns they raised with you about this ill-considered tax—one that I understand you have concerns about and have been reported as saying is too high and one that Senator O’Sullivan has said is a massive mistake?

**Senator CANAVAN** (Queensland—Minister for Resources and Northern Australia) (14:19): This morning I met with Shenal Basnayake, who is the CEO of NT Farmers. Obviously I keep very closely in touch with those organisations in northern Australia, given my other ministry. I have met with many organisations over the past six months to discuss these issues. It was first raised with me in Bowen with the Bowen fruit and growers association. I am sure you realise, Senator Rice, that it has been a topic of conversation. But, as I said in answer to the previous question, the industry—the farming representatives themselves—recognise that there needs to be some change. The question for the government following this review will be what that change will be and how we can maintain our competitive and strong agriculture sector for the benefit of all Australians.

**The PRESIDENT:** Senator Rice, your final supplementary question.

**Senator RICE** (Victoria) (14:20): Could the minister please inform the chamber whether the government are now planning to introduce the backpacker tax by legislation or whether they intend to rely on a tax ruling that is likely to be subject to a legal challenge?

**Senator CANAVAN** (Queensland—Minister for Resources and Northern Australia) (14:21): As I said in answer to the previous question, the current government will be making
these decisions following this review and by the end of the year. We have provided that relief over six months. The senator has raised issues of uncertainty for the farming sector. Well, there is no greater uncertainty for farmers in this country than the policies of the Australian Greens. That is the uncertainty that our farming sector principally face often in my state, particularly in northern Australia, where the Greens would not like farmers to develop any land or to develop any irrigation to create new jobs. That is the uncertainty those farmers—

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

Senator Rice: Point of order. My question was specifically as to whether the government intends to rely on a tax ruling, which is likely to be subject to a legal challenge, or to introduce the tax by legislation.

The PRESIDENT: I remind the minister of the question.

Senator CANAVAN: As I thought I indicated to the chamber, decisions on the aspects that went to the senator's question will be made following this review and before the end of the year. Decisions will be announced in time for the industry to plan for the next season.

Western Australian Government

Senator STERLE (Western Australia) (14:22): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the leader of the Western Australian Nationals Party, Minister Grylls, who is advocating for an increase in the resources production rental fee from 25c a tonne to $5 a tonne, which is estimated to raise $1½ billion a year. My question, Minister, is very, very simple: does the government support Minister Grylls’s plan?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:23): No.

The PRESIDENT: Senator Sterle, a supplementary question.

Senator STERLE (Western Australia) (14:23): That shocked me—I have not heard a one-word answer like that in the 11 years I have been here! Does the minister agree with the Prime Minister's description of Mr Grylls's plan as 'very troubling'?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:23): Yes.

The PRESIDENT: Senator Sterle?

Senator STERLE (Western Australia) (14:23): This is getting better all the time! I should ask more!

The PRESIDENT: Senator Sterle, a final supplementary question.

Senator STERLE: Thank you, Mr President. Does the minister agree with the Deputy Prime Minister, who, when asked about Mr Grylls's proposal, said he would not: … run down any proposal that was designed to get a better deal for its constituents.

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:24): Senator Sterle, I actually have not seen the Deputy Prime Minister's remarks, but I am very confident that the Deputy Prime Minister's position is the same as the Prime Minister's position, and that is that we do not support Mr Grylls's proposal. Thank you very much, Senator Sterle.
Mining Industry

Senator ROBERTS (Queensland) (14:24): Mr President, my question is to the Minister for Resources and Northern Australia, Senator Canavan. Is the minister aware of the anti-human and anti-environment Greens agenda that aims to destroy the jobs and livelihoods of average Queenslanders? In particular, their specific opposition to the job-creating, vitally important Adani coalmining project in Central Queensland. Can the minister please inform the Senate of specific threats to progressing this mining project's development and operation? Can the minister please explain to the Senate the substantial local, regional, state, national and global humanitarian and environmental benefits of the mine?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:25): I think I just might be aware of this particular project, and I thank the senator for his question and for the advanced notice of it. I know that this project will provide very big benefits for our region, for our country, for our nation.

The senator did talk about environmental issues, and they are very important with projects like this. That is why both the federal and state governments have very strict environmental laws in place. We have some of the world's strictest environmental laws in place at both state and federal levels that have looked into this project over a considerable number of years and have assessed that it should be approved under those various parts of environmental legislation. We have put strict environmental conditions on the Adani Carmichael mine project to make sure that the environment will be protected while still providing the economic opportunities and benefits that this project can provide.

This project is about the environment, and the environment does need to be considered as part of it. But it is also about the people who can benefit from this project. The environment is important, but so are human beings and so are the people of Central Queensland—people like Bruce Hedditch. He has lifted up his life in Brisbane and moved all the way up to Bowen to buy the Larrikin Hotel to try to create a better opportunity for his family because of the potential benefits of this project. Now his plans have been stopped, his plans have been set in stone because of the actions of certain groups that are not interested in protecting the environment. They do not have that as their prime objective. Their prime objective is to stop projects like this—to stop the jobs, stop the economic opportunity and stop the potential that this project could provide for the people of Central Queensland and, indeed, for our whole country. I would ask those who are opposed to it to now respect the umpire's ruling, the rulings of various courts and federal and state governments, and allow this project to proceed.

The PRESIDENT: Supplementary question, Senator Roberts.

Senator ROBERTS (Queensland) (14:27): Given that the Greens' attempt to kill these regional Queensland jobs relies on the claim that the use of coal, gas and oil will have a detrimental effect on the global climate, can the minister please provide to the chamber the specific location of data that proves their claims that humans affect global climate change that is also articulated in his party's political platform?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:27): The federal government's position is that we accept the science on climate change, as advised to us by the authorities. And because we accept that science we have put in place varying substantial targets to reduce carbon emissions over the next few years. We accepted
at the Paris climate conference agreements that we should reduce our climate change impacts to between 26 and 28 per cent by 2030. That is based on the advice that we have received; it is calibrated to what the rest of the world is doing and is the appropriate course of action we should take.

But putting it in the context of the project that the senator has referred to, that project can still proceed within these targets. That project provides broader benefits to developing countries overseas who do not have the electricity that we do. That is why we should support projects like this, to make the world a better place while still meeting our climate change reduction targets.

The PRESIDENT: Final supplementary question, Senator Roberts.

Senator ROBERTS (Queensland) (14:28): Considering the fact that so many of the minister's party's policy positions and the Greens' manifesto are based on opinions and beliefs of the CSIRO, can the minister assist me in obtaining a meeting with the CSIRO, who have today refused my request for a presentation after yesterday initially agreeing to such a presentation? Would the minister agree that the information that the CSIRO could provide to me in such a presentation would assist in providing support for the Adani mine? (Time expired)

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (14:29): The CSIRO is not an organisation in my direct portfolio responsibility, but my office was in contact with Minister Hunt this morning. I am advised that the minister has received Senator Roberts's request, and the minister will of course be pleased to assist with arranging a meeting between the senator and the CSIRO at a time that is appropriate to both parties.

Defence White Paper

Senator BACK (Western Australia) (14:29): My question is to the Minister for Defence, Senator Payne. Can the minister advise the Senate of the steps the Turnbull government has taken over the past 12 months to ensure Australia's long-term security?

Senator PAYNE (New South Wales—Minister for Defence) (14:30): I thank Senator Back for what is a very important question in relation to Australia's long-term security, because for the Turnbull government Australia's safety and security is our first priority. In February this year the Prime Minister and I released the defence white paper, the Integrated Investment Program—which is fully costed and fully funded—and the Defence Industry Policy Statement, which together are Australia's comprehensive and long-term plan for our future national security.

Not only are we investing in the key capabilities that we need across Navy, Army and Air Force to ensure that our Defence Force remains at the technological cutting edge; we are also investing in the key enablers that support these platforms. We are investing in the sort of critical infrastructure that allows the ADF to do its job—the bases, the wharves, the airfields, the information and communications technology, and the science and technology. Much of that investment will indeed occur in regional Australia, which will boost local economies and help create jobs.

To deliver our long-term strategy to create a more capable, potent and agile Defence Force, the Turnbull government is also increasing defence spending to two per cent of GDP by 2020-21 in advance of our 2013 election commitment. There are currently over 2,300 ADF
personnel deployed on operations as I speak, whether it is in the Middle East, in Iraq and Afghanistan, or on operations securing our borders. They serve with great dedication and commitment. They and their families sacrifice a great deal, and we acknowledge and thank them for their service.

The PRESIDENT: Senator Back, you have a supplementary question?

Senator BACK (Western Australia) (14:31): I do, and I thank the minister for her answer. Can the minister outline the major capability decisions the Turnbull government has made over the past 12 months?

Senator PAYNE (New South Wales—Minister for Defence) (14:32): I certainly can, because what we have done over the last 12 months is make capability decisions that will shape Australia's long-term security for decades to come. We have short-listed the designs for our nine future frigates and 12 offshore patrol vessels. We have selected Austal to build up to 21 Pacific patrol boats. And after years of nothing being done by the other side the Turnbull government has selected DCNS of France as our international design partner for the future submarine.

All of these surface vessels and our submarines will be built in Australia, creating long-term certainty for our shipbuilding industry and those who work within it, in stark contrast to those opposite, who did not commission a single vessel from an Australian shipyard in six years. We have also invested in 1,100 Hawkei vehicles from Thales, which we built in Bendigo, and we have invested $1.2 billion in a new pilot training system for the Australian Defence Force. (Time expired)

The PRESIDENT: Senator Back, a final supplementary question?

Senator BACK (Western Australia) (14:33): Yes. Finally, I ask: can the minister advise the Senate how the investment in these capabilities will create an even more capable, potent and agile Australian Defence Force?

Senator Cormann: A very good question.

Senator PAYNE (New South Wales—Minister for Defence) (14:33): Senator Cormann is right: it is a very good question, because this is the sort of capability investment that will keep the Defence Force at the cutting edge for decades to come. Our future submarine, for example, will continue in operation well into the second half of this century, which is why it is so important that we build a regionally superior submarine that meets our unique capability requirements of operation. Likewise, our future frigates—which will be the new workhorse of the Navy—will be optimised for antisubmarine warfare. They will be key capability, considering that we will within the next few decades have half of the world's submarines operating in our region.

The Hawkei vehicles, the light protected mobility vehicles, will provide improved protection for our soldiers and will include highly advanced communication systems which are designed to ensure that our forces have much better vital awareness of the battle space. It is the Turnbull government that has over the last year ensured that we are trusted to deliver the Australian Defence Force we need— (Time expired)
Defence Industry

Senator GRIFF (South Australia) (14:34): My question is to Senator Payne as the Minister representing the Minister for Defence Industry and is in relation to the future submarine project. On 23 May 2016, then industry minister Pyne told ABC's Q&A program:

We are involved in a proper commercial negotiation with DCNS as the builder of the submarine. DCNS has admitted that probably less than 10 per cent of the work will be done outside Australia.

Now, most people regard a local build as about 60 to 70 per cent, so in fact that is very good news for Adelaide and Australia. Minister, noting that DCNS, the builder of the submarine, is happy with a 90 per cent Australian build, can you confirm that 90 per cent is the minimum starting point in negotiations currently on foot with DCNS?

Senator PAYNE (New South Wales—Minister for Defence) (14:35): If I am not mistaken, that is Senator Griff's first question, and I thank him very much for that. I am clearly on a roll; I appear to have the NXT trifecta over the last two weeks of sittings!

Senator Wong: Don't get cocky!

Senator PAYNE: No—no chance!

As I advised the Senate a fortnight ago, I am not going to address the details of the Commonwealth government's most important commercial negotiations, which are underway right now. That is not the correct approach to take to an important commercial negotiation on that matter. But what we will do, and what I have consistently said and what the defence industry minister has consistently said—and the Prime Minister—is that we will adopt an ambitious approach, a positive approach, in relation to the engagement of Australian industry and Australian content in order to maximise it. Indeed, I note that the CEP was designed to maximise Australian industry involvement.

I also advise the Senate that Defence has concluded further discussions with DCNS, with agreements reflected in a deed of commitment from DCNS which was signed on 20 July this year. Last Wednesday I met with the French defence minister, Jean-Yves Le Drian, in Paris to discuss Australia's Future Submarine Program and the establishment of a very strong government-to-government framework to ensure its success. I also met with the chairman and chief executive officer of DCNS, Herve Guillou, and deputy chief executive officer Marie-Pierre de Bailliencourt to discuss the company's preparations to begin work in Australia. I am pleased to say that the Future Submarine Program is on schedule. Defence and DCNS will partner to begin designing Australia's future submarine later this year.

The PRESIDENT: Senator Griff, a supplementary question.

Senator GRIFF (South Australia) (14:37): Minister, are you saying that Minister Pyne was wrong? Given the importance of maximising local content, especially in my home state of South Australia, wouldn't it make sense to use DCNS's 90 per cent local content as at least the starting point to negotiations?

Senator PAYNE (New South Wales—Minister for Defence) (14:37): I think, if the senator checks the record, there will be no indication Minister Pyne was incorrect. And as I have previously said, as I reiterate again today, the government has directed the Department of Defence to maximise Australian industry involvement, engagement and capability throughout the entire Future Submarine Program. That was, as I said in my previous answer, one of the key objectives of the competitive evaluation process.
The government, through the defence white paper and the Defence industry policy statement, has put in place the necessary framework and initiatives to ensure that we maximise the opportunities for small and medium-sized enterprises to engage with Defence—through things like the Centre for Defence Industry Capability, which will be underway in Adelaide imminently—and to contribute to programs like the Future Submarine Program, which as we have noted before will generate more than 2,800 jobs right across Australia.

Senator GRIFF (South Australia) (14:38): I note, Minister, that you are not willing to put a percentage on the amount of local content. However, the competitive evaluation process went for more than 12 months, and that process examined the Japanese, French and German proposals. That obviously would have required consideration of the implications of a hybrid overseas and local build. How is it that the government have done such a detailed analysis, but you will not commit to a minimum percentage of local build?

Senator PAYNE (New South Wales—Minister for Defence) (14:39): Again, I would advise the senator that the government is involved in a sensitive commercial negotiation process, and I am not going to ventilate on the Senate floor the ins and outs of the sensitive commercial negotiation process. I am not going to ventilate it in the media. I am not going to ventilate it in any inappropriate way.

As I have said, we have taken from all of the proponents—but most particularly, as we are discussing, DCNS—Australian industry involvement plans, which were a key part of the competitive evaluation process for all of the submitters. That and working to ensure that the details of extensive engagement with Australian industry are part of our work with the French, and working with potential key suppliers, which will form the basis of Australian sovereign sustainment capability, are a very important part of the work that we are doing. DCNS themselves have begun a comprehensive process to engage with local Australian industry from all over the country to provide details of how they can join—(Time expired)

Northern Territory: Juvenile Detention

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:40): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to the minister's answer in question time on 1 September 2016. When asked about his failure to act on earlier reports of abuse at the Don Dale Youth Detention Centre, the minister claimed there was a 'huge gap' between what was contained in earlier reports and what was shown on Four Corners. Does the minister stand by this statement?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:40): Indeed. I was referring also to media reports at the time, and I think is pretty self-evident that there was a vast difference between what was in the media reports that everybody had access to and what we saw on Four Corners on the night of the airing. I think the principal difference was that, for the first time in any reports in the media up to that point, there was no CCTV footage whatsoever.

The PRESIDENT: Senator Wong, a supplementary question.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:41): I refer to the Children's Commissioner's report, which was made public, published in September 2015, that cited precisely the same footage shown on the Four Corners report—
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precisely the same footage—in which a youth justice officer says, and I quote partially: 'No, let the'—expletive—'come through because when he comes through he will be off balance, I'll pulverise, I'll pulverise the little'—expletive. Does the minister still stand by his statement that there is a 'huge gap'?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:42): Indeed, I think there is a significant gap, as every Australian will agree, between seeing the footage, and having the footage cited and one part of the footage quoted in a report.

The PRESIDENT: Senator Wong, a final supplementary question.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:42): I again refer to the Children's Commissioner's report that cited precisely the same footage shown on the Four Corners report, in which a youth justice officer says, and I quote: 'Go grab the'—expletive—'gas and'—expletive—'gas them through'—expletive—'get Jimmy to gas them through here.' Given that there is demonstrably no 'huge gap' between the Four Corners report and the Children's Commissioner's report, will the minister now accept he misled the Senate and correct the record?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:42): I do not accept I misled the Senate, and I will say again: there is a vast difference between citing a report in writing and making a selective quote out of that, and the vision that we all saw. The vision was deeply disturbing, and to say that there is an equality between a cited paragraph within that report and seeing the CCTV is absolutely misleading.

Innovation and Science

Senator PATERSON (Victoria) (14:43): My question is to the Cabinet Secretary, representing the Minister for Industry, Innovation and Science. Can the Cabinet Secretary update the Senate on the success of the government's National Innovation and Science Agenda, and how it is supporting Australian scientific research and jobs?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:43): I thank the honourable senator, the very honourable senator, from Victoria for his question. Innovation and science have been very much at the heart of the agenda of this government, particularly under this Prime Minister, Mr Turnbull. Only yesterday, the Prime Minister chaired a meeting of the Commonwealth Science Council to discuss the government's progress in promoting science across Australia.

For us, the Innovation and Science Agenda is not a one-night stand; it is an ongoing relationship. We are in this for the long haul. The agenda was launched late last year, with 37 individual measures. Eighteen measures have been finalised or substantially completed. Another five will be finalised by the end of this month. This includes releasing our Global Innovation Strategy policy statement, rolling out our regional collaboration grants, launching the incubator support grants and getting on with a host of tax measures which will make it easier to invest in Australian start-ups. An additional nine measures will be finalised by the end of the year.

This government has set itself the ambitious target of implementing the whole of the agenda by the end of next year, and that is what we are doing. We are performing. The $1.1
billion agenda is a testament to our approach to ensuring that economic growth continues on its quarter-century trend. We have had 25 years of continuous economic growth. Growth does not just come out of thin air; you have to keep focusing on the sources of growth. We need to keep diversifying the economy. It is innovative entrepreneurs who create the opportunities for themselves and others. Between 2006 and 2011, Australian start-ups added 1.44 million full-time equivalent jobs to our economy. Start-ups are important, but innovation is about more than start-ups. Innovation occurs across the economy as a whole. It is about established businesses doing things better to stay competitive. It is happening on the factory floor, on our farms, at the supermarket checkout—(Time expired)

The PRESIDENT: Senator Paterson, a supplementary question.

Senator PATERSON (Victoria) (14:45): Can the Cabinet Secretary detail for the Senate the government's investment in Australian Synchrotron, in my home state of Victoria, under the National Science and Innovation Agenda?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:46): As part of the National Innovation and Science Agenda, the Australian government has invested $520 million and has taken ownership of the Synchrotron in Victoria. Indeed, the Minister for Industry, Innovation and Science is so indefatigable, so hard-working, that he even visited the Synchrotron on the weekend with Olympic medallist Cameron McEvoy, a physics undergraduate, highlighting the importance of science and research.

The Synchrotron is leading the world-leading research in a number of areas, from cancer to diabetes research and breakthroughs in nutrition. And we are already looking to the future.

Senator Jacinta Collins: Why didn't you go, Arthur?

Senator SINODINOS: I am hoping to go soon. In fact, Senator Collins, we can go together—it is your home state!

Senator Jacinta Collins interjecting—

Senator SINODINOS: I am sure it would be nice to go together, Senator Collins. We are already looking to the future. Under our agenda, the Chief Scientist is assessing what is next in big science infrastructure for Australia.

The PRESIDENT: Senator Paterson, a final supplementary question.

Senator PATERSON (Victoria) (14:47): Can the Cabinet Secretary outline some of the other investments made under the National Innovation and Science Agenda?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:47): In addition to the Synchrotron in the science space, the government is investing more than $290 million in the Square Kilometre Array. This is an international science project involving 10 countries which will see hundreds of thousands of antennas across Australia and South Africa, with 130,000 antennas right here in Australia. The data that the SKA is expected to process will exceed the world's current total internet traffic and give us the highest resolution images of the Milky Way in astronomical history.

We have also launched a $500 million biomedical translation fund with $250 million of Commonwealth funding matched by the private sector—a key example of how the government delivers bang for the taxpayer's buck. We are investing in new ideas through our
Entrepreneurs’ Program, angel investment tax incentives and, as I mentioned earlier, the Global Innovation Strategy.

**Vocational Education and Training**

**Senator CAMERON** (New South Wales) (14:48): My question is to the Minister representing the Assistant Minister for Vocational Education and Skills, Senator Birmingham. Can the minister advise the Senate who determined the representation on the Apprenticeships Reform Advisory Group, and why the Australian Industry Group and the ACTU were not consulted or included in the advisory group?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:49): I will seek some further clarification for Senator Cameron, but my recollection is that that advisory group was formed quite some time ago and that I determined who would be on the advisory group. I am happy to look at who I may or may not have consulted, if that information is available for the senator.

**The PRESIDENT:** Senator Cameron, a supplementary question.

**Senator CAMERON** (New South Wales) (14:49): Minister, why was funding from the $9.2 million announced by the Assistant Minister for Vocational Education and Skills made available to Master Builders Australia, the National Electrical and Communications Association and the North East Vocational College outside of the competitive tendering process?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:49): I have a belief that the downturn in apprenticeship numbers that has been underway since the Labor government made changes to apprenticeship incentive arrangements way back in the final year or two of their term in office is a concern, and this government’s view was that we needed to start looking at what things we can do and what action we can take to try to recover numbers in apprenticeships. We have budgeted some funding and are funding five pilots to the tune of $9.2 million under the apprenticeship training alternative delivery model. Those pilots—

**The PRESIDENT:** Pause the clock. Senator Cameron, a point of order.

**Senator Cameron:** This is on relevance. The exact question I asked, and the only question I asked, was: why were these funded outside of the competitive tendering process? That is the nub of the question.

**The PRESIDENT:** I will remind the minister of the question.

**Senator BIRMINGHAM:** The pilots that are being funded under this program were identified during the consultation process that the apprenticeship advisory group undertook. They were identified as being pilots that are of value, that are innovative in the delivery model and that we hope will help to inform better pathways in the future to strengthen numbers in Australian apprenticeships.

**The PRESIDENT:** Senator Cameron, a final supplementary question.

**Senator CAMERON** (New South Wales) (14:51): Can the minister guarantee that apprentices will not have their wages reduced or their skills base narrowed as a result of these pilot projects? Can the minister also guarantee that apprentices will continue to have training that facilitates portability of skills and national skills recognition?
Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:51): I can happily give guarantees that pilots will, of course, have to operate within existing industrial relations arrangements. Where they are delivering qualifications, they will have to deliver qualifications that deliver upon the competencies within those qualifications. I am very happy to give Senator Cameron the assurances he might seek in relation to the fact that industrial arrangements will be met and skills will be against the competencies that are required for qualifications that are delivered as part of apprenticeship frameworks.

Importantly, this program is about the Turnbull government recognising that we need people trained in vocational education and apprenticeships, that the reality is that we have had a downturn in numbers, which started under the previous Labor government, and that we want to trial different methodologies to see whether we can get an apprenticeship model that encourages both employers and young people to increase their participation in apprenticeships into the future.

**Economy**

Senator DUNIAM (Tasmania) (14:52): My question is to the Minister for Employment, Senator Cash. Can the minister update the Senate on the progress of the government's plans to create more Australian jobs?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:52): I thank Senator Duniam for his question. I can advise the Senate that today the jobs figures came out for August 2016. The unemployment rate in Australia declined by 0.1 percentage points over the month to 5.6 per cent in August 2016. This is the lowest rate recorded since September 2013, and it is 0.5 percentage points below the 6.1 per cent recorded a year earlier.

In relation to job creation under the coalition government, since the coalition came to office in 2013 around half a million jobs have been created, with employment now standing at 11,963,700 in August 2016. Under this government employment has continued to grow, rising by 1.5 per cent over the last year. In the last 12 months, the economy and business has created approximately 180,000 jobs, compared to the last 12 months of the former Labor government, in which the economy created approximately 86,000 jobs. The government does not underestimate the critical task of creating more job opportunities for Australians. That is why we are focused on the task at hand, to help give job seekers the dignity of work. On this side of the chamber we believe that the best form of welfare is a job.

In terms of the comparison with those opposite, it is very clear that Labor, implementing the policies that it did, failed Australians and, in particular, failed employers. Under the six years of Labor, the jobless queues grew by around 200,000 people. On this side of the chamber we have a strong plan that is focused on growing our economy and creating jobs. *(Time expired)*

The PRESIDENT: Senator Duniam, is there a supplementary question?

Senator DUNIAM (Tasmania) (14:54): I thank the minister for her answer. Can the minister outline what action the government is taking to create more Australian jobs and growth the economy?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:55): On this side of the
We understand that governments themselves do not create jobs—employers do. We need to ensure that we have the right policy framework in place so that the economy grows, businesses grow and ultimately the economy and business are able to create more jobs. That is why this government took to the 2016 election a policy that was all about jobs and growth—for example, the investment that we have in infrastructure and roads and a $200 million investment for regional Australia to diversify local economies, create local jobs and grow skills in the local workforce. It is why we have pursued the signing of free trade agreements—free trade agreements that those on the other side were unable to sign up to when they were in government. It is why we have legislation before this parliament to restore law and order to the building and construction sector, our third largest industry, employing one in 10 Australians. (Time expired)

The PRESIDENT: Senator Duniam, is there a final supplementary question?

Senator DUNIAM (Tasmania) (14:56): Can the minister outline the important role the government plays in delivering jobs growth?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:56): As I said, on this side of the chamber we understand that you need to put in place the right policy framework so that the economy grows and business is able to prosper and create more jobs. It is fundamentally different to those opposite. All they have for the Australian people is a plan for higher debt—they openly admitted that prior to the election—higher taxes and more regulation. If you look at the period in which the current Leader of the Opposition was the workplace relations minister, the number of unemployed people increased by around 72,000. In trend terms, from November 2007 to the end of Labor’s time in office 128,800 manufacturing jobs, around one in eight, disappeared completely. In terms of policies that stifled growth, there was the carbon tax; and what about the mining tax? On this side of the chamber we understand that you need the right policy framework. (Time expired)

Attorney-General

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (14:57): My question is to the Attorney-General, Senator Brandis, who will be relieved to know that it is not about superannuation. Has the Attorney-General had any discussions with the Prime Minister, the foreign minister or any other members of cabinet regarding his possible appointment to a diplomatic position?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): No.

The PRESIDENT: Senator Bilyk, do you have a supplementary question?

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (14:58): I am happy to ask this question. Has the Attorney-General had any discussions with the Prime Minister or any other members of cabinet regarding his possible appointment to a judicial position?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:58): I cannot help but be flattered, Senator Bilyk, but the answer to your question is no.

The PRESIDENT: Senator Bilyk, a final supplementary question?
Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (14:58): Will the Attorney-General rule out accepting a diplomatic or judicial appointment before the expiry of his current Senate term?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:59): Senator Bilyk, I thought the day would never come when I would enjoy a question from you, but that day has come at last. Yes, I can rule that out.

**Beef Industry**

Senator O'SULLIVAN (Queensland) (14:59): My question is to the Minister for Resources and Northern Australia, also representing the great Deputy Prime Minister, Senator Canavan. The question, Senator Canavan, is: could the minister update the Senate on the positive improvements in the beef industry and how the sector has returned to confidence since the re-election of the Joyce-Turnbull government?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (15:00): Thank you, Senator O'Sullivan, for that question. The re-emergence of the strength of the beef sector has been a great news story for our country over the last few years. It has been timed with the re-election of the coalition government in 2013. While there have been a number of factors involved, a big difference that this government has made is that it actually supports our beef producing sector; it supports a trade in beef across the world. It has signed a number of free trade agreements to open up market access for that sector and it of course supports our live export industry, which underpins so much opportunity for our producers to get a fair price for their hard work.

That re-emergence, that rebirth, of the strength of this sector is underlined by the simple prices that people see at the saleyards. The most commonly used price across the country is the Eastern Young Cattle Indicator which compares similar cattle sold right across the country. When we came to government in 2013, its price was just over 300c a kilogram and today, just over three years on, the price is more than 700c a kilogram. It has more than doubled in the space of three years, thanks to the policies, in part, of this government.

There has also been a shortage in cattle markets as well, but there is strength in our beef sector—strong world prices for the boxed beef products and live exports of our nation. This is a unique opportunity for us.

We often hear complaints from some that, for a long time, there have not been abattoirs across the north. You could draw a line from Townsville to Perth and there would be no abattoir north of there. Well, now, thanks to the strong beef sector, abattoirs have opened in Darwin, in February last year; and, only in the last week, the Kimberley Meat Company has opened their abattoir between Broome and Derby in Western Australia. This is a great news story for our beef sector and a great news story for northern Australian beef producers in particular.

The PRESIDENT: Senator O'Sullivan, a supplementary question.

Senator O'SULLIVAN (Queensland) (15:02): Could the minister advise the Senate of the importance of the red meat industry to northern Australia?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (15:02): The north of our country is cattle country. It is the heart of our cattle industry.
Almost 45 per cent of our national herd has its home in northern Australia. The development of that industry is integral to the government's broader northern Australia development agenda—to grow agriculture in our north. Most of that cattle industry in the north, because of the state of pastures, is often breeding or not particularly strong fattening country. But what we would like to achieve with our investments in water and agricultural land is to provide the opportunities for beef producers to intensify their production, to make sure that they can turn off more cattle, and turning off more cattle means more money, and more money means more opportunity; it means more jobs; it means more people in the north. It will be a great thing for Northern Australia if we can get the support to develop the water resources that we have there, and the government has the opportunity to do that through its $6 billion northern Australia development agenda.

The PRESIDENT: Senator O'Sullivan, a final supplementary question.

Senator O'SULLIVAN (Queensland) (15:03): Can the minister apprise the Senate of the gains made to the global beef industry through the outstanding and unprecedented free trade agreement achievements of this government?

Senator CANAVAN (Queensland—Minister for Resources and Northern Australia) (15:03): The beef sector in this country is one almost uniquely exposed to world markets. We, of course, are lucky enough in this country to be able to buy affordable and high-quality beef, thanks to the sector. But the sector as a whole exports often more than 70 per cent of its production—indeed, in 2015-2016, 74 per cent of beef and veal production was exported. For that, we need strong access to overseas markets to get a good price for our beef producers, and that is what this government is helping to achieve with the free trade agreements we have signed.

I think it is important to stress what those free trade agreements have delivered for our beef sector. Under the Chinese free trade agreement, the tariff on fresh and frozen beef has already been cut from 12 per cent to 9.6 per cent, and by 2024 it will be zero. Under the Korean FTA, we have already had a reduction from 40 per cent to 32 per cent, and by 2028 it, too, will be zero. This is great news for our beef sector and great news for our nation.

Senator Brandis: Mr President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

High Court of Australia

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:04): I have some further information in response to a question asked of me on Monday by Senator Culleton. Senator Culleton, in his question to me on Monday, pointed to what he said was an apparent discrepancy between the requirement in section 33 of the High Court of Australia Act that all process shall be issued in the name of the Queen, and the High Court Rules 2004. I undertook to have a look at the issue, and I did, and, having looked at the issue, through my department, I drew the matter to the attention of the Principal Registrar of the High Court, Mr Andrew Phelan. Mr Phelan has responded, and he has advised that the High Court's Rules Committee wants to have a look at the question, and that will probably take place at the next meeting of the High Court's Rules Committee in October.
If I may say so, Senator Culleton, it is very, very unusual, if not unprecedented, for a senator's question to find its way onto the agenda of the Rules Committee of the High Court of Australia. And I am sure it is utterly unprecedented for a senator's inaugural question to do so. Thank you, Senator Culleton.

QUESTIONs WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Superannuation

Senator GALLAGHER (Australian Capital Territory) (15:06): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) to questions without notice asked by Senators Gallagher and McAllister today relating to superannuation policy.

It was amazing to sit in here and listen to the Leader of the Government in the Senate try to sell the George Christensen superannuation policy as adopted by this government. The superannuation reform shambles—there is no other word to describe what we have seen over the past 4½ months, and particularly the way it has been played out so publicly—shows us, firstly, just how divided the coalition has become and, also, how weak Malcolm Turnbull's leadership has become. Four months ago these reforms were announced as part of the Turnbull-Morrison budget. There they were, clear as day in the budget papers. But since that time at least nine coalition members have spoken out publicly, and certainly many more have behind closed doors challenged the Prime Minister and the Treasurer on these reforms. Not a day would have gone past in the last four months when we did not see another story in the paper or on TV on the latest break-out from the coalition as one by one coalition members went and argued the case publicly against what had been outlined in the budget.

Let us look at the issue of the non-concessional cap. Over the past four months we have had non-concessional caps of $500,000 and $750,000 touted, and a $1 million cap also made an emergence during that time. That was repeated again last night when George Christensen gave one of his final warnings about what the ramifications for the government would be if they did not cave in and agree to the conditions which he had set. Today we find out, after the party room has finally signed off on the Abetz-Christensen deal, that there is to be no cap at all. As late as last night, as I said, we had George Christensen out warning that he would cross the floor and was prepared to lose his position as a whip if his terms were not met.

Contrast this shambles, chaos, disunity and division with the way the Labor Party has gone about formulating its superannuation policy—the policy we took to the election and also the revision we have made since the election to seek an outcome on superannuation reform. We made no secret of the fact that we wanted to see some of the generous tax concessions, particularly as they operated for high-income earners, wound back—that was very much central to the policy that we announced—but we also wanted to see continued structural improvements to the budget over time, and our policy addressed all of those things. Indeed, late in August we came out and again provided the government with a way of dealing with the retrospectivity element of their superannuation policy—the one that had become so abhorrent to their own party room. We suggested some areas where we would agree with the government's package, and we identified some areas where we would oppose them. One of those areas was around the work test for those aged between 65 and 74—about a $130 million component. The Assistant Treasurer, Kelly O'Dwyer, came out swinging, telling us that we were anti older people being able to save for retirement. She had some very strong words on
how she saw our position. Then, today, we find out that Labor's position has been adopted in the reforms that we imagine will now come forward for discussion in this place. The whole process has been a complete shambles—it has been a highly public mess and it has been a real lesson in how not to pursue serious policy reform or structural budget repair.

We all understand that Australians need confidence in the superannuation system, they need certainty about how it will operate and they need stability. Those points are fundamental to the success of this system overall, and over the last four months the division, the disunity and the public break-outs have done nothing other than undermine that confidence, that certainty and that stability. (Time expired)

Senator BACK (Western Australia) (15:11): It is an amazing use of words—Senator Gallagher tells us that Labor took a policy to the election but they have been willing to revise it since the election. Apparently it is okay to do that, but if the government of the day uses its expertise and a review is undertaken by the leadership—with the strength and the reasoning of the Prime Minister and indeed the Treasurer—that somehow seems to be discordant and it is disgraceful, et cetera. I will add my name to that review. I was very vocal during and after the election campaign, and I could be vocal because the difference between the two sides of politics is that our side, without fear of losing our seat or being kicked out of the parliament, can bring views forward to our colleagues on the cabinet bench. Heaven forbid if somebody does that on the other side.

As Senator Macdonald well knows, we have added expertise. For example, there is the member for Forde, Mr Bert Van Manen. What was Bert's role for many years prior to his coming into the parliament? He was a financial adviser. With people with the expertise of the member for Forde, with the inclusiveness of the Treasurer and his assistant minister, and through the process of wide consultation around this country that the Treasurer participated in, including coming to my home city of Perth, we have arrived at a final position which, as the finance minister has said—contrary to the assertions of Senators Gallagher and McAllister—will save the budget some $670 million over the forward estimates. Even more important than that, because of our inclusiveness, because we went to the industry, because we listened to our constituents, many of whom do not vote for the coalition, we were able to give feedback, provide a measured response and arrive at an excellent system. Senator Gallagher said no cap—but the cap of $1.6 million per person in a couple is still there. For those of you listening, if you have enough, it is $1.6 million for the husband and for the wife. That cap continues, and it is now $100,000 of nonconcessional contributions a year, except that if your grandma dies and leaves you $300,000 you can put the $300,000 into the super scheme under 65 but of course you cannot put any more in for the next two years.

When I learnt what the leader of the Labor Party was suggesting I thought that it was fairly logical—it was a bit unusual for Mr Shorten, but nevertheless—so I made it my business again to investigate the issue with those with expertise in the superannuation industry. I said, 'Why is the Leader of the Opposition's policy not the way to go?' They said, 'Well, the concept of it would have been all right, Chris, except for the fact that it is unworkable.' Why is it unworkable? I was told there are two reasons. It is not my field, but I listened carefully. The first reason is simply the fact that people have more than one superannuation scheme, so, in retirement, they might want to draw from different schemes. As I understand it, under the Leader of the Opposition's process, if you earn more than $70,000 or $80,000 in income from
your investments you will be taxed at 15c in the dollar. Unfortunately, that system is not practicable and cannot work realistically, because if someone is drawing from different funds it would be administratively difficult, if not impossible, to calculate from which fund the various income or revenue came and to then decide whether that is to be taxed or not. The second reason, which was again given to me perfectly reasonably, is that the funds are managed within pools, not necessarily in the name of only an individual. Therefore, at tax calculation time, under what would have been Mr Shorten's scheme, the administrative burden would have been far more difficult.

But look what we have now: a scenario that is workable and fair and that has been delayed for people coming back into the workforce, including women on lower incomes coming back into the workforce. All of that has been delayed until 2018. This is a fine example of the coalition doing its best work collaboratively under strong leadership. Look at the rabble on the other side.

Senator POLLEY (Tasmania) (15:16): Here we go again. Yesterday there was supposed to be a celebration for it being 12 months since Mr Turnbull knifed Tony Abbott. But we in this place know, and the Australian people know, that there was actually nothing to celebrate. The excuse that we have just heard in this chamber today in relation to the backdown on this critical government policy on superannuation just does not stack up. Those on the other side, including Senator Back, were part of the government which developed their policies to go to an election. They had all the resources of the Department of Finance and the Department of Prime Minister and Cabinet. Everyone was at their disposal so that they could develop their policies and cost them.

Now we hear the excuse that, 'We've gone out and consulted and we're changing things.' The reality is the backdown has come because the far Right of the Liberal caucus of the government have pulled the strings yet again to say, 'Mr Turnbull, you need to dance to our tune.' That is the reality of it. And then they say: 'What are you going to do? Are you going to support us or are you not going to support us?' But on this side of the chamber, let us face it, the Labor Party have been the supporters of superannuation for workers in this country and we have stood firmly with them. We understand how necessary this policy is.

My colleague Senator Gallagher touched on the serious issue of the debate by those opposite having been shambolic over the last four years, which has led to the community having real concerns about their superannuation. That is a disgrace. It is not like they were coming in and taking the government benches as a new government. They had all those resources at their disposal and, still, what have we seen? Backflips and backdowns. We on this side will do what we do when we consider government policy: we will consult, we will consider and we will get expert advice before we make our decision in relation to these changes.

I can recall the current Prime Minister saying to the Australian community, 'The reason I had to knife Tony Abbott was that he was unable to show any economic leadership.' Well, economic leadership has not happened under Mr Turnbull as Prime Minister. It just has not happened. What has happened is that we have seen a breakdown between the Treasurer, Scott Morrison, and the Prime Minister on so many issues, but particularly on this issue. I understand that Mr Morrison has been going around to his backbenchers, taking out his slideshows, and trying to convince them that what he wanted—what they went to the election
with—was the right policy. Now we see another backflip and backdown, and the right wing of the Liberal Party are getting their way yet again.

That brings me back to the point that I have spoken about a number of times in this chamber: who is Malcolm Turnbull, the Prime Minister? Mr Turnbull instilled a lot of energy into trying to convince the community—which he did, to some degree—that he was going to be different. He was going to be a leader that could unite his party. He would be a leader that would not speak in three-word slogans. He would be a leader that was going to show that he had a plan and a strategy. He was going to preside over an agile, innovative, 21st-century government. And what has he delivered? None of those things. There is not any unity in the government. In some respects, people might say, 'What does that matter?' It does matter, because if, as Prime Minister, you cannot govern your own caucus then you certainly do not have the skills and the leadership that this country needs for you to be the Prime Minister. Quite clearly, Mr Turnbull will do whatever it takes. He will appease the right wing of the Liberal Party so that he can keep residing in the Lodge. (Time expired)

Senator IAN MACDONALD (Queensland) (15:21): The submissions of the opposition senators are quite mad. Unfortunately, Labor senators just do not get it. They do not understand that we were all sent here for a purpose, and that is to represent the people who elected us and to make submissions on and devise policy. The Labor Party, by contrast, and in the famous words of Senator Doug Cameron—never has he spoken a truer word than when he indicated this about all Labor senators—were just 'lobotomised zombies'. Do you remember that? There is one walking out, and there are a few others taking part in this debate. They are lobotomised zombies because they were just meant to sit there and take it—

The DEPUTY PRESIDENT: Thank you, Senator Macdonald. Senator O'Neill?

Senator O'Neill: Madam Deputy President, I think that those sentiments were completely out of order in terms of parliamentary standards, and I seek that the senator withdraw those comments directed at senators on this side of the chamber.

The DEPUTY PRESIDENT: Senator Macdonald, I think there is a robust debate going on—

Senator IAN MACDONALD: Can I make a submission on the point of order? I think that is allowable.

The DEPUTY PRESIDENT: Yes, certainly.

Senator IAN MACDONALD: The words I have used are not mine. They are words of Labor Senator Doug Cameron, repeated in this chamber very often in the last parliament by Senator Cameron. So they are not my words, they are Senator Doug Cameron's. If anyone has to withdraw, it should be Senator Doug Cameron.

The DEPUTY PRESIDENT: Thank you, Senator Macdonald. As I said, this is a broad-ranging, robust debate. I would ask all senators to consider, in regard to their language, what is reasonable in robust debate. I would also remind senators to please use the proper names of senators and members both in this place and the other place.

Senator Urquhart: Deputy President, on the point of order, Senator Macdonald actually referred to Senator Polley as she was leaving the chamber, and I would therefore ask him to withdraw that.
The DEPUTY PRESIDENT: Senator Macdonald, do you wish to make a point?

Senator IAN MACDONALD: Again, they were Senator Doug Cameron's words, not mine. As I said that to Senator Polley as she was leaving, she turned around and blew me a kiss. Perhaps that is also unparliamentary, if you are going to get down to this ridiculous minutiae.

The DEPUTY PRESIDENT: Thank you. Senators, I have made my views known. It is robust debate. Please let us have it within the general terms of what we all understand a robust debate to be. Senator Macdonald, continue your remarks.

Senator IAN MACDONALD: Again, I repeat the words of Labor Senator Doug Cameron, who referred to his colleagues as 'lobotomised zombies', meaning that they were just meant to sit there in the Labor party room and take whatever the unions had told the leadership and the leadership then told the lobotomised zombies. They were expected not to have a view, not to be able to put an argument and not to disagree with the leadership, who were being instructed by the unions, whereas in our party we are encouraged to contribute to the debate, and I for one, like Senator Back, was one of those who had concerns about this superannuation policy.

You might recall it was announced on budget night, so there was no prediscussion in the joint party room, because you cannot do that, obviously, with budget measures, and not long after the budget the parliament was prorogued and we went to an election. I did not really understand it. I came down to Canberra one day after the election and I spent four hours with Treasury officials going through every element of the proposed changes so that I could make myself aware of what they were, and I came to the conclusion that two of the elements of the package could be deemed to be retrospective. Now, retrospectivity is anathema to the Liberal Party and always will be. I describe retrospectivity as something where people had planned a course of action, had put that course of action into place and then, through a subsequent government decision that was backdated, they were disadvantaged in what they were doing.

I formed that view and I told Mr Morrison that was my view and I indicated that if these things came to the chamber I would be expressing those views and acting accordingly in the chamber, and I know a lot of my colleagues did. Mr Morrison, to his eternal credit, and Ms O'Dwyer, the Assistant Treasurer, went around Australia talking to people and consulting and working through different issues with senators and members. As a result of that, they have come up with a slightly altered position which is still great for superannuants. It is still saving the budget money, the budget that Labor completely stuffed up. It ran up a debt that would have approached something like $700 billion. We are paying—what is it?—$45 million a day in interest on Labor's debt. So it has been good for the budget. It has been a good tweaking, a very minor tweaking, that does away with the retrospective elements that I was concerned about, and that others were clearly concerned about, and I give Mr Morrison and Ms O'Dwyer every congratulation for the collegial way that they dealt with their colleagues, listened to their colleagues and listened to the industry.

These were not the ideas of just me and all my colleagues. We were reflecting views given to us by the general public—and that is what we are here to do. But Labor Party senators, by contrast—the lobotomised zombies, according to Labor Senator Doug Cameron—are just meant to sit there, look dumb and take whatever is given to them by their leadership, and that is obviously influenced by what the unions tell the leadership. There is a complete contrast.
Labor belt on about these subjects but they just do not understand. They do not get that on our side of parliament we are individuals. We are able to make submissions, and the government works with us to make sure we get the right result, which we have now. *(Time expired)*

**Senator URQUHART** (Tasmania—Opposition Whip in the Senate) (15:29): I guess the question is: who is calling the shots in the Liberal Party? Is it the conservatives or the Prime Minister? I think we know from today's superannuation announcement that that has been confirmed: it is the conservatives. Just a few months ago, the Prime Minister told us that each and every one of the superannuation measures that those opposite took to the election was 'absolutely ironclad' and that he was committed to each and every element. But I think Mr Turnbull clearly failed to finish that sentence. Maybe he should have continued his sentence by saying, 'These measures are absolutely ironclad unless the conservatives within my party are displeased, in which case I will get direction from them about what they want to happen and I will endeavour to please them.' I think that is how he should have completed his answer to that question.

For weeks now, day after day, we have seen a slew of conservatives freelancing in the media or anonymously backgrounding against the government's own superannuation policy. Then today, remarkably, what do we see? We see the $500,000 lifetime non-concessional cap, the very issue that Mr Abbott and Mr Christensen were not-too-subtly campaigning on, disappear completely. It disappeared—just puff, gone. Clearly Mr Turnbull has shown that he would rather break a solemn election promise than displease his conservative masters. We have also seen Mr Christensen come out today and give a remarkable press conference for a backbencher, where he congratulated the Prime Minister for not only following orders but exceeding them. This is yet another example, amongst many other examples, of where the Prime Minister has fundamentally failed to deliver on his promise of strong economic leadership.

The budgetary position bears that out. In fact, the deficit was $2.6 billion bigger at this year's PEFO than it was at MYEFO in December. Our net debt had blown out by $7 billion in the same period. Prime Minister Turnbull has worsened the coalition's abysmal fiscal record, which has seen the deficit triple, net debt blow-out by well over $100 billion and the AAA credit rating put at risk. The AAA credit rating that Labor had in government is now at risk. The Labor Party have made it very clear that we are 100 per cent committed to budget repair. It was the Labor Party that secured Australia's AAA credit rating from all three credit rating agencies in the midst of the most serious financial crisis since the Great Depression. It is Labor that has worked to consistently identify a comprehensive set of savings measures that will deliver real structural benefits to the budget. It is Labor that has worked cooperatively with the entire parliament to deliver fair budget repair.

We have seen evidence of that just this week, where we have not only improved the government's omnibus bill and made it fairer but increased the savings that it made. While the government had a $107 million black hole in their sums for the bill, Labor negotiated changes that would not only remove rank unfairness—unfairness to those who can least afford it—but also return even more to the bottom line. While those opposite floundered and bickered amongst themselves, Labor consistently took the lead on economic reform and budget repair. While the Liberals seemingly could not to maintain a consistent fiscal policy from day to day, Labor worked tirelessly to build an extensive and comprehensive plan for fair budget repair.
And so it was with superannuation. We took the lead; we put forward fair reform that would return billions to the budget. But Mr Turnbull has floundered from policy to policy. He is being led by his conservative masters, to secure his own position as Prime Minister. That is the key for him. It is not about what is best for this country; it is about what is best for him. *(Time expired)*

Question agreed to.

**Working Holiday Maker Program**

**Senator WHISH-WILSON** (Tasmania) (15:35): I move:

That the Senate take note of the answer given by the Minister representing the Minister for Agriculture and Water Resources (Senator Canavan) to a question without notice asked by Senator Rice today relating to the backpacker tax.

A delegation from Tasmania—10 fruitgrowers, all from successful and very important businesses to Tasmania—is in parliament today. Tasmania relies on the export of its clean, green, high-value produce to the mainland, overseas and into the tourism market in Tasmania. Having been a fruitgrower myself, with a vineyard, I know how cruel Mother Nature can be. Fruitgrowers face significant risks, and now they are facing a significant risk with this Liberal-National government bringing in a new tax on backpacker labour.

At harvest time it is very difficult to get seasonal labour. Backpackers supplement the local labour markets and enable these producers to have the labour there when they need it. Of course, picking is very difficult to predict—often it happens around weather and around ripening—and the availability of labour is very difficult to predict. I want to make this really clear, especially to my Senate colleague from Tasmania Senator Urquhart: the producers that I know in the Tamar Valley, the big fruit producers, always employ local labour first. They always employ local Tasmanians and Australians first, but they simply cannot get enough labour to pick their fruit, so the backpacker market is crucial.

I know orchardists who provide accommodation and even food to attract backpacker labour to the area—it is really important. Sometimes those pickers are only required for a week or a month, so the transitional nature of that labour is what it is. There is work available when it is available and then, once the picking is done, the work is not available. This suits backpackers because they are coming to our country and to my state of Tasmania to see the beautiful scenery, to see the culture and heritage, to meet people and to meet other fellow travellers. The work is available for them and it is an excellent way for them to travel.

We currently have a system in Australia where backpackers pay the same taxes we do as Australian citizens, which means they do not pay tax for the first $18,000 earned, and that is very lucrative for them. Overseas, they have different tax rates. We need to maintain our competitive advantage, especially in Tasmania, which is very vulnerable to a lack of seasonal labour. If we do not maintain that competitive advantage then we are putting our local producers at significant risk. I can tell you have from having spoken to them that they are absolutely furious that this government is bringing in a new tax on backpackers that could very seriously impact on the availability of labour for their businesses.

It really surprising that the 'low-taxing government'—and we hear that in the this chamber all the time—is trying to introduce a tax on rural Australia. And shame on the Nationals for not speaking out for their electorate. These Tasmanian producers are here today. I just
attended a press conference. The crossbench was there with the Greens. There were no Liberal senators there to support them and unfortunately, Senator Brown, there was no-one there from the Labor Party to support them either. So I would like to hear from the Labor Party on this issue.

Senator Carol Brown: That is not even true. We were invited, were we?

Senator WHISH-WILSON: There were no Labor senators at the press conference. I would be very keen to hear from Senator Brown and Senator Bilyk and Senator Urquhart whether they support Tasmania's fruit growers and local producers in this aspect. I will be very much looking forward to hearing from them on this because, as I said, these businesses make it very clear always employ local labour first but they simply cannot get the numbers of people that they need.

If the Labor Party is going to block any future legislation on this backpacker tax, join with the Greens and the crossbench, make your announcement this weekend, Senator Brown, and we can send a message to the government: do not bother bringing forward this legislation to the Senate; it will not pass the Senate because we stand with the Tasmanian primary producers. It is a silly idea and it is a cash grab by the government passing the buck to primary producers. We can find the $550 million elsewhere. There are plenty of other places we can find budget savings. So step up, Labor, and help us take on the Liberal National Party on this issue. (Time expired)

Question agreed to.

DELEGATION REPORTS

Australian Parliamentary Delegation to New Zealand

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:41): by leave—
I present the report of the Australian parliamentary delegation to New Zealand, which took place from 5 to 8 April 2016. I seek leave to move a motion in relation to the report.

Leave granted.

Senator BILYK: I move:

That the Senate take note of the document.

Leave granted.

Senator BILYK: The Australian parliamentary delegation to New Zealand, led by the Speaker of the House of Representatives, the honourable Tony Smith, visited the New Zealand Parliament in Wellington in April 2016. This visit was hosted by the Right Honourable David Carter, Speaker of the House of Representatives of New Zealand. Australia and New Zealand, as we know, are natural allies with strong trans-Tasman connections with migration, trade and defence ties. Keen competition on the sporting field and strong people-to-people links have helped shape a close, cooperative relationship.

Over three days the delegation met with many different MPs from across New Zealand's political spectrum including the Prime Minister, the Right Honourable John Key, who discussed a number of issues including the recent efforts to change New Zealand's national flag—they had just been through that process. Through its meetings, the delegation gained a greater understanding of the economic and social challenges faced by New Zealand.
There were quite a number of highlights in this trip, which included: attending the New Zealand parliamentary question time; a meeting of the social services select committee, which operates very differently to our Senate committees here; a visit with the New Zealand Electoral Commission and a wreath-laying ceremony at the Pukeahu National War Memorial Park. That is of great significance to all Australians, particularly to the parliamentarians on the delegation. We acknowledge the importance of participating in such a moving program as to lay a wreath to commemorate the shared experience of our Anzacs and to symbolise the respect and close friendships between our countries.

The delegation was also afforded a number of cultural opportunities, which included a visit to the Te Papa Museum's Gallipoli exhibition, an astounding exhibition. The museum houses a range of exhibits but the Gallipoli exhibition in particular is an absolutely stunning result of the collaboration between Te Papa and Weta workshop to create a world-class exhibit to tell the human stories behind Gallipoli. The exhibition captures the extraordinary human experiences of the Gallipoli campaign through the stories of eight New Zealanders. It consists of larger than life models, artefacts and information that combine to give a fully rounded idea of what the featured individuals experienced. I think all the delegation found the exhibition both impressive and very moving in its telling of these human stories. Of course it is of particular relevance because both Australia and New Zealand commemorated the Centenary of Gallipoli in 2015.

The delegation was also privileged to visit a Maori language immersion school, where a traditional Maori welcome ceremony was performed by students. The visit was an excellent opportunity for members of the Australian parliament to represent Australia internationally and contribute to the valuable, ongoing and positive relationship that exists between us and our closest neighbours. The delegation report was tabled in the House of Representatives earlier this morning, I understand.

In concluding, I thank very much the secretariat people that came with us and assisted us, particularly Julia. The Australian High Commission office and staffers did a fantastic job organising the extensive program of meetings and activities that took place throughout the visit. I would like to make a special mention also of the dedicated staff from the office of the Speaker of the House of Representatives in New Zealand, the Visits and Ceremonials Office in the Department of Internal Affairs in New Zealand and, as I said, the Australian High Commission staff in Wellington, who worked tirelessly to ensure that the program proceeded smoothly for us.

Question agreed to.

**BUDGET**

**Consideration by Estimates Committees**

*Senator FAWCETT* (South Australia—Deputy Government Whip in the Senate) (15:46): I present additional information received by committees relating to estimates.

Budget estimates 2015-16 (Supplementary)—

Economics Legislation Committee—Industry, Innovation and Science portfolio—Additional information received between 17 March and 14 September 2016.

Finance and Public Administration Legislation Committee—Parliamentary departments—Additional information received between 3 May and 13 September 2016.
Additional estimates 2015-16—
Economics Legislation Committee—Additional information received between—
1 March and 14 September—Treasury portfolio.
Finance and Public Administration Legislation Committee—Parliamentary departments—Additional information received between 3 May and 13 September 2016.
Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 4 May and 14 September 2016—
Defence portfolio.
Foreign Affairs and Trade portfolio.
Budget estimates 2016-17—
Economics Legislation Committee—Additional information received between—
1 March and 14 September 2016—Treasury portfolio
Finance and Public Administration Legislation Committee—Additional information received between 1 and 13 September 2016—
Finance portfolio.
Parliamentary departments.
Prime Minister and Cabinet portfolio.
Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 4 May and 14 September 2016—
Defence portfolio.
Foreign Affairs and Trade portfolio.

COMMITTEES

Community Affairs References Committee
Finance and Public Administration References Committee
Rural and Regional Affairs and Transport References Committee

Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (15:46): At the request of the chairs of the respective committees, I present reports of the Community Affairs References Committee, the Finance and Public Administration References Committee and the Rural and Regional Affairs and Transport References Committee on matters referred to those committees during the previous parliament. I move:
That the reports be adopted.
Question agreed to.

Foreign Affairs, Defence and Trade References Committee

Government Response to Report

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (15:47): I present the government response to the report of the Foreign Affairs, Defence and Trade References Committee on its inquiry into
mental health of Australian Defence Force members and veterans, and I seek leave to have the
document incorporated in Hansard.

Leave granted.

The documents read as follows—

Australian Government Response to the
Foreign Affairs, Defence and Trade Committee Report
Mental Health of Australian Defence Force Members and Veterans
September 2016

PREFACE
The Government welcomes the opportunity to provide a response to the Senate Inquiry Report on the
mental health of Australian Defence Force (ADF) members and veterans, and acknowledges the useful
work and recommendations of the Foreign Affairs, Defence and Trade Committee in conducting this
Inquiry.

This Government Response sets out the Government's view on the 25 recommendations made in the
Report, including the Minority Report recommendations, and also indicates how the Government
intends to address the important task of supporting mental health of current and former ADF members.

Whilst the funding and operational arrangements vary between the Department of Defence (Defence)
and the Department of Veterans' Affairs (DVA), arrangements are in place across both agencies for
current and former serving veterans to access mental health care when they need it. Through treatment
and rehabilitation, Defence and DVA can assist individuals to recover, continue their service within the
ADF or return to a meaningful and productive life in the broader Australian community with the
recognition and support they deserve following service to their country.

Military service and mental health
As noted to the Committee, military service is a unique experience, both for the personnel who serve
and their families who support them. Benefits of service include the protective mental health effects of
identity, purpose and camaraderie. Military service also involves sometimes being put in harm's way in the
course of duty, and the occupational risks of service can include hardship, stress or danger, whilst on
operational deployment, in training environments, providing disaster and humanitarian support or
during border protection tasks.

Just like all citizens, there are also the normal challenges of life like career changes, moving house,
relationship breakdowns, grief and loss, and growing older that can impact upon mental health and
wellbeing. For service personnel leaving the ADF, the transition into civilian life can also be a time of
significant adjustment.

It is normal for people to react to risks or challenging events in their lives but sometimes these reactions
are a sign of mental health concerns, particularly if the reactions persist or interfere with the ability to
engage in normal life. In some cases, reactions or symptoms can emerge many years after an event.
Defence and DVA's systems must cater for those who experience mental health concerns while they
serve, those leaving the military with a mental health condition, as well as for those whose condition
develops many years after service.

Our essential early intervention message for current and ex-serving ADF members is as follows: if you
or your family or friends are worried about how you are coping or feeling, then seek help early. We
know that the earlier people seek help, the better their prospects for earlier and more successful
recovery. If the situation does start to become overwhelming, then seek help straight away. Both
Defence and DVA offer comprehensive systems of support that can help you and your family.
This support is ready and available to provide help to those that require it, where and when it is needed, from both Defence and DVA. Should treatment need to be accessed, then both Defence and DVA have the services and funding to make sure it can be provided.

The Government also acknowledges that we need to continue seeking ways to improve our mental health response, in line with advancing knowledge and improved mental health responses.

Going forward

The Government has committed to increase Defence funding by $29.9 billion over the next ten years and to deliver on the 2013 election commitment to return Defence spending to 2 per cent of gross domestic product within the decade. This includes support for ADF personnel by providing them with the advanced training, modern equipment and the health care that they deserve.

Tackling the mental health challenges for veterans and their families is also a pillar of the Government's plan for veterans' affairs. Most recently, this includes the Government commitments to fund $6 million for the Phoenix Australia Institute and $3.1 million for further extensions of access to the Veterans and Veterans Families Counselling Service.

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The Phoenix Australia Institute will work collaboratively with experts to improve the quality of mental health care for Australia's veterans. It will achieve this by providing expert clinical advice to practitioners across Australia and by conducting cutting edge research into effective treatments and the mechanisms underlying recovery.

Access to the Veterans and Veterans Families Counselling Service (VVCS) will be further extended to include:

- family members of current and former ADF members who die by suicide or reported suicide
- siblings of ADF members killed in service related incidents
- Defence Force Abuse Taskforce complainants and their families
- adult children (over 26) of post-Vietnam War veterans.

These initiatives build on the measure in the 2016–17 Budget, to provide funding of $46.4 million, to extend non-liability mental health care. This will expand eligibility for treatment for certain mental health conditions to all current and former permanent members of the ADF, irrespective of how long or when they served, or the type of service. Conditions covered by these arrangements are posttraumatic stress disorder (PTSD), anxiety disorder, depressive disorder, alcohol use disorder, and substance use disorder.

Suicide prevention for serving and former serving ADF members at risk and support to the families who have been affected by the tragedy of suicide remains a high priority for the Government. The Government's current suicide prevention strategy includes training to assist at-risk individuals, programs to build resilience, self-help and educational materials, a 24-hour support line, and access to clinical services. The Government is continuing to invest in initiatives to prevent suicide among current and former serving personnel and support those affected by it. As part of the 2016-17 Budget, funding of $1 million has been provided to continue the suicide awareness and prevention workshops and to pilot an alternative approach to suicide prevention in the veteran community. This is in addition to the $187 million a year that the Government already spends in relation to veteran mental health.

On 11 August 2016, the Government also announced that in North Queensland, the first Suicide Prevention Trial Site will be established. This will occur through the North Queensland Primary Health Network and the trial will focus on veterans' mental health. This will be one of 12 innovative, front-line trials in our fight against suicide which will improve understanding of the challenges and work to develop best-practice services which we can be applied nationwide.

A Review of Self-harm and Suicide Prevention for Current and Former Serving ADF members
The Senate Committee Report has usefully highlighted some areas for attention by Government, and the Government welcomes the contribution of the Committee in many of the recommendations it has made. While the Committee Report has been able to cover some aspects of mental health for this population, the Government considers that given the complexity of the issues, more work is required to review the effectiveness of self-harm and suicide prevention in current and former serving ADF personnel. While the Senate Committee Report did cover some aspects of the issue of self-harm and suicide prevention, none of its recommendations directly addressed this topic.

The Government also recognises that some time has passed since Professor David Dunt's reports, the *Review of Mental Health Care in the ADF and Transition Through Discharge* and the *Independent Study into Suicide in the Ex-Service Community*, both delivered in early 2009. Since these reports, the Government has implemented a number of important initiatives to assist members and former members of the ADF who may be at risk of suicide and to help combat this serious problem and directly address suicide prevention in ADF personnel and veterans.

However, suicide prevention is an intensely complex policy area, and needs concerted and continued attention across all aspects of the mental health and social services system. While both Defence and DVA have implemented comprehensive suicide prevention strategies, our knowledge of this important issue is also continually being updated and improved. Over the past few decades, we have learnt much more about self-harm and suicide prevention. We also know that in Australian society just like other countries, we have been working towards addressing stigma around mental health problems and seeking help, including for concerns about self-harm and suicide.

The Government has asked the National Mental Health Commission to review the effectiveness of self-harm and suicide prevention strategies for current and former serving members of the ADF. The work of the Commission will provide further information and advice to Government to help focus future activity, so that current and former members of the ADF can receive the recognition and support they deserve following service to their country.

In terms of responding to the recommendations, the following responses have been used throughout this document.

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<thead>
<tr>
<th>Response</th>
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<tr>
<td>Agreed</td>
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<tr>
<td>Agreed in principle</td>
<td>The Government agrees with the underlying principle of the recommendation but has outlined an alternate approach to what has been recommended</td>
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<tr>
<td>Partly agreed</td>
<td>The Government agrees with one part of the recommendation but not the remainder of the recommendation</td>
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<tr>
<td>Not agreed</td>
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**Recommendation 1**

The committee recommends that Defence conduct annual screening for mental ill-health for all ADF members.

**Government Response**

**Agreed in principle**

The Government agrees with the principle of screening for mental ill-health for ADF members, but does not agree with screening being conducted annually as a compulsory requirement because this would further entrench stigma and challenges of encouraging ADF members to identify and seek help early.
The Government agrees with the Committee that early identification and treatment of mental ill-health will lead to better health outcomes and is less likely to negatively impact upon a member's career rather than leaving a condition untreated. It further agrees on the importance of ensuring that ADF mental health screening, awareness, early intervention and treatment programs are available to all ADF members regardless of their deployment status.

A primary aim of mental health screening is to facilitate early intervention for treatment of mental health problems and mental illness. It does not prevent the development of a diagnosed mental health condition at either the time of the screen or at a later date. Mental health screening does provide an opportunity to identify symptoms and enable them to be addressed before they become entrenched and cause broader psychosocial problems for the individual.

Defence already operates a comprehensive screening program that focuses on operational deployment and exposure to potentially traumatic events, and is exploring ways to extend and enhance this program through an ADF Mental Health Screening Continuum that will use a stepped approach to most effectively result in screening for all ADF personnel, regardless of their deployment status.

Elements of the ADF Mental Health Screening Continuum will include:

- maintaining all existing ADF mental health screening processes, including Return to Australia Psychological Screens, Post Operational Psychological Screens, Critical Incident Mental Health Screens, Separation Health Examinations and Periodic Health Examinations;
- piloting a new mental health screening opportunity at selected primary health care centres;
- development of a ‘Wellness Portal’, a web interface to allow the completion of an anonymous, self-initiated screen designed to give members an opportunity to seek help if and when they choose and provide members with the means to access information and support; and
- expansion of the current Special Mental Health Screen to non-operational as well as operational settings. This will enable commanders to nominate individuals or groups for periodic screening due to the high risk nature of their duties, including in non-operational environments.

The Government supports Defence in its development of the ADF Mental Health Screening Continuum in a manner that will optimise the early identification of mental health problems and provide all ADF members with a stepped approach to appropriate early intervention, better self-management and improved access to care at the earliest possible opportunity.

Recommendation 2
The committee recommends that the Australian National Audit Office conduct an audit into the scope and accuracy of recordkeeping of relevant clinical information collected or recorded during deployment regarding mental ill-health or potentially traumatic incidents.

Government Response
Noted
The Government will advise the Auditor-General to consider this recommendation.

Recommendation 3
The committee recommends that all veterans be issued with a universal identification number and identification card that can be linked to their service and medical record.

Government Response
Partly Agreed
The Government agrees that a better link should be provided between DVA clients and their service and medical records, but does not agree with an identification card.

In relation to a universal identification number, DVA has initiated an Early Engagement Model supported by the Department of Defence. Under this Model, Defence will make basic personal

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information for all ADF members who join after 1 January 2016 available to DVA. This will include their Defence identification number known as the Personnel Management Key Solution (PMKeyS) number. This program of work will enable DVA to recognise members by their Defence identification number.

Information, including the PMKeyS number, will also be collected when a member separates from the ADF and at other evidence and event-based trigger points during a member's career. Over time, DVA will have the details of most current and former ADF members and be able to identify them by their PMKeyS number. However, not all DVA clients have a PMKeyS number, such as clients whose service ended prior to the introduction of PMKeyS in 1997 and dependant clients.

In relation to an identification card, the Government does not agree with issuing veterans with separate identification cards as DVA already issues eligible members with treatment cards. The arrangements for use of the PMKeyS number under the Early Engagement Model, however, will provide the link between identification and a member's service and medical records.

**Recommendation 4**
The committee recommends that the Department of Health and the Department of Veterans’ Affairs ensure that e-health records identify veterans and that GPs are encouraged to promote annual *ADF Post-discharge GP Health Assessment* for all veterans.

**Government Response**

Partly Agreed

The Government agrees that e-health records should identify veterans and agrees with promoting the ADF Post-discharge GP Health Assessment after discharge from the military as the basis of ongoing primary care in civilian life.

In relation to e-health records, a self-identifying 'Veteran and Australian Defence Force Status’ indicator has been available in the My Health Record system (formerly the Personally Controlled Electronic Health Record) since 30 November 2014. This indicator alerts participating healthcare providers that their patients may be eligible for DVA services.

In relation to GP Health Assessments, DVA has already worked with two main GP software providers to incorporate an ADF indicator into their programs. Where a patient is identified as ex-ADF, GPs will be reminded to encourage the veteran to undertake a GP Health Assessment. DVA is promoting the assessment to GPs, to encourage the assessment's uptake with their veteran patients.

The GP Health Assessment is promoted as an assessment to be undertaken after discharge rather than being undertaken annually (although it can be undertaken once in a person's lifetime at any time). The aim is to facilitate the identification of any health problems after discharge from the military and establish a relationship between the former ADF personnel and the GP for ongoing primary care in civilian life under the Medicare system.

The Government has also committed $6 million to the Phoenix Australia Institute to work collaboratively with experts to improve the quality of mental health care for Australia's veterans. This encompasses mental health at the primary care level, including to assist GPs.

**Recommendation 5**
The committee recommends that Defence and DVA contact ADF members and veterans who have been administered mefloquine hydrochloride (mefloquine) during their service to advise them of the possible short-term and long-term side effects and that all ADF members and veterans who have been administered mefloquine during their service be given access to neurological assessment.

**Government Response**

Agreed in principle
The Government agrees that ADF members and veterans who have been administered mefloquine should continue to be advised of its possible side effects, and agrees that appropriate neurological assessments should continue to be available.

In relation to providing advice to serving members and veterans about mefloquine, the Government will support, and build awareness of the support available, to serving and ex-serving ADF members and their families. Specifically, the Government will:

- establish a formal community consultation mechanism to provide an open dialogue on issues concerning mefloquine between the Defence Links Committee and the serving and ex-serving ADF community;
- develop a more comprehensive online resource that will provide information on anti-malarial medications;
- establish a dedicated DVA mefloquine support team to assist our serving and ex-serving ADF community with mefloquine-related claims, which will provide a specialised point of contact with DVA; and
- direct the inter-departmental DVA-Defence Links Committee to examine the issues raised, consider existing relevant medical evidence and provide advice to the Government by November 2016.

In relation to the second part of the recommendation regarding neurological assessments, the Government notes that this is already available to serving members and veterans. Defence has developed and implemented clinical guidelines to assist Defence doctors to assess serving members who present with concerns relating to past mefloquine use. The guidelines include the conduct of a neurological examination. Where clinically indicated, the guidelines recommend further specialist neurologist examination and investigations. The guidelines have been shared with DVA.

If any former member is concerned about the effects of mefloquine administered in service, they can lodge a claim with DVA. As part of lodging that claim, they can receive a neurological assessment as deemed clinically necessary by their medical practitioner and/or specialist. Where the Department uses the assessment in its decision, DVA will meet all reasonable costs associated and will assist in the facilitation of the appointment(s).

Much of the public concern has been about the potential of mental side-effects from mefloquine use. The Veterans and Veterans Families Counselling Service provides free, confidential, 24/7 nation-wide counselling and support for eligible current and former ADF members and their families. DVA can also pay for certain mental health treatment whatever the cause under non-liability health care arrangements, covering the conditions of posttraumatic stress disorder, depressive disorder, anxiety disorder, alcohol use disorder, and substance use disorder. From July 2016, this service is available to any current or former permanent member of the ADF.

**Recommendation 6**

The committee recommends that the report for the Inspector General of the Australian Defence Force's inquiry to determine whether any failures in military justice have occurred regarding the Australia Defence Force's use of mefloquine be published immediately following the completion of the inquiry.

**Government Response**

**Noted**

The release of Inspector General Australian Defence Force (IGADF) reports are subject to the Defence (Inquiry) Regulations 1985. Decisions on release of IGADF Inquiry reports are made on a case-by-case basis, with due regard to privacy and legal issues. The IGADF Inquiry is still ongoing. Once it has been finalised, its release will be considered in accordance with the provisions of the Defence (Inquiry) Regulations 1985.

**Recommendation 7**
The committee recommends that the Department of Defence ensure that medical officers and mental health professionals have ready access to records of potentially traumatic events for members following their deployment.

**Government Response**

**Agreed**

The Government agrees with the timely and accurate recording of health information related to Defence members and considers that this recommendation is addressed through current health policy and practices within Defence and planned enhancements of the Defence e-health System.

However, it is noted that members may not disclose exposure to a potentially traumatising event, or they may not identify or recognise that experience to be traumatising until sometime after the event, and sometimes even years later. Thus whilst all efforts will be made to ensure that recording of events is occurring in accordance with policy, there can be no guarantees that a full and complete record will be made due to these reasons.

Additionally, in multinational operations where health support is provided by partner nations it is not always possible for the health records generated in these facilities to be provided to the ADF due to differing legislation and consent requirements for those countries. The Return to Australia Medical Screen and Return to Australia Psychological Screen process addresses this problem by documenting self-reported contact with non-Australian medical services, and injuries or exposures to potentially traumatic events that may have occurred during the deployment.

Currently, medical and mental health screening and treatment records that are raised during deployment are paper based and are converted to electronic versions on return to Australia and added to the member’s e-health record.

At present the Defence e-health System is only available in the garrison environment, however it will be implemented aboard Royal Australian Navy ships from late this year. Once fully implemented, health professionals aboard ships will be able to record exposures to potentially traumatic events within the system whilst at sea and prior to return to Australia.

Joint Project 2060—**ADF deployable health capability, Phase 4 Health knowledge management** is addressing the reliance on paper health records in the deployed environment with the eventual goal being a single and contemporary e-health record readily available wherever and whenever required by any Defence health professional.

**Recommendation 8**

The committee recommends that the DVA Psychologists Schedule of Fees be revised to better reflect the Australian Psychological Societies’ National Schedule of Recommended Fees and that any restrictions regarding the number of hours or frequency of psychologist sessions are based on achieving the best outcome and guaranteeing the safety of the veteran.

**Government Response**

**Noted**

The Government notes this recommendation.

In relation to fees for psychologists, DVA is currently undertaking a review of its dental and allied health services provided to veterans, as announced in the 2015-16 budget. This review is considering the fees and items currently paid to all allied health and dental providers who treat DVA clients, including psychologists.

In relation to restrictions to the number of hours or frequency of psychologist sessions, DVA funding for mental health services is demand driven and not capped. The number of allied mental health services provided is determined by the health care provider based on the assessed clinical needs of the veteran. The two exceptions to this are group therapy sessions (limited to twelve services per calendar
year) and trauma focused therapy (where a case review is required after eight sessions). If more or different treatment is required, then prior approval may be sought from DVA.

**Recommendation 9**
The committee recommends that eligibility requirements for the Veterans and Veterans Families Counselling Service (VVCS) be consolidated and broadened to include all current and former members of the Australian Defence Force (ADF) and their immediate families (partners, children, and carers).

**Government Response**

**Partly agreed**
The Government agrees to expand eligibility to VVCS to include all current and former permanent members of the ADF through White Card arrangements and to include certain family groups.

In relation to VVCS eligibility for current and former serving members of the ADF, the 2016-17 Federal Budget included a measure to expand and streamline eligibility to non-liability mental health arrangements. These arrangements provide cover for PTSD, anxiety disorder, depressive disorder, alcohol use disorder and substance use disorder whatever the cause. Under these arrangements, DVA can issue a White Card for the treatment of these mental health conditions, which enables access to a range of mental health services including VVCS. From July 2016, all current and former permanent members of the ADF will be eligible for these non-liability mental health arrangements which include VVCS.

In relation to VVCS eligibility for family groups, the Government has announced its commitment to extend eligibility to VVCS to:

- family members of current and former ADF members who die by suicide or reported suicide;
- siblings of ADF members killed in service related incidents;
- Defence Force Abuse Taskforce complainants and their families; and
- adult sons and daughters (over 26) of post-Vietnam War veterans.

Any decision to further extend eligibility for VVCS services would require additional resources and budget supplementation.

The Government notes that current ADF members have their physical and mental health needs met by the Department of Defence and a range of mental health support is also available through DVA’s non-liability arrangements. In addition, there are a range of Commonwealth and State mental health programs which are available to Australian citizens more broadly, including through Medicare.

**Recommendation 10**
The committee recommends that currently serving ADF members be eligible to access the Veterans and Veterans Families Counselling Service (VVCS) without referral and that the VVCS reporting obligations to the ADF be limited to situations where the VVCS believes that a member’s mental ill-health will compromise their safety or the safety of others.

**Government Response**

**Agreed**
The Government agrees that eligible ADF members should be able to continue to self-refer to VVCS. The Government notes that VVCS already abides by reporting obligations as outlined in the recommendation.

Eligible ADF members, including those with a DVA White Card for the five mental health conditions outlined in response to recommendation 9, can self-refer to VVCS. In 2014-15, 2,966 current serving ADF members self-referred to VVCS for support.
VVCS is committed to preserving and upholding clients' rights to privacy and confidentiality, and there is no identifiable reporting back to the ADF on those clients who self-refer, unless there are serious safety concerns for the member or others. VVCS is bound by the Privacy Act 1988 and the Australian Privacy Principles.

If Defence refers a serving member to VVCS under a formal agreement, VVCS is required to provide periodic reports regarding the treatment of ADF members to the ADF. The member's consent to this is sought prior to referral to VVCS. In 2014-15, 1,135 ADF members received VVCS support via ADF referrals.

**Recommendation 11**
The committee recommends that Defence mental health awareness programs do more to emphasise the benefit of early identification and treatment of mental ill-health for an ADF members' long-term career and encourage ADF members to plan beyond their next deployment.

**Government Response**
Agreed
The Government agrees that education on the early identification and treatment of mental ill-health is essential in assisting ADF members to make informed choices regarding their health and wellbeing, access to health care and future career decisions.

Defence has a number of existing key mental health promotion messages and awareness programs that already provide information on the early identification of signs and symptoms of mental ill-health and support options available to all ADF members.

Joint Health Command is currently developing a Strategic Communications Plan that will develop more targeted messaging on early presentation and include education for members regarding the Medical Employment Classification system that will address the misperception that "medical downgrading" automatically leads to medical discharge.

The key theme running through all of these programs and initiatives is to seek help early to achieve the best mental health outcomes, rather than just focussing on being deployable. In this way there is less chance of creating a focus on those who have deployed or are likely to deploy.

The Review of Suicide Prevention will include consideration of the range of mental health awareness programs operated by both Defence and DVA, in the context of suicide prevention.

**Recommendation 12**
The committee recommends that the Department of Defence and the Department of Veterans' Affairs develop a program to engage current and former ADF members, who have successfully deployed after rehabilitation for mental ill-health, to be 'mental health champions' to assist in the de-stigmatisation of mental ill-health.

**Government Response**
Agreed in Principle
The Government agrees with the principle of de-stigmatising mental ill-health, and encourages early intervention where there are mental health concerns. While the Government does not see it is necessary to develop a new program for mental health champions, it does agree with continued efforts by DVA and Defence to involve current and former ADF members and their families in sharing their experience of mental ill-health and recovery to de-stigmatise mental ill-health.

As part of DVA's work to continuously improve its rehabilitation framework and service offerings, DVA is reviewing its communication strategy for rehabilitation with the aim of ensuring that the benefits of rehabilitation are promoted to veterans and ex-service organisations, that communication is targeted and effective, and that opportunities are sought to aid in the de-stigmatisation of mental ill-health. Complementary to this work, DVA has already identified and promoted a number of successful
stories from veterans who have benefited from their rehabilitation program. DVA will continue to promote rehabilitation success stories.

The Prime Ministerial Advisory Council on Veterans' Mental Health has played an important role in informing both the development of the Government's policy relating to the mental health of the veteran community and to the programs and initiatives that are in place to address this important issue.

DVA already has a number of programs in place whereby former ADF personnel can be of assistance to veterans. These include the Men's Health Peer Education program which raises awareness about men's health issues and encourages men to share responsibility for their own health and wellbeing. A new peer to peer support program is currently being trialled which allows individuals to be suitably matched with peers to receive practical support in managing their mental health and wellbeing.

Defence and DVA also have a strong relationship and shared knowledge built on the development of a range of smart phone applications, web site resources and video resources. Some of these have included presentations and input from ADF and veteran champions. Importantly they have also been informed by many focus groups of ADF members, and have included presentations by current and ex-serving members who have experienced physical and/or mental health injuries from deployed and non-deployment experiences.

The Review of Suicide Prevention will include considerations of stigma and how stigma may continue to be addressed, in the context of suicide prevention.

**Recommendation 13**

The committee recommends that the Department of Veterans' Affairs be adequately funded to achieve a full digitisation of its records and modernisation of its ICT systems by 2020, including the introduction of a single coherent system to process and manage claims.

**Government Response**

**Agreed in Principle**

The Government agrees that DVA needs to undertake a process of digitising records and modernising its ICT systems, acknowledging that many of DVA's critical ICT current systems are out of date and in need of substantial modernisation.

The 2016-17 Federal Budget included a measure worth $24.8 million over forward estimates to design a transformation program for veteran-centric reform that aims to deliver better customer service for veterans, underpinned by better processes and technology. A major overhaul of DVA's ICT systems would underpin significant improvements to the way the Department conducts its business and, consequently, provides services to veterans and their families. $23.9 million has also been allocated in the Budget to enable DVA to maintain its critical compensation processing systems while developing the detailed transformation program.

These budget measures will support DVA's veteran-centric reform, acknowledging the Department and its systems and processes are not as well configured as they should be in order to support veterans and their families. This can amplify concerns for some veterans, if for instance seeking compensation is a prolonged process in order to establish that an injury is related to service. DVA's current reform process is designed to remedy this situation. As noted earlier in this Response, the Government has also expanded access to non-liability mental health arrangements and all current and former personnel with permanent service in the ADF are eligible for these arrangements from July 2016.

Using existing resource allocations, DVA has already commenced a journey of digital transition with regard to paper records, which will take a number of years. In the last two years, DVA has also been reviewing its compensation claims processes and structures. Some streamlining of processes and organisational changes are bringing in improved performance. In addition, valuable work has been completed in analysing existing business processes and identifying future business processes.
At the recent election, the Government committed to establish, as part of the national consultation process, a Forum comprised of advocates, pension officers and others involved in the DVA claims process. This Forum will review the existing claims process with a view to identifying impediments and considering improvements to the system.

**Recommendation 14**
The committee recommends that the Department of Defence work with ex-service organisations to develop a transition mentoring program, which will connect every veteran with a trained mentor from the ex-service community to assist and guide them through the transition process.

**Government Response**

**Noted**
The Government notes that engaging with groups like ex-service organisations can be important during the transitioning process, and Defence recognises this as part of the substantial support it provides to transitioning ADF members.

Defence is committed to ensuring that the men and women of the ADF, and their families, are provided with exemplary support services throughout their career, particularly at times of separation. Defence provides a comprehensive transition support service to ADF members and the recently released Defence White Paper outlines further initiatives that will enhance and increase this service.

The 2016 Defence White Paper notes that Defence will partner with DVA, Australian defence industry, and other ex-service organisations to support those who have been affected by their service to our country to find a new career, ensuring that they are treated with the respect and dignity that their service deserves. Finding a new career will enable our veterans to continue making valuable contributions to their communities once their military service is completed. The Government will make available to all medically separating ADF members an initiative, currently being trialled by Army, which assists them to secure employment in the civilian workforce.

The member-centric program will empower members throughout the transition process by facilitating early engagement with supporting organisations, developing a flexible pathway that meets with the member's preferences and integrates with existing transition programs which would be augmented where required. The program aims to prepare members to be competitive in the civilian job market through a suite of preparatory services and ongoing support.

In addition, Defence will enhance the existing Career Transition Assistance Scheme to better support members transitioning out of the ADF with less than 12 years service, to find new employment (Defence White Paper).

The Government will also work with ex-service organisations, to ensure that our younger veterans are catered for. Working with ex service organisations, the Prime Minister will convene a forum in Sydney in November 2016 to promote the unique skills veterans can bring to employers and to find more effective ways for organisations to engage veterans and their families in the modern economy.

Noting that transition can be a time of significant adjustment, the Review of Suicide Prevention will include consideration of transition from military to civilian life, and the effectiveness of transition support services and initiatives undertaken by Defence and DVA, in the context of suicide prevention.

**Recommendation 15**
The committee recommends that the Department of Veterans' Affairs review its rehabilitation assessment policy to ensure that junior-ranked members are not disadvantaged and all veterans are able to access rehabilitation, education, and re-skilling based on their individual needs and abilities and regardless of rank.

**Government Response**

**Partly Agreed**
The Government notes that DVA's rehabilitation policy does not discriminate based on rank, but agrees to DVA reviewing its policy to ensure it expresses a positive approach to consideration of vocational rehabilitation.

For more than a decade, the Government has strengthened its focus on rehabilitation as part of the overall repatriation system. For wounded, injured or ill former serving personnel, rehabilitation is an essential part of their overall care and support. Further education can be an important part of the vocational rehabilitation process and the Government recognises the positive benefits that can be gained by working towards goals, such as successfully undertaking study or other re-skilling activities.

DVA's rehabilitation assessment policy does not discriminate between ranks, however any assessment must be considered on its merits with reference to a number of factors including the client's existing qualifications, skills, interests, medical restrictions, and the cost/benefits of proposed training. The client's capacity to successfully undertake a course of study is also an important factor.

The Government will implement a new jobs program for injured and ill veterans, following successful trials in South East Queensland, Victoria and South Australia. The program will enhance the existing support currently provided to veterans as part of the DVA rehabilitation programs by providing a greater focus on vocational outcomes, enhancing engagement with employers, and improving coordination with Defence as veterans transition to civilian life.

Under the trial, around 60 per cent of the veterans involved were successfully placed into civilian employment.

**Recommendation 16**
The committee recommends that the Department of Veterans' Affairs identify veterans who are receiving in-patient mental health care as at risk of homelessness and provide an ongoing psychosocial case manager to actively manage an 'at risk' veteran's care program until their mental health and living situation is stable.

**Government Response**
Partly Agreed
The Government agrees with consideration of a psychosocial support of 'at risk' veterans, but does not agree that all veterans who are receiving in-patient mental health care need to be identified as at risk of homelessness.

The Government is concerned about any instance of homelessness amongst former serving members of the ADF and is keen to work with all stakeholders in preventing veteran homelessness where possible and responding to instances of homelessness amongst veterans where it does occur. The Government will continue to work to ensure that those who are homeless, or at risk of homelessness, have access to the services and support that they need. This includes a commitment by Government to require Commonwealth agencies to identify whether its clients are veterans and to make that information available to ex-service and other organisations which provide support for homeless veterans.

DVA has commissioned the Australian Housing and Urban Research Institute to develop a research study that will lead to a clearer understanding of the scale, location and nature of homelessness among Australian veterans. This will include working towards collecting data on history of service in the ADF among people who are homeless, and integrating veteran-specific support services with the support offered by mainstream and specialist providers of services for the homeless.

In relation to hospital care, DVA's contracts with private hospitals include an explicit requirement that a comprehensive discharge plan be in place which includes referrals to appropriate services. There is a duty of care on any health facility to ensure that when they discharge patients, the health facility has made adequate arrangements to ensure the patient's ongoing care and wellbeing. Similar arrangements apply to public hospitals.
In relation to psychosocial case managers, DVA will continue to consider the clinical care coordination needs of those people discharging from in-patient mental health care and/or those clients who have both complex psychosocial needs and mental health issues.

DVA has implemented a single, nationally consistent case coordination model, the coordinated client support service, for supporting clients with complex and multiple needs. This service includes case coordination to ensure that clients access their entitlements and can navigate DVA systems during the claims process and support services to contemporary war widows and ADF members who have been seriously wounded.

Recommendation 17
The committee recommends that the Department of Veterans’ Affairs work together with the Department of Human Services and RSL Lifecare to develop a program to address veteran homelessness based on the Homes for Heroes ‘housing first approach’ and focus on ongoing psychosocial support.

Government Response
Partly Agreed
The Government is concerned about any instance of homelessness amongst former serving members of the ADF, and agrees to undertake further work on the psychosocial needs of vulnerable DVA clients, including exploring how case coordination can link DVA clients who are either homeless or at risk of homelessness into specialised homelessness services.

Homelessness is a complex issue that tends to be associated with a range of factors, such as housing crisis, family breakdown, alcohol and/or substance use disorder and mental health issues.

Given the unique and complex circumstances which can lead to homelessness, it is appropriate that specialised homelessness services provide these services to those who are homeless or at risk of homelessness, including former members of the ADF. These services have trained staff and have met state government requirements to be a registered homelessness provider.

It is noted that the States and Territories are funded by the Commonwealth to provide social housing in their respective jurisdictions. Rather than adopting the program proposed in the recommendation, the Government will instead:

- convene a meeting of State and Territory Ministers with responsibility for veterans’ affairs to address homelessness in the veteran community;
- require Commonwealth agencies to identify whether its clients are veterans and to make that information available to ex-service and other organisations which provide support for homeless veterans;
- work with the States and Territories to support a comprehensive nationwide study that brings together work already undertaken to obtain a thorough understanding of the extent of veteran homelessness and what all levels of government can do to address it; and
- encourage States and Territories to ensure that the provision of social housing for homeless veterans is prioritised.

As noted above, the Government will continue to consider how to meet the needs of those clients who have both complex psychosocial needs and mental health issues, including through case coordination and referral to specialised homelessness services and other supports where needed.

Our nation owes a great debt to those who have put their lives on the line for us and it is therefore essential that the community supports veterans who find themselves homeless or at risk of homelessness.

Minority Recommendations
Minority Recommendation 1
That Defence and DVA report annually to the parliament on the 'state of mental health' of current and former ADF members including data on the rates of mental ill-health, homelessness, incarceration, suicidality, neurological conditions and any other issues or indicators relevant to instances of mental ill-health amongst defence personnel.

Government Response
Partly Agreed
The Government agrees to an annual Ministerial statement to Parliament on key issues impacting upon the veteran community and the performance of the Department of Veterans' Affairs. This will be a transparent process which will measure the performance of the Department and increase accountability to the veteran community.

The Government also notes that Defence and DVA already provide annual reports to Parliament and are accountable to Parliament, including through the Budget estimates process, for supplying any reasonable request for information.

The Review of Suicide Prevention will also provide the opportunity for further needed information to be provided to Government about suicide prevention for current and former members of the ADF.

Minority Recommendation 2
That Defence provide a full report to the committee on the administration of mefloquine and related anti-malarial drugs to ADF members, including the number of ADF members administered these drugs, their consent to this administration, and the dosage administered.

Government Response
Not Agreed
The Government does not agree that a full report to the Committee is required because the relevant information is publicly available on - The "Malaria, mefloquine and the ADF" web pages at: www.defence.gov.au/Health/HealthPortal/malaria

Minority Recommendation 3
That, pending the report to the committee by Defence, the matter of administration of mefloquine and related anti-malarial drugs to ADF members is the subject of further inquiry by the committee.

Government Response
Noted
The Government notes that this is a matter for the Senate Foreign Affairs, Defence and Trade References Committee.

Minority Recommendation 4
That Defence and DVA formally recognise moral injury, and develop a program to help identify and treat veterans suffering from moral injury.

Government Response
Not Agreed
The Government does not agree to formally recognise moral injury in its treatment arrangements at this stage because whilst the concept is growing in influence and exploration, its evidence-base is still being developed.

Moral injury is not a recognised psychiatric disorder in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (2013). Rather, the concept of moral injury is currently used in literature on the mental health of veterans who have witnessed or perpetrated an act in combat that was at odds with their moral and ethical beliefs. Consequently, there is currently no evidenced based treatment that is
specific to moral injury. Defence and DVA will continue to monitor literature on evidence based treatments for moral injury as it emerges.

**Minority Recommendation 5**
That all former ADF personnel be assigned a liaison officer to provide a single point of contact to assist in identifying needs, and navigating the range of services available and associated processes.

**Government Response**

Not agreed
The Government agrees with the principle of providing support for identifying needs of clients at risk and assisting them navigate the range of services. However, the Government does not support all former ADF personnel being assigned a liaison officer.

DVA rehabilitation clients are already case-managed to ensure Comcare approved service providers appropriately support clients in partnership with DVA. DVA undertakes a needs assessment designed to assist DVA delegates to determine the range of services and benefits that may be required. This assessment takes place following acceptance of liability for a service related injury or disease or when a veteran's circumstances change. DVA rehabilitation coordinators also then look to approve rehabilitation plans and funding for individual veterans.

Further, where a serving member with an accepted condition is identified for medical discharge the ADF rehabilitation consultant will liaise with the DVA rehabilitation coordinator and facilitate a smooth transition for each individual.

**Minority Recommendation 6**
That funding for mental health support services for current and former ADF members are provided on the basis of need and not be subject to any arbitrary budget cap.

**Government Response**

Agreed
Through Defence and DVA, the Government already funds the delivery and access to a comprehensive range of mental health programs and services based on the mental health needs of defence members, veterans, ex-serving members and their families. This funding is not capped but demand driven and is available to ensure current and former Australian servicemen and women and their families can access the support and evidence-based care they need.

**Minority Recommendation 7**
That the government provide an immediate injection of funding to Homes for Heroes so that the program can properly meet the needs of all homeless veterans.

**Government Response**

Not agreed
Please see the response to recommendation 17.

**Minority Recommendation 8**
That the matter of funding by the RSL and other veterans' groups to veterans mental health and homelessness services is the subject of further inquiry by the committee.

**Government Response**

Noted
The Government notes that this is a matter for the Senate Foreign Affairs, Defence and Trade References Committee.

**Senator WHISH-WILSON** (Tasmania) (15:47): I move:
That the Senate take note of the document.

I was very proud to work with the Senate to initiate this inquiry. It may surprise some people why the Greens would be interested in initiating an inquiry into veterans' mental health. Like anyone in this chamber, I was shocked by revelations on Four Corners about veteran suicide and veteran homelessness. I did my own research and felt that this was an issue that the Senate could scrutinise and make some constructive, positive recommendations into. It seemed to me that it was an issue that was going unrecognised in the broader community.

I am glad Senator Payne is in the chamber today. In thinking about deployment of our Defence personnel, especially overseas—and may I say that mental health issues like PTSD do not necessarily apply to people who have been in combat situations, for example; they can apply from training and other complex situations—it occurred to me that we were not fully aware, and the community was not fully aware, that it is a cost to this country, especially when we are sending the number that was brought up in the Senate committee. Nearly 70,000 Australians have been off to Afghanistan or Iraq in the last 15 years. Then, when you add East Timor, the numbers are even higher. A substantial number of veterans, especially younger veterans, are out there in the community.

As a government—and, of course, the Greens would like to see parliament have a direct say in foreign deployments—we really have to be aware of the costs of war. They are not just physical injuries and the loss of life to both Australian Defence Force personnel and to people living in other countries. There are also costs and hidden costs with the personnel and their families when they get back to this country. We heard some harrowing evidence, from both veterans and their families, as to the kind of problems that they are encountering not just personally, physically and mentally but also in dealing with the Department of Veterans' Affairs and Defence to get these problems recognised.

I am not taking a combative approach to the veterans' affairs issues, unlike other senators in this chamber. I feel that there needs to be a constructive way forward on this. The Senate has made 25 recommendations. I suppose am pleased there has been a little bit of progress. However, with a number of the recommendations, I think the government have agreed in principle or noted, or have said they partly agree with. I would have liked to have seen much stronger responses than that. I am not giving up on this; nor will Senator Ludlam, who will be taking this issue over from me. We will be continuing. One promise that I did make to the veterans that I have been working with is: at every estimates and at every chance that we get, we are going to continue asking these questions until we see some progress.

Post-traumatic stress disorder is something that I think is being better recognised now. Even in the last six to nine months I have noticed a significant jump in social media, for example, talking about PTSD and celebrities and TV programs talking about this issue. And it is not just the Defence forces. It is evident in the fire brigade and in the police force, and, in fact, in traumas suffered by rape victims. It is a very prevalent mental illness, but it is very complex. I accept from what I learnt in the Senate inquiry that there is no silver bullet solution to dealing with this issue and that—

Senator Waters: No pun intended.

Senator WHISH-WILSON: No, definitely no pun intended, Senator Waters. The issue needs to be scrutinised, and we need to put a lot more resources into this. We are aware that there is a lot of stigma, especially serving personnel, who may have developed mental health
issues. Having been in the services, I can directly relate to that experience. It is very difficult for people to talk out on issues they think may impact either their capability in their job or their own careers. This is something I think we need to do: breaking down that stigma is one of the best ways we can combat this situation.

There are a lot of recommendations here. I ask fellow senators to have a look at these. I understand there is another inquiry that is looking at suicide and suicide prevention with veterans but I think this is a good start. Senator Payne, through you, Chair, there will be a lot of people in this chamber who are taking this issue very seriously who will be keeping the scrutiny up.

Question agreed to.

DOCUMENTS
Perth Freight Link
Order for the Production of Documents

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (15:53): I table a document relating to the order for the production of documents concerning the Perth Freight Link.

Australian Small Business and Family Enterprise Ombudsman
Tabling

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (15:53): I table a document relating to the inquiry into the effect of the Road Safety Remuneration Tribunal’s Payments Order on Australian small businesses.

MINISTERIAL STATEMENTS
Defence International Engagement


Leave is granted.

Senator PAYNE: When the Prime Minister and I launched the 2016 Defence White Paper on 25 February this year, we noted in that that Australia's network of international defence relationships would be increasingly important to our future security.

Our defence relationships with regional and global partners are critical to meeting future security challenges, including the growing shift in economic and strategic power to the Indo-Pacific and continuing threats such as terrorism.

The government's first priority is to deter and defeat any threats to the security of Australia and the Australian people.

As an open and trade based economy, Australia's security and prosperity rely on a stable and secure region and a rules based global order in which power is not misused and tensions are managed peacefully and in accordance with international law.

The Defence White Paper recognises that Australia can best protect and promote its interests by working with international partners both within our region and across the globe.
The government continues to build Australia's defence international engagement at the highest level on shared strategic interests and practical military cooperation.

Today, I will provide an update on these activities.

**Recent ministerial visits.**

In the past few months I have visited the United States, Middle East, Japan and Europe to meet with my counterparts and senior military leaders.

In July, I attended the Counter-Daesh Defence and Foreign Ministers' Meeting in Washington.

These meetings were an important opportunity for the counter Daesh Coalition to further coordinate its efforts to defeat the Daesh terrorist group and discuss the campaign ahead of efforts to liberate Mosul in northern Iraq.

Australia's alliance with the United States remains our highest priority. A strong and deep alliance is at the core of Australia's security and defence planning. While in Washington DC, I met with my counterparts, including US Secretary of Defense Ash Carter, to discuss a number of our shared security challenges and reaffirmed our commitment to the force posture initiatives in the Northern Territory.

Australia is making a substantial contribution to the US-led coalition to counter Daesh. We have a significant presence in the Middle East, and Australians occupy some of the most senior positions in coalition headquarters.

In early August, I met many ADF personnel serving in the Middle East as part of Operation OKRA, which is Australia's military contribution to the US-led Operation Inherent Resolve. This included those deployed to our Advise and Assist and Building Partner Capacity missions in Iraq, and the Air Task Group and around 400 ADF personnel based across the Middle East who provide the support required to sustain Australia's operations throughout the region.

In Iraq I also met with Prime Minister Haider Al-Abadi and senior military leaders of the counter-Daesh coalition.

I also met with a number of the 270 ADF personnel serving in Afghanistan as part of Operation HIGHROAD, our contribution to the NATO-led Operation Resolute Support mission, and to meet Defence Minister General Habibi and Afghan President Ashraf Ghani.

Whether it is in Iraq or Afghanistan, the ADF's ability to work seamlessly with our like-minded coalition counterparts is extremely highly regarded and is contributing to the success of the overall campaigns.

Both the Iraqi and Afghan leaders thanked our troops for their efforts and emphasised to me the importance of Australia's continuing commitment to the long-term security of the region.

The government is committed to working as part of the international community to provide support to the governments of Afghanistan and Iraq as they seek to consolidate hard-won security gains.

As the Prime Minister said in his National Security Statement on Counter-Terrorism, 'We cannot pretend Daesh-related terrorism is merely a distant problem—a scourge that threatens people in places less fortunate than our own.'
As we have seen, tragically, time and time again, violent extremists can inspire deadly attacks across the globe without warning, which is why we must defeat them at their source and work closely with our allies and neighbours to prevent the spread of their hateful ideology.

One of our closest partners, with whom we have a growing security relationship, is Japan. Last month I met my recently appointed counterpart, Minister Tomomi Inada, and the Cabinet Secretary and then acting Prime Minister, Yoshihide Suga.

Australia and Japan are close strategic partners. We both have an alliance with the United States and share strategic interests in secure and free-flowing trade routes, a stable Indo-Pacific region, and a rules based global order.

Our bilateral defence cooperation is a key element of the special strategic partnership between our countries.

Minister Inada and I discussed our mutual concerns over maritime disputes in the South China Sea and the importance of a rules based international order. We also condemned North Korea's nuclear tests and ballistic missile launches.

Last week, the Minister for Foreign Affairs and I participated in the inaugural Australia-Germany 2+2 Meeting in Berlin with our German counterparts, Federal Foreign Minister Dr Frank-Walter Steinmeier and Federal Defence Minister Dr Ursula von der Leyen. This inaugural 2+2 dialogue marked a milestone in the bilateral relationship and reinforced the strong defence relationship between Australia and Germany.

The German Minister of Defence and I agreed to continue our defence cooperation in areas such as interoperability, military exercises, materiel cooperation and building people-to-people links. Germany is one of the world's economic and political powers and a leader in innovation and advanced manufacturing.

I would like to acknowledge my good friend and colleague Senator Mathias Cormann and his leadership as co-chair of the Australia Germany Advisory Group who worked diligently to bring the Australia-Germany 2+2 ministerial to fruition.

In a continuation of our work in the counter-Daesh coalition and following Australia's decision to select DCNS as our partner in the Future Submarine Program, I also met with my French counterpart, Minister Jean-Yves Le Drian.

We again discussed our continuing efforts to defeat and destroy Daesh in Iraq and Syria. We reviewed progress, where Daesh has lost over 40 per cent of the populated areas it once held in Iraq and around 20 per cent in Syria.

We also noted how Iraqi forces have begun preparatory moves toward the campaign to retake the city of Mosul, Daesh's last major population centre in Iraq.

Our enduring defence relationship with France will underpin our work to design and to deliver Australia's Future Submarine Program. It is the strength of the relationship that has given France the confidence to share some of its most sensitive submarine capabilities with Australia. This program will benefit both countries for decades to come.

We also discussed the French government's current investigation into the unauthorised release of information regarding the Scorpene submarine and I reiterated Australia's
requirement, as the Prime Minister has said, for 'a ferocious commitment' to information security in regard to the Future Submarine Program.

Last Thursday, I attended the UN Leaders' Summit on peacekeeping, in London. It was convened by the United Kingdom's Secretary of State for Defence, the Rt Hon. Michael Fallon, with defence ministers and national representatives from around 80 countries.

The meeting was an opportunity for the international community to review progress against pledges made at the 2015 summit, and to discuss how UN peacekeeping could be improved, including how to integrate a legitimate gender perspective into peace and security efforts.

UN peacekeeping is an indispensable part of the international community's response to threats to international peace and security, and this summit discussed how the full integration of the military, civilian and police parts of a mission are necessary prerequisites to success.

In line with Australia's proud history as an active and reliable contributor to peacekeeping operations, I announced that the government would provide additional funding of $1.2 million over five years to enhance e-learning training for UN peace operations, and $90,000 to support the dissemination of UN protection of civilians guidelines and policy.

I was also honoured to moderate a discussion on women, peace and security, with panellists including General Sir Gordon Messenger, Vice Chief of the UK Defence Staff, Ms Ine Soreide, Norway's Minister of Defence, and Mr Wakamiya, Japan's assistant minister of defence.

During this discussion, I affirmed Australia's commitment to this important agenda and the need to incorporate a gender perspective into the planning and conduct of peace operations.

Women are critical to improving the operational effectiveness of UN peacekeeping missions and increasing their numbers as part of the conflict resolution and peace-building process is equally critical to mission success.

On Friday, the foreign minister and I attended the 8th Australia-United Kingdom ministerial consultations with new Foreign Secretary Boris Johnson and defence secretary Michael Fallon.

The United Kingdom is Australia's original defence and security partner. It remains one of our closest and most important security partners to this day. But it is not a static relationship and we do not take it for granted.

At the meeting we agreed to further strengthen the interoperability of our forces, including by exploring cooperation on advanced capability development and the potential for collaborative science and technology initiatives. Such cooperation with our allies is important to ensuring we can deliver the cutting-edge capability we need as we continue to implement the 2016 Defence white paper.

We agreed to increase our cooperation and knowledge sharing in the critical area of cyber security and reiterated our strong commitment to continuing our international cooperation in the Middle East—including our efforts to counter Daesh in Iraq and Syria.

We discussed the mutual concerns outlined in our defence white paper and the United Kingdom's strategic defence and security review, including those that challenge the global rules based order.
We identified international engagement as core to our future defence policies, and so committed to exploring opportunities for further international engagement.

In the coming months we will continue to engage with our defence and security partners in our region to strengthen our bonds.

Later this year, the foreign minister and I will attend 2+2 ministerial meetings with our Japanese and Indonesian counterparts, and I will also meet with Singapore's Minister for Defence, Dr Ng, and New Zealand's Minister of Defence, the Honourable. Gerry Brownlee as part of our important regular bilateral consultations.

Australia will also continue to make significant contributions to multilateral Indonesia-Pacific security frameworks, particularly the East Asia Summit, the ASEAN Regional Forum, and the ASEAN Defence Minister's Meeting-Plus.

These forums help to build relationships, trust, transparency and cooperation between key regional states. Critically, they also promote a rules based order and strategic culture in the Indo-Pacific that is based on global norms and international law.

The ASEAN Defence Minister's Meeting-Plus, or ADMM-Plus, remains our top priority for defence engagement with regional security forums. Australia currently chairs the ADMM Plus Experts' Working Group on Counterterrorism with Singapore, and from next year we will partner with Indonesia to co-chair the Experts' Working Group on Peacekeeping Operations.

Exercise KOWARI

It is not only through official dialogue that we are deepening our defence ties.

As outlined in the defence white paper, we will invest in defence to double the training of foreign military forces in Australia by 2031 and increase the number of defence personnel working overseas.

Australia continues its significant contributions to the building of trust, transparency and habits of cooperation between regional states through a program of major military exercises.

For example, the recent trilateral Exercise KOWARI saw Australian, US and Chinese military personnel participate in survival skills training in the Northern Territory from 26 August to 9 September.

Working together in teams, despite language barriers, 10 soldiers from each country cooperated to survive in the outback by finding food and water, making fires and building shelters.

Now in its third year, Exercise KOWARI allows us to work with both our ally the United States and our largest trading partner China to develop links at the working level and promote regional security.

Conclusion

As the white paper makes clear, Australia will need to be agile and resilient as we face an increasingly complex strategic regional and global environment.

The need for—and indeed the benefits of—increased defence engagement has been strongly reinforced in the past 12 months that I have had the honour to serve as Minister for Defence.
Increasing our defence engagement will ensure we can most effectively respond to shared challenges, including terrorism, and help manage the risk of increased strategic competition and conflict.

Whether it is through the building of personal relationships with our allies and partners, the sharing of advanced technology for mutual benefit, or the increased ability to work shoulder-to-shoulder with our allies against a common enemy, Australia's international defence engagement has an increasingly important role in ensuring we can seize the opportunities and minimise the challenges in the years ahead.

Further to this, I would like to take the opportunity to clarify the future of two RAAF bases which have been the subject of media speculation today: RAAF Base Richmond and RAAF base Laverton. I would like to make it clear that the government is not considering the closure of either RAAF Base Richmond or RAAF base Laverton.
Bill read a first time.

Second Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (16:10): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Statute Law Revision (Spring 2016) Bill 2016 continues the work of maintaining and improving the quality of the Commonwealth statute book. The Bill corrects technical errors that have occurred in Acts as a result of drafting and clerical mistakes, improves and streamlines references to ministers and departments, and repeals obsolete provisions and Acts.

Schedules 1 and 2 correct technical errors, remove redundant text, modernise language and fix incorrect references in principal and amending Acts. These corrections and updates improve the usability and accuracy of the law.

Schedule 3 amends the Public Lending Right Act 1985 by inserting generic references to ministers and departments. This will reduce the need for substituted reference orders made under sections 19B and 19BA of the Acts Interpretation Act 1901.

Schedules 4 and 5 repeal spent and obsolete provisions and Acts, removing redundant material from the statute book. For example, Parts 3 and 4 of the International Labour Organisation (Compliance with Conventions) Act 1992 were spent once the amendments that they made to the Migration Act 1958 and the Navigation Act 1912 had been incorporated into those Acts. Item 1 of Schedule 4 repeals those Parts.

These corrections and updates are important to ensure the ongoing accuracy, currency and usability of Commonwealth legislation.

Debate adjourned.

Fair Work Amendment (Respect for Emergency Services Volunteers) Bill 2016

First Reading

Bill received from the House of Representatives.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (16:11): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (16:11): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

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The Government is getting on with the job of delivering on important commitments we made to
Australians at the election.

We are acting on the mandate we received from the Australian people. And we expect the Parliament
to respect that mandate.

We are at a critical juncture; the decisions we take today, the decisions of this Parliament, will
determine whether we enable our children and grandchildren to enjoy the same standard of living that
we do ourselves.

We said during the election that we are focused on creating more and better jobs.

We are committed to ensuring our workplace relations system delivers the best outcome for jobs,
investment and growth, stops unions from abusing their power, and allows Australians to go to safe
workplaces, without fear of intimidation or coercion.

The Government is implementing a vital legislative agenda, two elements of which were the very
reason we went to the double dissolution election.

This agenda advances our economic plan while protecting people's rights.

This first Bill the Government introduced to the new Parliament was the Fair Work Amendment
(Respect for Emergency Services Volunteers) Bill 2016. It honours our commitment to doing all we can
to protect Australia's emergency services from a Union takeover.

Australia's proud tradition of volunteer firefighting is under threat.

The actions of the United Firefighters Union of Australia have placed the Victorian Country Fire
Authority in the position of having to choose between the best interests of its brave volunteers and
conceding to the demands of the Union.

Unfortunately for the proud volunteers of the CFA, the Victorian Government has taken sides against
them.

For this reason, it is of paramount importance that the Commonwealth Parliament steps in to protect
them.

This is not a decision we take lightly.

Obviously, there is a place for unions fairly to represent their members in Australia's workplace
relations system.

However, the UFU continues to demand an unreasonable degree of control over the CFA and its
volunteers.

The former CFA Board repeatedly stated it was willing to reach a fair and reasonable agreement, but
this call was ignored and the Victorian Government demanded that the CFA accede to the Union's
demands.

The Victorian Emergency Services Minister resigned in protest.

The CFA board was sacked by the Victorian Government.

The CFA Chief Executive and the Chief Fire Officer resigned in protest.

Even advice from the Chief Executive of Volunteer Fire Brigades Victoria that the proposed
agreement will significantly impede fire season
operations has not altered the intransigence.

We will not allow selfless Australian volunteers to be undermined in this way.

The Victorian Government has now hand-picked new appointments to the board to wave the
agreement through.

The Government's new Board reached agreement with the Union, having made some cosmetic
changes to the agreement while not addressing the fundamental concerns of the volunteers.
The agreement still contains discriminatory terms and still interferes with the capacity of the CFA to manage its volunteers in a range of areas.

For example, the agreement mandates that a minimum of seven paid firefighters are dispatched before the paid firefighters commence firefighting operations.

Volunteer Fire Brigades Victoria advise that this will have flow on effects for workload, operational and fire ground safety implications for volunteers.

Other concerning terms in the agreement include:

- providing that paid firefighters can only report to another paid firefighter with the exception of the incident controller;
- requiring Union agreement at integrated stations to cross-crewing of firetrucks by volunteers and paid firefighters;
- requiring Union agreement to workplace changes through the consultation term, including matters that may impact on the use of volunteers;
- requiring Union agreement on the structure of any Volunteer Support Programs; and
- requiring that uniforms of volunteers cannot be the same as those provided to paid firefighters.

I note that the agreement is seeking these changes despite the Victorian CFA Act stating that:

'The Parliament recognises that the Authority is first and foremost a volunteer-based organisation, in which volunteer officers and members are supported by employees in a fully integrated manner'.

I also note that the CFA Volunteer Charter commits the Victorian Government to:

'recognise, value, respect and promote CFA Volunteers, their families and employers for their contributions to the well-being and safety of the people of Victoria'.

Given that the Government of Victoria has abdicated its authority on this matter and capitulated to the union, it is our duty to intervene to protect the efforts of our volunteers.

The CFA volunteers are the heroes of our regional communities.

They are everyday mums and dads committed to sacrificing their time to protect life and property.

The Union is jeopardising their selfless goodwill.

It is an outrage.

Volunteers are the lifeblood of organisations like the CFA. We simply cannot allow their hard work to be undermined. There is a lot at stake if we do not protect our volunteers.

As the Chief Executive of Volunteer Fire Brigades Victoria Andrew Ford has pointed out; if we allow their role to be eroded and demeaned, volunteers will walk away and the CFA will be destroyed.

This is why the Government announced during the election campaign that we will amend the Fair Work Act to stop this happening.

This Bill will ensure that enterprise agreements cannot be used in a way that permits unions to exert power over the valuable contributions of volunteers.

To do this, the Bill expands the definition of unlawful term in the Fair Work Act to include an 'objectionable emergency management term'. The new objectionable emergency management term will prohibit terms in enterprise agreements that:

- restrict or limit the ability of certain firefighting or SES bodies to engage, deploy, provide support or equipment to its volunteers, or manage its operations in relation to its volunteers, or
- require a body to consult, or reach agreement with, any other person or body in relation to managing its volunteers, or

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CHAMBER
• restrict or limit a body's ability to recognise, value, respect or promote the contribution of its
volunteers to the well-being and safety of the community, or
• require or permit a body to act other than in accordance with a law of a state or territory that imposes
a duty, power or function on the body that could affect its volunteers.

The Fair Work Commission will not be able to approve agreements that include such terms.

Any such terms in an existing agreement will be legally ineffective from the day that the legislation
commences operation.

Actions taken under existing agreements before this time will not be affected.

The amendments will also give volunteer organisations a voice, by providing them the right to make
submissions to the Fair Work Commission about enterprise agreements covering certain emergency
services bodies that could affect the volunteers that they represent.

The amendments have been carefully drafted to only apply to firefighting and state emergency
service bodies that are established under a statute, use volunteers and are covered by the Fair Work Act.

They will not impact other volunteering organisations such as Surf Life Saving Australia or the
Salvation Army.

The Government has of course received the best expert legal advice to confirm the constitutional
validity of these reforms, as we do for all Bills we bring to the Parliament.

The amendments are simple, targeted measures and it is vital that we implement this solution
quickly.

We cannot afford to wait any longer.

We must safeguard the tens of thousands of volunteers who protect our communities.

I commend the Bill to the Senate.

Debate adjourned.

**COMMITTEES**

**Foreign Affairs, Defence and Trade References Committee**

**Reference**

**Senator HANSON-YOUNG** (South Australia) (16:12): I, and also on behalf of Senator
Xenophon, move:

That the following matter be referred to the Foreign Affairs, Defence and Trade References
Committee for inquiry and report by 7 February 2017:

The proposed Trans-Pacific Partnership (TPP) Agreement, with particular reference to the impact of
the agreement on:

(a) Australia's economy and trade;
(b) Australia's domestic labour market testing obligations and laws regarding wages, conditions and
entitlements of Australian workers and temporary work visa holders;
(c) Australian investment;
(d) Australia's social, cultural and environmental policies;
(e) the effect of Investor-State Dispute Settlement;
(f) rights for copyright holders;
(g) rights for consumers; and
(h) any other related matters.
Senator McGRATH (Queensland—Assistant Minister to the Prime Minister) (16:13): I seek leave to make a short statement.

The ACTING DEPUTY PRESIDENT (Senator Sterle): Leave is granted for one minute.

Senator McGRATH: The government opposes the motion that the TPP Agreement be referred to the Senate Foreign Affairs, Defence and Trade References Committee. When the TPP treaty was first tabled in parliament on 9 February 2016, it was accompanied by a national interest analysis that addressed issues identified in the notice of motion. In addition, the TPP Agreement has just been rereferred to the Joint Standing Committee on Treaties, whose thorough examination of the treaty will consider all relevant issues, including those identified in the notice of motion, associated with Australia joining the TPP Agreement.

Question agreed to.

MOTIONS

Commonwealth Procurement

Senator KAKOSCHKE-MOORE (South Australia) (16:14): I, and also on behalf of Senators Xenophon, Griff and Rhiannon, move:

That the Senate—

(a) notes that:

(i) the value of Commonwealth Government procurement contracts in the 2014-2015 financial year was more than $59 billion,

(ii) the current Commonwealth Procurement Rules fail to take into account the social and economic effects of buying and procuring Australian made goods and local services,

(iii) asbestos has been found in building products imported into Australia as part of projects funded by governments, and

(iv) it was disclosed this week, that in April 2015, the Department of Defence awarded a $9 million contract for non-combat uniforms for the Australian Defence Force to a company that will have the uniforms made overseas rather than Australia; and

(b) calls on the Government to amend the Commonwealth Procurement Rules, in order to take into account:

(i) the economic, social and environmental effects of local procurement, including employment outcomes, tax receipts and economic growth,

(ii) the need for Australian Standards to be complied with in any procurement decision, and

(iii) whole of life benefits of a local procurement.

This is not my first speech. Today, I welcome the opportunity to talk about a significant matter that is of critical importance to the sustainability of South Australian industry and, indeed, for domestic industries across all states and territories. I wish to talk about the government's approach to its procurement processes and how these processes in their current form are failing Australian companies and Australian people.

Australia's existing government procurement policies have a very narrow definition regarding value for money, and this is at the expense of broader industry development and economic goals. Specifically, contract costs are seen as the dominant factor when deciding on procurement outcomes. There is scant consideration given to how these procurement policies
The government has been out of step with the expectations of normal, everyday Australians. How can it be that we have awarded the contract for non-combat uniforms for our Defence Force members to a company that will make these uniforms overseas? Why is it that the government insists on purchasing steel from overseas companies while at the same time allowing the massive Australian steelmaker Arrium, once a vibrant and major industry in South Australia, to be on the verge of collapse and dependent on state government assistance? Arrium is more than $4 billion in debt, and, as it is under administration, thousands of jobs are under a cloud. If Arrium goes under, it will devastate Whyalla, and the flow-on effects will lead to social dislocation, widespread unemployment and the demise of a famous industrial centre in South Australia. It should not be that hard to do the right thing by Australian manufacturers and Australian jobs.

Today, I and my parliamentary colleagues—Senator Xenophon, Senator Griff and our member for Mayo, Rebekha Sharkie—are calling for change, but not a radical change by any means. We call on the government to reconsider its policy on purchasing and procurement decisions and to implement a policy that would first ensure preference for local procurement for all government contracts. We are not talking about a few Commonwealth vehicles and desktop computers here. Last financial year, the Commonwealth spent a total of $59.4 billion on 69,236 contracts. We need to change the rules of the game so that Australia benefits as a whole. Of course the government should act in accordance with the principles of value for money, but it should give just as much consideration to the social and economic impacts of supporting domestic industries.

In an increasingly competitive global marketplace, we are competing with nations who have a plentiful lower paid workforce or whose domestic industries are underpinned by government subsidies which make it practically impossible for Australian industries to compete on a level playing field. Successive governments have taken a strictly literal approach to the many free trade agreements that we have signed up to. This dogmatic, inflexible and unwavering adherence to international free trade agreements is clearly taking precedence over providing support for Australian jobs, and this is damaging Australia's industry. Instead of the government making purchases by looking at narrow contract specifications, the government must give consideration to the significant social and economic flow-on effects as a result of supporting Australian companies. In short, the Australian government's current procurement policies are stacked against local manufacturers and suppliers. They are fighting in a highly competitive global marketplace with one hand tied behind their backs.

Australian manufacturing is in crisis. Manufacturing is portrayed by the government as an old, vanishing industry and something that Australia should not worry about. Well, manufacturing is not an old industry. Manufactured goods account for over two-thirds of world merchandise trade. In fact, manufacturing is the most innovation-intensive sector in the whole economy, and no country can be innovative without the ability to apply innovation in manufacturing. In Australia, over 200,000 manufacturing jobs have disappeared since 2008, and the rate of job loss is accelerating. Manufacturing employment fell six per cent in 2015 alone. The government must focus on supporting manufacturing, particularly advanced manufacturing, because, as a South Australian, this is an important part of our growing
advanced economy. What we are witnessing is driven by the policy decisions of successive governments. The decline in Australian manufacturing output and employment is not typical of other industrial countries. Australia is well behind our counterparts and now has the smallest share of manufacturing in total employment of any OECD country.

It is disappointing that, despite the widespread support for buying Australian, there remains little desire on the part of the Commonwealth to take similar steps to strengthen our local manufacturing industry. One of our closest trade partners is a relevant example. The United States's approach to free trade agreements contrasts sharply with Australia's. The US supports local manufacturers. The United States government has legislation that ensures their government buys American-made products before buying abroad. This legislation, called the Buy American Act, has been enshrined in law since President Hoover was in office in 1933. There is also more recent legislation that requires flags on US government buildings and Defense establishments to be made in the United States. No such legislation exists under Australian law. It seems that those in the United States are prepared to do what is in their national interest first and foremost, but Australia does not.

There is a widespread perception amongst many Australian manufacturers and workers that successive federal governments have literally tripped over themselves to get brownie points at world trade forums, to the nation's detriment. All successful manufacturing nations—South Korea, Germany, the United States, Japan and others—have negotiated free trade agreements that have expanded the terms of their national trade, but, still, they are able to use government procurement and other vigorous government policies to develop globally competitive domestic manufacturing industries without breaching their free trade agreements. The government has negotiated poorly with our free trade partners. It has stuck to its free trade dogma and conceded far too much. It seems that the government will strike free trade deals at any cost, going for quantity, not quality. But, even if it costs a little more, we must think about the multiplier effects of keeping local jobs and the significant flow-on effects of these employees spending their wages and profits in the local communities in which they live and work. Buying Australian is an obvious decision for most of us given the high quality of our products and the flow-on benefits to the community, but, for some reason, it is not obvious to the government.

Australian industries are facing significant difficulties in being able to survive. We must recognise the benefits to the Australian government of buying Australian. Are we so dedicated to our free trade partners that we will sacrifice our manufacturing industry at the expense of Aussies at home?

When will the government get the message? The mums and dads in the suburbs and towns understand what is happening. They know too well the devastation that comes as more factories close and more workers lose their jobs. The current state of play regarding Commonwealth procurement is deplorable and cannot be allowed to continue. There must be political will to tackle this issue.

A couple of years ago an example of this ardent commitment to looking at cost only in contract procurement negotiations occurred in South Australia. In 2014 the Defence Materiel Organisation rejected a tender for up to 100,000 pairs of work boots over five years from Rossi Boots of Adelaide, a company that has employed generations of Australians in South Australia since it opened its doors in 1910. It eventuated—we know as a result of the
debriefing process with the DMO—that the ultimate decision was made on the basis of cost, and the contract to supply members of the Australian Defence Force with sturdy work boots was awarded to a foreign importer.

The Rossi case is symbolic of much of what is wrong with government procurement and encapsulates the economic philosophy of the coalition government. The Rossi Boots chief executive said that all he wanted was a fair go and said that the procurement system is almost designed to make Australian businesses and manufacturers disadvantaged in comparison to overseas suppliers. While Rossi’s price may have been marginally higher than that of the winning tenderer, does this justify the government’s decision to favour other manufacturers? Rossi could have delivered substantial benefits to the Commonwealth and to Australia had it been chosen to fulfil this procurement contract. In addition to factors such as quality, boot durability and whole-of-life customer support, Rossi would have employed more Australians and supported Australian families and the economy. Tax receipts would have increased by tax payments by the company and employees, and intangible benefits such as meeting Australian standards for employment conditions, the environment, OH&S and industrial relations would have been realised.

We have not looked after the national interest and we have sacrificed good manufacturing jobs—many tens of thousands of jobs—on the altar of free trade fundamentalism. I want the Australian government to adopt a much more hard-headed approach to trade and industry policy. We must have greater parliamentary scrutiny of our trade negotiations. We must ensure there is an assessment by independent review bodies of the costs and benefits of buying Australian first. We must overhaul government procurement laws to ensure that Commonwealth, state and local governments take into account the social and economic benefits of local procurement, and we must push the Australian government to look at the wider national interest in supporting a diverse economy in our trade negotiations.

**Senator KIM CARR** (Victoria) (16:24): I commend Senator Kakoschke-Moore for her speech on Commonwealth procurement. I am very pleased that she has been able to bring her perspective to the Senate on these matters. I share her concerns about the development of procurement policies in this country. These matters are of such concern that we actually took to the last election a series of revised proposals with regard to procurement issues, particularly relating to Australian industry capability.

I note the contrast—in terms of the dynamics of Australian politics—between the parties on this issue. Those that say there is no difference between the Labor Party and the conservative parties in this country should look to this area, because it highlights the very substantial difference of approach. The Prime Minister, during the last election, spoke at length about the prospect of jobs and growth. It is a less audible proposition since that time. And of course we saw in recent days in this chamber the discussion about the purchase of Australian Army uniforms, through a contract entered into just last year by this government, when the Minister for Defence was the senior minister in the portfolio. The contract was awarded to a company that was manufacturing in China. The government announced the Australian dress uniform with great fanfare, with a display on this issue in Paris. It did so in a manner which immediately aroused my concern, because there was no mention of where this uniform was being made—this brand-new uniform the government said was such an important improvement.
When I pursued this matter with the minister, she said this was a question of value for money. It was an answer we have heard all too often in this place and it fundamentally highlights a misunderstanding of what that principle involves, because it is not just a question of the price of the uniform; it is a question of what 'value for money' actually means in these circumstances. For taxpayers to receive value for money in the awarding of procurement contracts, we should take into account the whole-of-life costs of a contract. That is the Labor Party's position. The whole-of-life costs need to be considered here. It is not simply a matter of the immediate cost of a product when a contract is awarded to a low-wage offshore manufacturer. Domestic manufacturers employ Australians, who pay Australian taxes and spend their wages in Australian shops and on other Australian products. They contribute to their local communities in a myriad of ways. They buy homes, they pay rates and they send their kids to Australian schools.

By doing these jobs, Australian workers maintain and extend the capability of Australian industry, they increase the capacity of the enterprises in which they work to tender for other contracts and they make Australian businesses more competitive in global markets. In doing these things, workers and the businesses that employ them are able to contribute to the growth of the Australian economy. The purchase of Chinese products for the Australian Army, for our soldiers, strikes me to be in contravention of those principles. It is a position which essentially sees the offshoring of Australian jobs. A suggestion by the minister that this could be defended on the basis of value for money is risible, because it delivers jobs and growth not to Australia but to another country.

The minister asserted it was all about 'value for money', as I say. It would appear that the government did not even consider exemptions to ensure Australian production, as the Labor government did when it came to the combat uniform and the slouch hat. And it strikes me that this is a case that demonstrates a negligence, that these matters are not put forward, to ensure that there is a national interest test that applies.

The problem here is that it is a habit of thought that develops in procurement officers, who pass it on to others, and it goes up the chain, to the point where nobody actually takes notice of the consequences of procurement, particularly for our defence products—and we are talking here about the uniforms for our soldiers—in a proposition which sends the production of these offshore. This is described as 'value for money'. It is a perverse undermining of the meaning of that term.

It is stated, 'Well of course those are our obligations under international trade treaties.' That is not the case. Most of our trade agreements have explicit exemptions for defence and for small business. The government has the capacity, if it chooses to exercise it, to ensure that procurement policy is actually in Australia's interests and that becomes a crucial element of our industry policy in this country.

I note that the motion points out that Commonwealth procurement is in the range of $59 billion—and that is in just one year. With an economy with a diverse industrial base that is capable of generating high-skill, high-wage jobs, the question of where the Commonwealth places its contracts is critical to the industrial development of the nation. And, in an economy which is seeing increasing casualisation of employment and increasing numbers of people dependent upon the vagaries of the commodity market, is it any wonder that Australians are
so concerned when Australian taxpayers' dollars for the defence industries are being used in this way?

So, despite all the talk about 'innovation' and 'creativity', which of course marked the transfer between Mr Abbott and Mr Turnbull—a point that we acknowledge this week—the preference, in fact, when it comes to procurement, is not for a creative, innovative or agile Australia. It is for an Australia with narrow, blinkered vision—a little Australia, in which the government refuses to use its purchasing power to build the economic capabilities of the nation.

This is a clear case of ideology prevailing over the reality of economics as ordinary Australians experience it. So it is vital that the procurement guidelines for our government agencies prevent that kind of blinkered thinking when it comes to the determination of the spending of public money on public contracts. Agencies should be required, of course, to take into account the proper use of public money at all times. But value for money involves a process that ensures that we get genuine value for the use of the Australian dollar. We cannot have money spent on inferior products, and higher maintenance and replacement costs. The procurement guidelines need to ensure that agencies are required to consider all direct and indirect costs—the whole-of-life costs of products.

Let me quote directly from the Labor Party's National platform on this. It says that:

Labor will adhere to a national interest test for government procurement policy by considering whole-of-life costs, rather than purchase prices alone, and ensure procurement policies take into account the direct and indirect economic benefits of buying locally, including estimated taxation revenues, employment opportunities and industrial capability.

That is the kind of assessment we need to apply when it comes to issues like the ADF uniform.

Workers in Bendigo at Australian Defence Apparel were told by this minister that the new defence industry strategy would give particular emphasis to local capabilities. This is when she knew that the contract had already been issued to produce the uniforms not in that factory, which of course is where they normally would have been produced, but in China, and that that decision had been taken a year before she appeared before those workers. That was kept secret, and was recently revealed only because the government sought to make a show in Paris about a new uniform.

The Australian government needs to ensure that we are able to develop capabilities, whether those be in the textile industry, the steel industry, or electronics. Wherever it is necessary for us to procure products and where there is a local capability that is competitively priced, there ought to be an emphasis in the Australian government procurement arrangements, as we say, on ensuring that Australian industry capability is actually advanced.

We say there needs to be a national procurement coordinator to oversee the Commonwealth procurement practices. We say that they must stipulate that contracts worth $20 million or more should be subject to an Australian Industry Participation plan. In fact, at the last election, we proposed that that be reduced to $10 million. The measures were intended to increase the opportunity for small and medium-sized enterprises to supply goods and services for the Australian government. We also say that we must be able to ensure that tender specifications are not written in such a way as to actually exclude Australian suppliers.
This is not about shielding Australian firms from competitive pressures. On the contrary: it is about ensuring that we do get some competitive pressures put into the system so that we can build the capabilities in Australia and ensure that the competitive process is fair. It is designed not to exclude people but to include people. Of course it is not a matter of standing aside and letting the market rip. We know that if you apply that policy the market will determine an outcome all right, but it will not be in Australia's favour.

That is why Labor in a government had the policy Buy Australian at Home and Abroad—a policy with a suite of measures to ensure that Australian producers got a fair go when it came to supporting domestic work through government contracts. It included such things as supplier advocates for major projects. It ensured that we properly used the Industry Capability Network so that we knew what Australia could do and the proponents for contracts understood that—this is not just in the public sector but in the private sector as well—and companies that were trying to build products for use in this country knew what capabilities this country could provide.

We also had improvements in the Enhanced Project By-Law Scheme so that, if people wanted a tariff concession when importing material for a project in Australia, they had to have undertaken a proper study of what work could be done locally. We also advocated that there needed to be proper management assistance by building management capabilities through Enterprise Connect. We argued that supplier advocates across a range of sectors needed to be put in place to assist small- and medium-sized enterprises to secure new contracts. Frankly, in this world arrangements are put in place that make it very difficult for local suppliers to bid for work. There needs to be assistance provided to local companies so that they can be properly trained and put in the right position to tender for work on a competitive basis.

Under our $1 billion Plan for Australian Jobs, which we introduced in 2013, these measures, which were intended to promote Australian industry participation, were strengthened. We are continually working on these principles. This area is a bit like tax avoidance—no sooner do you put in place propositions to improve the integrity of the administrative arrangements and some smartie comes along and finds a way to get around them. So you cannot stand still. Programs like this need to be adjusted to meet changes in economic conditions. Previous Australian industry participation was set at a time when there were much higher rates of private investment in mining and resource projects. That is why we said at the last election the change in circumstances means that the threshold for private projects needs to be lowered so that we can put in place support arrangements so a project of $250 million rather than $500 million can have these measures applied. That is why we said that, in the public sector, the threshold need to be lowered from $20 million to $10 million. It is an essential strategy and it requires governments to change attitudes about not only what is the role of government when it comes to the spending of public money on government contracts but also what is the role of government in ensuring that large international firms who want to build in this country the very large projects that we have seen in recent times use local suppliers where they are available and where they have the capability to perform work properly.

This is a government that says, basically, let the market roll. They have a hands-off attitude. They take the view that if we have to get a defence uniform made in China that is no big deal. They take the view that if the jobs are lost in Bendigo, that is not a problem. Anyone
who looks at what is happening with full-time employment in this country, particularly in manufacturing, knows how foolhardy that attitude is. The fact that we cannot even put uniforms made in Australia on the backs of our defence forces strikes me as quite bizarre. The government's attitude is that that circumstances is okay. The government has the capacity to say, 'We want to ensure proper prices, competitive prices, whole of life costings, so these projects can be built in Australia.' The idea that we cannot even make in Australia a uniform for our soldiers demonstrates the foolhardy attitude of this government—that the free market is the solution to our problems. We will rue the day over this attitude. If it is good enough to have our combat uniforms made here, it is good enough to ensure that the uniforms that our soldiers wear under other circumstances are made here as well. It is particularly serious when it comes to the question of ensuring future competitive tenders—you undermine the capacity of our industry to compete by making sure the work goes offshore so that when the next contract comes along the firm is not there to compete. Of course, then we are told, 'There is no-one here who can do the work.' There are a whole series of other contracts, for uniforms in the Navy and the Air Force. I will be pursuing at estimates how it is that this contract has gone offshore, under what circumstances and why there was not a national interest test put in place to ensure that we keep the industrial capabilities so important to this country's future in Australia.

Senator IAN MACDONALD (Queensland) (16:44): We have heard another typical Labor speech—do not worry about the cost; do not worry about the budget blow-out. It is populism, an appeal to the lowest common denominator in the country. It is always useful in these sorts of debates to look at some of the facts. It is a bit like foreign land ownership—everyone was saying how outrageous it was, but when we got the results we found that the amount of foreign land ownership in Australia is a very, very small percentage of the total and most of that is owned by United Kingdom investors.

To get back to the facts, which Senator Carr would do well to understand, Australian suppliers got approximately 94 per cent of all Commonwealth procurement contracts in 2015-16. I will repeat that for Senator Carr's benefit: 94 per cent of all Commonwealth procurement contracts in 2015-16 were awarded to suppliers in Australia. Ninety-four per cent is not a bad number, but, if you had listened to Senator Carr and believed him, you would think that figure had been grossly inflated. But I repeat: 94 per cent of all Commonwealth procurement contracts in 2015-16 were awarded to suppliers in Australia.

Senator Carr would also have benefited if he had understood some of the facts about the Army's service dress jacket. Approximately 70 per cent by value of the service dress uniform ensemble is manufactured in Australia, and it includes these items: the slouch hat, by Akubra, is made in south Kempsey; the chinstraps and puggarees are made by Mountcastle in Yeronga in Queensland; the Sam Brownes are made by Larosa Leathergoods in Thomastown, Victoria; the socks are made by Humphrey Law in Heathmont and Wilderness Wear in Preston in Victoria; and the ADF parade boots are made by R.M. Williams in Salisbury, South Australia. Again, if anyone had listened to Senator Carr they would have thought most of the cost of that uniform was going to China. But I repeat: 70 per cent by value of the service dress uniform ensemble is manufactured in Australia.

In addition to that, I alert Senator Carr to the fact—as I am advised—that no tenderer offered a complete, made-in-Australia supply solution when the tender was conducted in 2014
for the manufacture of Navy, Army and Air Force non-combat clothing. That included the service dress jacket. When that tender was called in May 2014, no tenderer offered a complete, made-in-Australia supply solution. Again, for all the bluff and bluster that we heard from Senator Carr, no tenderer could deliver a complete made-in-Australia article.

The tenderer that was selected had a price that resulted in a saving of about 18 per cent over other prices at that time, and my advice is that Australian Defence Apparel, who won the tender, estimated that manufacturing the service dress uniform in Australia would be triple the cost. Hence my comment at the beginning of my presentation that Senator Carr's speech was typical of Labor—do not worry about the money; do not worry where the money is coming from. Just spend, spend, spend, and when you do not have it just borrow, borrow, borrow from overseas lenders, so we end up paying $45 million a week in interest to foreign lenders. It is always useful in these debates to have a bit of fact. At the risk of repeating myself, I will again emphasise those two figures: 94 per cent of all Commonwealth procurement contracts were awarded to suppliers in Australia; and, regarding the service dress uniform, which Senator Carr mentioned often, some 70 per cent by value is made in Australia.

Commonwealth procurement rules require that potential suppliers be treated equitably based on their commercial, legal, technical and financial abilities and that they not be discriminated against due to their size, degree of foreign affiliation, ownership location or origin of their goods and services. This is an important principle that our exporting businesses also rely on when supplying goods and services to overseas markets. Senator Carr was indicating, if not saying it directly, that the government is doing this to hurt Australian manufactures just for the fun of it—let's do this just for the fun of it. But there is a reason for this—that is, Australia needs to trade to exist. I always say, in relation to primary products, that without good trading abilities what we produce in Australia far exceeds what we can consume in this tiny country. Most of the sugar we produce in Australia is sold overseas, most of the wheat and grain crops we produce in Australia are sold overseas, most of our beef production is sold overseas—and so it goes on. We have to trade, and we expect other countries to have similar rules when looking at buying Australian products. We do not want other countries to say, 'Well, we could buy these goods or services from Australia at this very competitive price, but what we will do is subsidise some inefficient production in our own country and support our own industry.' That is why we enter into these free trade agreements. That is why we are members of the World Trade Organization.

Sure, dumping goes on, but we are trying to address those particular issues of dumping, and the coalition government has made it much easier to bring a case for dumping. Whilst I acknowledge that some countries still embark upon that, most of the countries we deal with and with whom we have free trade agreements abide by the same rules that we do. That is why you have these Commonwealth procurement debates and these rules that I am talking about where potential suppliers have to be treated:

... equitably based on their commercial, legal, technical and financial abilities and not be discriminated against due to their size, degree of foreign affiliation or ownership, location, or the origin of their goods and services.

These rules are in our various export agreements, and they ensure that Australian suppliers are not disadvantaged when tendering for procurement in countries with which we have such agreements in place. So the rules that we apply to Australian suppliers and manufacturers and
to government purchases are the same as those that apply in other countries with whom we have these trade agreements. Any proposals to take into account the secondary economic benefits of local preferencing would require officials to consider many uncertain variables in each procurement evaluation, and this would demand very specific expertise and impose significant time and compliance costs for the country. Preferencing or providing weighting to a supplier based on their location would be contrary to the national treatment and nondiscrimination requirements in all of Australia's international agreements.

But there are exemptions. Our international trade agreements do provide a number of exemptions that enable the government to engage directly with Australian industry as long as the principal of achieving value for money is met. The exemptions include procurements relating to property or accommodation, motor vehicles, suppliers that primarily exist to provide services to persons with a disability, suppliers that are small to medium enterprises with at least 50 per cent Indigenous ownership and agreements that relate to essential security in Australia. So there are some exemptions contained in our trade agreements, and they are exemptions that we can use in Australia. There are also exemptions that other countries with whom we trade can apply in their own circumstances.

The whole purpose of free trade is to ensure that Australian exporters, be they of services, goods or primary production, have a fair go at markets overseas and are not stymied by other countries doing what Senator Carr would like Australia to do in certain circumstances. We would come out second best. If we start that sort of trade war with our much bigger neighbours we would lose out, because, I repeat, Australia has to export. We have to trade to continue to exist as the productive and wealthy nation that we are.

The results of modelling of the three new North Asian free trade agreements the coalition government has entered into recently show that they will be worth $24.4 billion in total additional income to Australia between 2016 and 2035, and they will result in an annual boost to the economy of $2.4 billion after 20 years of operation. Australia's exports of goods and services to these North Asian countries—China, Japan and Korea—are forecast to be 11 per cent higher by 2035 as a result of these free trade agreements. That is wealth for the nation. We can export our goods, our services, our expertise and our brains and make money for Australia. We have been doing that for a long while, and that is why we are the fortunate country. We are one of the wealthiest countries in the world. We have one of the best standards of living in the world. Why? It is because we have gained that wealth through trade and through exports.

The modelling that has been done in relation to those free trade agreements confirms the overwhelming benefits of freer trade for the Australian economy. Real wages will be 0.5 per cent higher by 2035, and the terms of trade will be 1.3 per cent higher by the same year. Increased exports and cheaper imports will allow Australian businesses to hire more workers. The annual net jobs increase will be about 8,000 this year, and it will peak at 15,000 in 2020.

In addition, consumers are benefitting under the Australia-Japan free trade agreement, with Toyota's executive director of sales and marketing saying that the Australian dollar prices of Toyotas would fall from the start of 2015, with the cheapest cars falling in price by about $800 and the most expensive cars falling by about $7,500. That means Australians can buy cheaper cars, which means they have got more money to spend on their kids or on education or on holidays, and it contributes to the wealth of this nation and to our standard of living.
The Australian economy grew by five per cent in the June quarter to be 3.3 per cent higher through the year. Net exports contributed the lion’s share of that growth through the year—2.2 per cent out of the 3.3 per cent growth. That is what trade has done to our economy, to our way of life and to our wealth as a nation. For 25 years there has been uninterrupted annual economic expansion. The only OECD countries able to claim that sort of annual economic expansion are Australia and, would you believe, Poland. So we have done pretty well. Australia's continuing growth success is all the more extraordinary when considering the challenging external environment, including slowdowns in global trade, investment and economic growth across the world.

I repeat: trade is essential for Australia. We produce much more than we can ever consume ourselves. So we have to make sure that the people with whom we are trading do not put unnatural impediments in our way. If we want them to play the game and do the fair thing then we have to have the same rules in our own economy—hence, the issue that Senator Carr mainly spoke about, the service dress uniform.

I want to conclude by again emphasising that, of Commonwealth government procurement in 2015-16, 94 per cent of those contracts were awarded to suppliers in Australia and, of the value of that service uniform that Senator Carr spent so long talking about, 70 per cent consisted of articles made in Australia. When we have these debates it is easy to get on Facebook and it is easy to be someone like Bob Katter who can get up and say anything to scare people about these sorts of things. But, if you actually look at the facts, you will see that trade is essential for us. We do pretty well out of it, and it has led to that remarkable 3.3 per cent growth that no other countries apart from Poland can claim over the last 25 years. So it is a good news story. These procurement rules are not something only coalition governments have abided by; they are rules that have been applied by all governments for decades. I hope that providing some facts to the debate may assist senators as they consider these issues.

Senator RHIANNON (New South Wales) (17:03): In the global financial crisis 125,000 manufacturing jobs were lost. Imagine the hardship that that brought on an individual, a family and at a community level. Then think of the spin-off from that in terms of the implications for society and the hopes of young people about where they can find a job—hopes that are fading for so many. It is a reminder of the obligation that we have to address this issue. Australia can have a strong manufacturing future but it needs a hands-on approach by government. It needs a commitment by government to address this issue.

This idea of leaving it up to the marketplace—which is basically how you could sum up Senator Macdonald's speech, and we could have saved ourselves 20 minutes—is where the government are stuck. A strong manufacturing future will not be achieved if that is the current approach of the government. There is, however, a logical solution. Much of that solution comes if we can commit to local procurement policies at all levels of government: local state and federal. This is where we can deliver local jobs, a healthy future for manufacturing and the obvious economic boost that will go with that. Imagine the local jobs that would be created. I understand that the purchasing power at a federal level is about $40 billion. So, if we got behind local procurement, the benefits here would be huge. Imagine the jobs that could be created within the steel industry, in paper manufacturing and in materials for the defence forces. When you think of all the government departments, there are so many areas where a local procurement policy could deliver.
We have some challenges, though. I cannot see the coalition immediately changing, but there are also challenges with how Labor is addressing this. I will come to what happened in the federal election—it gave quite an insight into issues to do with Mr Shorten and even his leadership on it—shortly. It looks like this is an area where Labor is captured by some of the big trade negotiators, corporate interests et cetera, rather than getting back to how we ensure that we are getting jobs growth linked to local procurement. We heard a very interesting and a very useful contribution from Senator Carr just now, detailing Labor policy. That Labor policy gave you the impression of a commitment from Labor to procurement. I imagine that it was probably a very good debate at the national conference of Labor about this all-important issue. But you have to ask: is it going to be adopted here? Is it going to become the policy of Labor, because we know that Labor MPs in this place are not bound to follow their own policy. It is an interesting one.

Going back to April this year, there was much debate then and during the election, about the future of the steel industry in both Port Kembla and Whyalla—a very serious situation. When I visited Port Kembla, when I talked to my colleagues in South Australia, many people were constantly concerned that we might wake up one morning and see on the front of the local paper that the steel industry had closed, so it was getting a lot of attention. Opposition leader Bill Shorten gave a commitment that really had all the hallmarks of a commitment to mandated procurement for steel, but what we saw a few days later was that that position was reversed. Mandated procurement on all government projects backed by stringent antidumping and quality control rules would provide a viable survival plan for the steel industry. That is certainly the position being advanced by local unions and local union industry bodies such as the South Coast Labour Council. This position is also backed by the Greens. It was in mid-April that Mr Shorten made a similar statement, but then a few days later that position was reversed. I would argue that the people of the Illawarra and the people of Whyalla should be informed why that position was the reverse of the announcement that he had made just the previous week. We know that a steel industry rescue plan would give security to the current industries and would then start to protect thousands of jobs.

What is interesting in New South Wales is that New South Wales Labor is not following what federal Labor is doing—federal Labor seems to be all over the place on this issue. New South Wales Labor came on board with the Greens' steel protection bill. That was voted on and agreed to when it came before the New South Wales upper house. This is a very significant breakthrough, and you would have to say it is a step forward when we see that Labor is recognising that the steel industry needs government intervention to survive. That is how I would sum up the decision in New South Wales, and that is now what we are calling on Labor to recognise and get behind—solid procurement policies at the federal level. The industry needs procurement and guaranteed support, and that is what we got. The proper name of the New South Wales bill—I would urge people following this debate to look at this bill because it is a breakthrough for Australia—is the Steel Industry Protection Bill 2016. That is the one that passed the New South Wales parliament.

I would also congratulate the South Coast Labour Council, the Australian Workers Union and Port Kembla for the considerable work they have done in driving this campaign, and also the Illawarra Greens. They put in a very useful submission to the inquiry that we had on this
very issue. Some of the proposals that they put forward called for: a mandate of 100 per cent structural steel procurement for all projects across all three tiers of government; more effective antidumping measures; and a stringent quality assurance regime for steel used in all building and construction works, public and private, in Australia. Outlined in the Australian Steel Institute's submission to the inquiry was investment, including public sector co-investment, for a transition to technologies in manufacturing and the use of renewable power supplies to reduce greenhouse gas initiatives. So there is comprehensive work being done in this area. I acknowledge there are many challenges, but, again, we need to catch up at the federal level with what is happening at local and state levels. Also, let us remember how urgent this is, because people's jobs are in the balance, local economies are under pressure and we need to give certainty to these industries.

The Greens do stand with steelworkers in calling for the Commonwealth and all state and territories to make it mandatory to use Australian steel in all publicly funded infrastructure projects. Surely we should be able to get behind that? We are talking about Australian steel in publicly funded infrastructure projects. You can really argue that it is not about disadvantaging the private sector; we are looking after jobs—we are boosting jobs—we are bringing certainty and we are addressing the all-important issue of how we can ensure that there is a viable future for the steel industry.

Again, to emphasise, we are keen to work with Labor on this issue. I know many of the unions who regularly come here and lobby us on this issue are certainly keen to see a repeat of what happened in New South Wales. It took time, but it happened—where the Greens, Labor and the unions worked together to protect the steel industry and took that campaign into parliament and got it into law. Now we need to achieve that at a federal level.

I also want to emphasise the vulnerability of so many of the workers in this industry. I have toured the steelworks at Port Kembla. They are only a shadow of their former self, but they still employ workers and still are very much part of the community. We did the Senate inquiry there, and when I visited and met with the workers directly so many people said to me—workers in the industry, those who lived in the area but were not associated with industry—that they could not imagine the Illawarra without a steel industry. It is on the minds of so many people, what will happen to this area. They know that they are vulnerable due to the downturn in global steel prices and the dumping of below-cost steel into the Australian market. These are the conversations that I am having with local people. They are following what is happening with the price of steel overseas, they are feeling under pressure and it is, again, a real reminder that we have a responsibility here.

There has been some useful work undertaken by BIS Shrapnel that was commissioned by the unions on the south coast of New South Wales. That showed that a significant proportion of steel imported by Australia is reputed to be dumped at prices which are below the cost of production. That means it ends up that there is a loss for the Chinese and the Asian producers; however, for what they see as benefits in other ways they are willing to take that loss and dump it on the Australian market so that they can gain more long-term control.

There is a solution here, and, as I said, that solution lies in looking at the domestic market. Clearly we can have a big impact on the domestic market, and that is what we are proposing. But any further loss of market share will force even more domestic product into the unprofitable export markets for the steel industry, and that is where we are arguing that this
federal parliament needs to give close attention to this issue. Looking at the state of domestic production, currently it supplies less than half of the steel used in public-sector construction. I will repeat that: less than half of the steel used in public sector construction comes from the domestic market. Again, I am emphasising this as a reminder that this is not hard; there is a very logical, readily available solution to ensuring that we retain the steel industry. We need to work on cleaning up that industry, but we need a steel industry for jobs growth, for the economy and for growth in many industries, one obviously being the renewable sector.

I have just mentioned some of the problems with Labor's contradictions in grappling with this. One thing I often find is that they hide behind statements like, 'Well, the trade agreements don't allow us to do that.' Either that is an excuse or they are out of touch, because a number of countries have negotiated to be able to have local procurement. Many states in the USA have done that, Canada has done that and our own state of Victoria has enacted its own local procurement policy. Victoria is an interesting case in point. Its policy has been successful with the local content proportion, averaging 86 per cent over the decade to 2013-14. This has led to an estimated $7 billion worth of import replacement. Again, it is a reminder: here is Victoria, with a local procurement policy in place—something we could do at a federal level—that has displaced $7 billion of imports. Obviously there is a real spin-off locally.

And we know that there is a big cost advantage here. I again quote from BIS Shrapnel:

BIS Shrapnel estimates that a local content policy achieving a 90% local steel content:

Will cost an average of $61 to $80 million annually in extra costs to the public sector …

That represents an average of only 0.2 per cent of total construction costs for public projects, so it is not a big cost burden. The work has been done here. We can see the economic burden, and any of these scare tactics which I have heard in some of the comments from coalition senators today about how it is financially irresponsible do not stack up; they do not stack up at all. The extra cost is based on the assumption that the price of locally sourced steel is 10 per cent higher than the equivalent imported product. So, you can see that it is a very responsible assessment of how this could work.

I do congratulate the unions involved here and in South Australia and around the country in giving so much attention to this issue of local steel procurement. The ones I have worked closest with are in my own state: the South Coast Labor Council and the Australian Workers Union—the Port Kembla branch in particular—who have really gone into this in-depth, have really driven and given leadership on this issue. It is time we ensured that when we are spending public money we get value for that money. Those figures I have just shared with you show how extensive that value can be, and that should be where we take things.

When I started this speech I mentioned the figure of 120,000 manufacturing jobs having been lost since the global financial crisis. Another area that could benefit from local procurement has been particularly hard-hit by these job losses. About 10,000 jobs have gone from the pulp and paper section, which is about half of the total workforce. This is another area where, if governments would turn to Australian suppliers for the use of paper products by federal departments, the spin-off would be enormous. I do congratulate the CFMEU for the work they have done in this area—again, effectively doing the work of government. Any decent government would have grappled with this already, would have recognised the financial and employment benefits and just got on and done what really is the job of
government: to work out how we are going to address the changing nature of work, which is causing so many challenges for our society.

The issue of pulp and paper is an area where we need to address how we get Australian made paper into government departments. As I said, this is a top priority for the CFMEU. So we support the use of Australian made paper, but we do ask the union to take on board that it also needs to be FSC certified paper, not sourced from native forests. We need to ensure that we are having wins for jobs, a win for the economy and a win for the environment. That is certainly possible, and that aspect needs to be built into a procurement policy around pulp and paper. Departments should audit their existing purchases to examine what imported products are being purchased or are due to be purchased and determine whether there is an Australian made alternative that provides better value for money. That is something the Greens support, with the provisos about products being manufactured here while also having that environmental protection in place.

We need to ensure that current Commonwealth supported building and construction projects are sourcing local products. That is also set out in the CFMEU campaign, which expands the work I have been talking about. They set it out thus:

Maintain and strengthen Australian Industry Participation requirements by mandating a "Look Local First" emphasis for new purchasing of building products for taxpayer supported infrastructure or construction projects.

That is a good way to phrase it. We need to be changing the culture of how governments go about their work, and a 'look local first' emphasis would help to achieve that. I think there is a great benefit in that.

I understand that the government has a purchasing power of about $40 billion, as I said earlier. Essentially, what we are saying is: let's put that to good use so that we are promoting and increasing Australian jobs and doing more to protect the environment, and the economic benefits will be fantastic. Again, to my mind, this should be the core part of government work.

Life changes, the nature of work changes and the nature of economies are changing, sometimes with great rapidity. We are in the middle of such a time at the moment. I imagine most people here have read some quite disturbing articles about the levels of unemployment that could be coming down the track. We need to address that, and procurement at all levels of government—local, state and federal—is one way to achieve that. I commend that, and I thank the Nick Xenophon Team for bringing this motion before the chamber.

**Senator CULLETON** (Western Australia) (17:23): Mr Acting Deputy President Whish-Wilson, I should say this is not my first speech.

In speaking to support this amendment of the government procurement rules, I find it astounding that anyone in this chamber could argue against such a self-evident amendment to the Commonwealth government procurement contracts. If products do not meet Australian standards, they should not be imported at all, let alone procured by the Commonwealth government. Given the historic evidence supporting the usage of local products and/or, at the very least, ensuring local standards, it is essential that the same criteria are used to evaluate the suppliers of any contract and the product they would supply. Using the parameters of the triple bottom line, these amendments pass with flying colours and they put Australian products on the level playing field that this government claims to endorse.
In effect, the result will mean that Australian products will compete for procurement contracts on an equal footing with imports, as they should. And they will win, hands down. It means buying the best, and buying local is the best. Even the environment benefits from buying local—no transport emissions from freighting goods across the oceans, goods are produced under Australian workplace safety, and ethical work standards and quality standards are unquestionable. Even the Greens cannot turn their backs and walk away from that reasoning.

A constituent, Gordon Miller, wrote to me about this very matter just days ago. Mr Miller is ex-Army and appalled, as I am, that our military are dressed in Chinese made uniforms, allegedly to save money. I recall the incident back in 2012 when our recently returned soldiers marched in the Anzac Day parades while their imported shoes lost their soles. Those soldiers marched on and showed up our government leaders' procurement guidelines as a national disgrace. They are not a money saver at all but a total waste of money and a shameful indictment of those guidelines. Those military boots are now made in Australia by RM Williams—which I happen to be a very good advocate for—and there have been no complaints or incidents since.

As a listed and registered Australian inventor and as a primary producer I fully understand and appreciate, through the concept that I created of a world-leading feed delivery system, how important it is to allow Australian product to compete on the same quality requirements as any imported goods.

Senators need to understand that they are not doing favours for the Australians employed to meet these contracts—quite the reverse. This nation's workers and businesses are providing the Commonwealth government with goods and services of the standard that this government has set. World-class standards and world-class products are the result. For them to accept goods of any lesser standard is to demean and repudiate the very legislation and standards this chamber has set for our nation.

If the government were to use the accepted framework for establishing guidelines to evaluate their choice of supplier in procurement contracts—that is, the triple bottom line of social, environmental and financial factors—it is clear that they would create benefits in all three.

Further, I wish to alert this chamber of my intention to write to the former members of the Parliamentary Joint Committee on Corporations and Financial Services about their inquiry into the impairment of customer loans, to alert them to purported evidence given by the ANZ bank and others which was misleading and inaccurate. Proof of that inaccuracy and deception is contained in this document that I hold, my 'book of truth', which I proudly presented to that inquiry when I was asked to give evidence.

Senator MARSHALL (Victoria) (17:27): In Senator Carr's contribution, he made the important point that those who think there may be no difference between the conservatives and Labor on matters of procurement, trade and industry policy need only look at this important issue to see how stark the difference can be. I invite people to compare Senator Macdonald's contribution to that of Senator Carr, as that actually demonstrates how far apart the different parties are on these issues. If people ignore Senator Macdonald's repackaging and opinion of what Senator Carr said and merely look at the facts about where parties stand
on these matters, they will see that the Labor Party and the conservatives bring very different approaches to these matters.

I think people are getting more and more concerned about where jobs and the quality of jobs in this country are going. They are getting more and more concerned that governments seem to be abandoning industry intervention and policies that support jobs and good quality jobs in this country.

I think Senator Rhiannon made an important point when she said that a lot of these issues were canvassed with working people and their families through the election campaign. I had a number of firsthand experiences of this. To my surprise, my elderly parents, when I was assisting them with their postal votes, asked me how they could vote for ‘that nice Mr Xenophon’. I was a little bit disappointed! I explained that I knew ‘that nice Mr Xenophon’ and that, if they had actually met him themselves, they might not want to vote for him! Luckily, they were unable to vote for him because they live in Victoria. I pressed them on why they wanted to vote for ‘that nice Mr Xenophon’, and it was ‘because he stands up for Australian jobs’. The Labor Party stands up for Australian jobs, but I think it is pretty obvious that our message is being lost. Senator Rhiannon made the important point that it gets lost because it also gets mixed in with free trade and trade agreements.

The one thing that Senator Macdonald was right about is that we do need trade. We are a trading nation. I am certainly not antitrade, but I think governments need to do more to ensure that the jobs and the quality of the jobs of Australians are protected. It is no good having lots of jobs if they are not skilled jobs and they all pay very low wages. It is not good to see a manufacturing base decimated by free trade agreements or industry policy put in by governments which leave people out of work and businesses without capacity to tender for works into the future. When factories go, they are gone and can no longer participate in the economy of this country.

People are getting more and more concerned, particularly people who have seen their children have a better standard of living, a better quality of life and better jobs than they did; they are now worried that their grandchildren will have lesser quality jobs and a lesser standard of living than their own children had. I think people see that in the move to casualisation, in the move to part-time work and in the move to contracting out work. They even see it in the teaching profession, where teachers are being employed by the public sector from the beginning of the school year to the end of the school year. So they miss out on holidays, they miss out on permanency and they then have to re-apply for jobs. That is happening across the board, and people are becoming more and more concerned about that.

During the election campaign I talked to a lot of traditional Labor voters I assumed would be voting for us again and, to my astonishment, I found that some were not. Some were voting for One Nation, and I asked them why. It was not because of some of the immigration policies or other matters like that. Again, it was because they saw people standing up for jobs, talking about protections and talking about Australian values. Though One Nation does not have any of the answers to any of those problems, this identified for me that we have not talked about these issues enough and we have not explained our policies well enough. We need to be very clear about that with the Australian population.

It is important that we protect high-skilled, high-paid, good-quality jobs, and one of the ways we can do that is through government procurement. As Senator Carr pointed out, that is

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not to say that that should just be automatic and there should be no competition and no efficiencies in that. But it does not have to be just the lowest cost; in fact, the lowest cost is often not best value. I think that is a concept that we really need to grapple with. Senator Macdonald made the point several times that it is just about cost—that cost is king and the market will deliver to us if we allow the lowest cost to prevail. But the best value is not always the lowest cost. I want to give a couple of examples of that. I want to give an example that actually happened on our watch when we were in government. It was not a government decision; it was a Defence decision for soldiers to have Chinese-made dress boots. I refer to a report on ABC News in May 2012. It says:

The Australian Defence Force has admitted that the rubber soles are falling off the Chinese-made dress boots that soldiers are expected to wear for official parades.

Senator Xenophon: Sole less!

Senator MARSHALL: 'Sole less', says Senator Xenophon. It continues:

Defence officials have told Senate estimates the problems began in 2008 when the tender to make the boots was won by a Chinese company. Defence had sent the boots back to the manufacturer for extra stitching and nails to try and hold them together. But officials say the glue is still failing in hot conditions.

On a number of parades, especially in northern Australia, soldiers were marching and the soles were falling off their boots. That was not a good value contract. It was certainly the lowest cost contract, but it was not a good value contract.

We were in government then, and a lesson was learnt by Defence at that time and a new contract was awarded to R. M. Williams. R. M. Williams were very happy to receive that contract. Back in 2013, Chief of Army, Lieutenant General David Morrison AO, said:

The Army is proud to be partnering with the Australian brand.

With the Australian Army's 112 year history, it is fitting that we will now also carry over 80 years of Australian tradition in our boots.

That is an example of where the lowest cost was not the best value. We now have the best value, because we look at a long-term quality product and we look at the workers who actually make that product—workers who pay taxes in Australia; workers who do not receive unemployment benefits, because they are employed; workers who have families and buy houses; workers who buy food, put food on the table; workers who have children and send their children to our schools; workers who contribute to every facet of our economy, working because we took a best-value approach to that particular contract.

If we apply that across the board to the $59 billion worth of government procurement every year, we can assist the economy. We can best value-add to our economy by ensuring that Australian manufacturers are best positioned to compete for that work and ensuring a system that allows the full value of the tendering process to be taken into consideration. Other countries do it. We know the United States do it. They have 'buy American' policies and they sometimes have some absolute restrictions on foreign companies tendering for some of those products.

Government procurement certainly has the huge and important purchasing power of the government. It is an immense part of our nation's industry and of our economic policy. We must ensure that this money, this $59 billion, is spent in the best interest of our economy, and
not someone else's. We should use that spending to drive a diverse industrial base capable of generating those skilled and well-paid jobs that I talked about earlier, the ones that are so essential to the future of our economy. Decisions such as the recent Australian Defence Force dress uniforms contract revealed that the current government has made a poor choice. Just going back to the example I used earlier: we thought that Defence had learnt their lesson with their parade shoes, but I suspect that they have not. Lessons only seem to be learnt for periods of a government and do not continue past that.

Commonwealth decision-making must take into account all the factors which flow from its procurement. It is not simply a matter of obtaining a product by handing less money to a low-wage manufacturer in another country. Domestic manufacturers are part of the Australian economy, and we want that money to assist there. A product's quality and capability and whether it is fit for purpose are all issues which need to be tested before the value-for-money test is applied. Time and time again we have seen examples of state, territory and Commonwealth purchases putting the price tag before the purpose. For instance, I am aware of an example in Victoria where one of the fire authorities bought some cheap firetrucks from Eastern Europe. When the ladders were extended there were huge gaps in the ladders. They were really cheap, but they were not fit for purpose. We have seen firetrucks purchased that did not fit into the fire stations. They were not fit for purpose—they simply went for the lowest cost without making sure that the purchases were fit for what we were spending the money on.

The wrong product can be picked if the proper requirements are not set. Everything in Commonwealth purchases must have met the exacting Australian standards for what we needed to do. We also know that there are many examples where substandard material and product is coming in, and much of that is purchased by the Commonwealth government. We have examples where asbestos—something that took years and years of campaigning to get out of this country—is now being imported into this country, sometimes with 'asbestos free' labelled on it. We ought not just rely on low standards from some overseas countries with a stamp saying there is no asbestos when there is no ability for us to ensure that. We have seen bridges made with the wrong gauge steel, and the hollow parts of the bridges, from overseas, were filled with water to ensure that they weighed more. They would trick the receiver of the goods into thinking that the right gauge steel had been used, because they had secretly added weight. Again, we find that many of those things are not fit for purpose.

In this country we need a consistent, straightforward and thorough approach to procurement. Commonwealth agencies should not be required to choose the cheapest supplier, whether at home or abroad, and they should be able to consider any detrimental environmental and social effects when making their purchasing decisions. Any government which was committed to providing for a growing and thriving Australian industry would commit itself to responsible domestic procurement and not simply look only at the purchase price in competitive tenders.

I want to spend a bit of time drilling down into what value for money actually is. The question of value for money goes to the very heart of this motion. It was examined in great detail in the 2014 report of the Senate Finance and Public Administration References Committee inquiry into Commonwealth procurement procedures. The committee went to
considerable length to explain what value for money really means. This is what the committee came up with, and it is a very clear definition:

At a basic level, obtaining value for money for each procurement action requires a comparative analysis of all the relevant costs and benefits of each supplier's proposal throughout the procurement cycle, and is not determined by price alone. It should also consider the whole-of-life costs of the procurement and include consideration of quality and overall fitness for purpose.

If we apply that test we will have many, many different outcomes. We will see that the value of the taxpayer’s dollar for government procurement is invested back into our economy, supporting Australian jobs, Australian industry and the Australian economy. I think it is time that we had a very hard look at these arrangements. We need to have a very hard look at how free trade agreements work their way into some of these decisions. We need to ensure that Australian industry and jobs in this country are supported. Given that we are getting close to time and Senator Xenophon has indicated that he would like to speak to conclude this debate or take it through to 6 o'clock plus, I will now allow him to do that.

Senator XENOPHON (South Australia) (17:43): I am grateful to Senator Marshall for giving me some time to speak on this very important issue. This is a motion that I have instigated along with my fellow senators, senators Griff and Skye Kakoschke-Moore, as well as Senator Rhiannon from the Australian Greens co-sponsoring this motion. To paraphrase Oscar Wilde, our current procurement rules seem to know the price of everything but the value of nothing, because we have a situation in this country where we have lost our way when it comes to our procurement rules. The effect on our economy and social fabric is fundamental.

We have a situation where the Commonwealth government spends $59 billion a year—and the state governments, between them, would spend tens of billions of dollars more each year—on procuring goods and services, but our rules are broken. Our rules are broken at a state level; the New South Wales government decided to spend $2.3 billion on rail cars from South Korea and it decided to spend millions of dollars for 100 kilometres of steel rail lines from a Spanish company at the very time that Arrium, the steelworks in Whyalla, is struggling for survival. That decision by the New South Wales government was a disgrace. I mention it, notwithstanding the terms of this motion, because the federal government funds so many of these infrastructure projects. It is about time the federal government tied those grants, those infrastructure funds, to a requirement for a robust and fair procurement policy.

We have a crisis of manufacturing in this country. Over the last 10 years, we have slid dramatically from 12 per cent of our GDP being based on manufacturing to just 6.2 per cent. We are just bumping along with Botswana at six per cent and Rwanda at five per cent. I have nothing against Botswana and Rwanda, but I mention them because, unlike Australia, they have never had a strong and firm industrial base. We have a situation in this country where, as Senator Rhiannon alluded to, over 120,000 jobs—in fact, some economists say it is more like 150,000 jobs—have been lost in manufacturing since the GFC. We know that we are facing a cliff. We are at the precipice.

At the end of 2017, the motor vehicle manufacturing sector in this country will shut down. Once it shuts down, something like 200,000 jobs are at risk—not according to me, but according to the Bracks review for the Victorian government several years ago and a more recent review by Professor John Spoehr of the University of Adelaide. That 200,000 figure
indicates that, of the 45,000 direct jobs in automotive manufacturing and in the supply chain, there is a multiplier effect. In the UK they say it could be four or five. Taking a conservative multiplier of three or four, you are looking at a risk to 200,000 jobs in the economy. There will be a spike in unemployment, particularly in Victoria and South Australia, where automotive manufacturing is based.

There does not seem to be a plan from the government to deal with that. There is an underspending in the Automotive Transformation Scheme of $750 million. We need to divert some of those funds—which will not be spent because the scheme is effectively being shut down—to allow companies to be able to make other things and diversify into the global automotive supply chain or into other forms of manufacturing, just as Precision Components does in Adelaide, making heliostats for renewable energy.

But in respect of the whole issue of procurement, we can tackle those job losses—that cliff we are facing. We can tackle extraordinarily high unemployment rates. The unemployment figures came out today and, as I understand it, they have gone up for South Australia, which still has one of the highest rates in the country.

Senator O'Neill: Part-time!

Senator XENOPHON: Senator O'Neill points out more and more people are working part-time. You cannot buy a home on a part-time income. You cannot plan your future on a casual wage. That is why these procurement rules are so important. Why is it that the Australian government recklessly continues to pursue a procurement policy that does not account for the social and economic benefits of ensuring that any purchases with our money are focused on social and economic benefit. There are huge benefits for the economy in respect of that.

Senator Marshall referred to the 'sole-destroying' boots—literally—made in another country, which fell apart on parade because the glue did not stick. It happened on Labor's watch, and Senator Marshall readily and graciously acknowledged that, but what happened in 2014? I am wearing my Rossi boots. I will not incur your ire, Mr Acting Deputy President, by taking my boots off and slapping them on the table Khrushchev-style. But I will say this: Rossi boots have been around since 1910. They have been making boots for our troops since World War I—and year after year after that. In 2014 they missed out on a contract, a tender, to make up to 100,000 pairs of workboots over five years for the ADF. They missed out to another country because they were supposed to give so-called value for money.

After asking the former Minister for Defence, Senator Johnston, it was established that the price differential was only 10 to 15 per cent. I do not think Senator Johnston was too happy about it either, to be fair to him. I do not think he actually knew what had occurred and I think he was privately quite furious about it. By applying these asinine Commonwealth procurement rules of so-called best value for money, all that work, that multi-million dollar contract, went off to another country—Indonesia, in this case. I have nothing against Indonesia. In fact, it happens to be—and Senator Hanson is in the chamber—not only the world's biggest Muslim country but also one of the most robust democracies in our region, with a strong free press. But that contract went to Indonesia for a lousy 10 to 15 per cent price differential.
Imagine, as Senator Marshall has alluded to, what the difference would have been if Rossi Boots had been able to employ more people and to give them more overtime, if those workers had been able to spend their money in the local economy in South Australia and if Rossi Boots been able to pay more corporate tax at 30 cents in the dollar—all with huge multiplier effects. The butcher, the baker, the candlestick maker—all of those people would have had the benefit of that extra money being pumped into the economy. Instead, what did we do? We exported those jobs overseas and we did so with a degree of recklessness.

We can fix our Commonwealth procurement rules and we must fix our Commonwealth procurement rules. But it seems that the whole debate, from the point of view of the coalition, is tied up in the free trade mantra. In some way, if we have stronger Commonwealth procurement rules, if we stood up for our national interest in the way the Americans do, the Canadians do, the Europeans do and the Brits do we would be much better off. I need to refute some of the matters that Senator Macdonald raised. I am grateful for his thoughtful contribution but he is wrong. We need to take into account these free trade deals. I mention them because it seems that the Commonwealth government, this government and indeed previous governments, have taken the view that we cannot have Commonwealth procurement rules that are about buying Australian made because that might offend the WTO and all these trade agreements we enter into. It might throw a spanner in the works when we are negotiating these free trade agreements.

I know I have been criticised in the Australian Financial Review by Alan Oxley, who gave a perfect exposition on 8 June this year of the fundamentals of free trade orthodoxy. I know that I have been criticised by Paul Kelly in The Australian as the most dangerous protectionist politician in the parliament for decades. I take that as a compliment, I think, even though I am not a protectionist and, Mr Acting Deputy President Whish-Wilson, you are a little bit jealous that you have not been attacked in the same way.

Let's look at the outcomes of some of these deals. The Australian National University studies of the outcomes of the Australia-US Free Trade Agreement after 10 years shows that the preferential agreement diverted trade away from other countries. Australia and United States have reduced their trade by US$53 billion or A$71 billion with the rest of the world and are worse off than they would have been without the agreement. The coalition says that Australia's FTAs with Japan, South Korea and China will lead to tens of thousands of additional jobs yet the government's own economic modelling by the Canberra based Centre for International Economics estimates that, by 2035, those three FTAs will have produced a total of the only 5,400 additional jobs. Guess what? We are going to be losing tens of thousand of jobs because of this free trade orthodoxy by the end of next year. How do we counteract that? We need to have viable, strong, clear Commonwealth procurement rules to take into account the social and economic effects—'smart procurement', as Professor John Spoehr from South Australia says.

We need to have these Commonwealth procurement rules as a matter of urgency. I can foreshadow that I, along with Senator Griff and Senator Kakoschke-Moore, will be introducing legislation to amend the current Commonwealth procurement rules framework to take the rules out of where they are, where they are not in legislation and put them firmly in legislation where these factors are taken into account. I look forward to working with all my colleagues. I acknowledge Senator Carr—and I hope this is not the kiss of death politically to
say nice things about Senator Carr. We have a good working relationship in respect of industry policy because he gets it; he knows what needs to be done.

Let's put these procurement rules in context. We have a situation now where Arrium, the steelworks in Whyalla, are on the brink. They are on the brink in part because of Commonwealth procurement rules, because state and federal governments have not been buying enough of Australian made steel. Arrium falling over is not something that we can contemplate although I do have a lot of confidence in Mark Mentha, the administrator of Arrium. If Arrium falls over, we will lose structural steel making in this country. It will put enormous pressure on BlueScope, the rolling steel maker in Wollongong, and it will mean the end or the compromising of thousands of steel fabrication businesses in this country. That is the domino effect you get if you do not have a clear policy framework for Commonwealth procurement rules.

The Commonwealth government can turbocharge our manufacturing sector, can save many of those jobs that will be lost when auto making shuts down if it has a clearheaded, far-sighted policy of procurement in this country. We need to change these Commonwealth procurement rules sooner rather than later because the effect on the economies of Victoria, South Australia and indeed the rest of the country will be enormous. When those workers at GMH, Ford and Toyota run out of their redundancy packages, you will not want to see what that will do to unemployment figures in this country. It might be after the next election but the impact will be enormous.

We need to reform these rules because so many sectors of our economy are suffering. Let me give you one emblematic example of how sick these rules are—and I know young people say 'sick' in the positive sense but I mean it in the old fashioned sense. At the last election, when we cast our ballots on 2 July, many Australians would not realise that probably up to a couple of million ballot papers were produced or came from paper that came from other countries—from China, from Indonesia and from Thailand—even though Australian paper manufacturers were ready, willing and able to supply that paper here from forests that comply with forestry standards—quite different from the standards that may apply in other countries. It is extraordinary that the very paper that we decide who will govern our nation on may have come from another country because of our broken procurement rules. The irony is not lost on me nor on a number of my colleagues here. That is the absurdity of these rules.

I know Senator Macdonald tried to defend what was happening with the Australian Defence Force uniforms. I would have thought that when the men and women of the Australian Defence Force are on parade or at official functions representing our country as part of the Australian Defence Force that they would be displaying uniforms that made in Australia. We need to drill down and find out whether or not those assertions of triple the cost are actually true and what the economic benefits would have been otherwise.

This is an issue that will not go away. There must be amendments to the Public Governance, Performance and Accountability Act to ensure that we do achieve real value for money in procurement. And achieving real value for money in procurement means buying Australian by taking into account the social and economic benefits of local procurement.

Debate interrupted.
Thursday, 15 September 2016  SENATE  1139

BILLS
Budget Savings (Omnibus) Bill 2016
Second Reading

Consideration resumed of the motion:
That this bill be now read a second time.
to which the following amendment was moved:

Leave out all words after "That", insert:
"this bill be withdrawn and redrafted to provide for budget savings to be made in the areas of fuel tax credits, mandatory data retention, compulsory income management, and abolishing the Wind Farm Commissioner and reinvesting private health insurance rebates into the public health system; rather than those proposed which have a disproportionate impact on lower to middle income households, students, researchers, innovative companies and building clean energy infrastructure."

Senator DI NATALE (Victoria—Leader of the Australian Greens) (18:00): As I was saying just before question time, we are dealing with this omnibus bill which is a political tactic—wrapping up a whole range of measures into one piece of legislation to avoid scrutiny. It has bypassed normal Senate process, we have not had a public inquiry, we have seen a deal to radically overhaul parts of this legislation which has not received any scrutiny and now we are debating this because an hours motion has been passed so that we stay in this place and pass this bill under the cloak of darkness. That is how we got here.

Let's look at some of the specific elements of this bill and at the merits of whether these changes are warranted. Specifically, I want to talk to the half a billion dollar cuts to the Australian Renewable Energy Agency that the coalition have put forward and that the Labor Party have now agreed to. Let's recognise the context in which these cuts are occurring. Last month was the hottest August ever on record. The past 11 months have been the hottest months for each of those respective months on record. That is the hottest year on record on the back of the previous year which was then the hottest year on record. We are breaking these records at an alarming rate. We are on the precipice of runaway global warming where our capacity to be able to mitigate these changes is slipping away from us. And let's look at what we are doing in response. We know that the Abbott government took away a price on pollution. We are the only country in the world to have a price on pollution and then remove it. We saw another grubby deal between the coalition and the Labor Party to slash the renewable energy target. And, now, we are taking half a billion dollars out of clean energy.

To give the coalition credit, their targets are pathetic when it comes to emission reduction. They are not based on science. So to achieve those paltry targets will not require much. At least the Labor Party have showed a little bit more ambition. They went to the last election campaign with a 50 per cent target for renewable energy by 2030 and economy-wide emissions reductions of 40 per cent below 2000 levels—not where it needs to be but certainly an improvement on past policy. Yet, their prescription for allowing us to achieve a 50 per cent renewable energy target is to, firstly, slash the renewable energy target and, secondly, to take money out of clean energy by taking out half a billion dollars from ARENA. This is magic pudding stuff. We are going to achieve our targets on renewables by taking money away from it and by reducing the targets that we know are the only mechanism in place to help us get
there. They might as well join the tinfoil hat brigade from One Nation because their policy has as much merit as theirs.

We had the numbers in the Senate to block these cuts. We had Senator Xenophon who, I know, said that he did not support the cuts to the Australian Renewable Energy Agency. We had Senator Hinch who expressed a similar opinion. Had the Labor Party joined with the Greens and with the crossbench, ARENA would now have half a billion dollars in additional investment. That is the impact of these cuts.

Let's look beyond the issue of renewable energy to the issue of family payments. The cuts, specifically, to family tax benefit A. We learned in this deal made a minute to midnight between the government and the Labor Party that there will be a cut in family tax benefit A for households of over $80,000. We have not had the opportunity to investigate those cuts to interrogate which families will be affected and exactly what impact they will have. Let's also remember that this is in the context of a tax cut, agreed to again by the coalition and Labor Party, for families on incomes over $80,000. So all of us in this place who are on significantly higher incomes are getting a tax cut while both the Labor Party and Liberal Party have decided to take away family tax benefit support for households at $80,000 and over. It is a tax cut for people earning many hundreds of thousands of dollars—it is still there—while we attack some of the more vulnerable people in this community. That is worth $1.6 billion. That was the agreement negotiated—again, between the two old parties. It is the biggest source of spending cuts in this bill. It will hit people hard. There is no scrutiny whatsoever for a deal struck at a minute to midnight. Yes, we are pleased that a number of people have been spared the cut to the clean energy supplement. That was effectively a cut to Newstart—to some of the poorest and most vulnerable people in society.

ACOSS shared their disappointment during a public hearing that the Greens led, because we were denied the opportunity to have a formal Senate inquiry. This is what ACOSS had to say about the changes:

While people on income support payments have been spared from the proposed cuts, low income families will still be hurt by the loss of the Energy Supplement from family payments. A single parent family with two teenage children will lose $284 a year, or $5.50 a week.

That was the deal that the Labor Party struck with the coalition. The loss of the energy supplement, in the words of ACOSS, follows a series of cuts to these payments over the last few years, and ACOSS say that we simply cannot afford to further cut family payments. That is what we are dealing with right now.

You look at the youth payment cuts which remain before the parliament, and ACOSS say that that would result in an unemployed young person losing $47 a week and having to wait four weeks for payments. That is the deal that Bill Shorten said was consistent with Labor values—cuts to the most vulnerable people in society, slashing renewable energy investment; that is now what represents Labor values.

We know, of course, that there are some challenges in the budget and that this bill is designed to address some of the challenges in the budget. But why balance the budget on the back of some of the country's most vulnerable people? Why balance the budget on the back of cuts to clean energy when there are alternatives?

We put forward a number of those arguments to both the government and opposition and said: work with us to make Australia a fairer place and a more innovative nation that
actually leading the charge when it comes to tackling climate change rather than being a climate change laggard.

Let's, for example, start with the diesel fuel rebate. If we were to take away the diesel fuel rebate for the fossil fuel industry, if we were to take away those massive perks that the mining industry gets through accelerated depreciation, over $10 billion would be saved to help address some of the structural long-term issues within the budget. We do not need to take it out of the pockets of ordinary Australians.

We agree with the Labor Party—in fact we led the charge when it came to negative gearing. If only the government would listen to those many voices within the community—in fact most mainstream economists—to end the inequitable and distorting effect of negative gearing, coupled with those massive perks through the capital gains tax system and the discounts allowed, again, we could raise billions of dollars.

The government talks about the difficulties within the health system and has attempted through this bill to abolish Medicare funded dental care for kids—one of the proudest achievements of the Greens through the 2010 parliament. Rather than cutting Medicare funded dental care for kids—and I note the government has said they plan to bring forward specific legislation to deal with that issue at a future time—why not take away the inequitable, inefficient and distorting private health insurance rebate and reinvest that into the public health system? That is how you address spending. That is how you address the issue of structural problems within the budget.

This legislation that will make this country less fair. It will increase those structural inequality issues that we know are now embedded within our tax system. It will take us backwards when it comes to tackling dangerous climate change. It should have been rejected by the Labor Party; instead, it is up to the Greens to show that we are now the real opposition in this parliament.

Senator McALLISTER (New South Wales—Deputy Opposition Whip in the Senate) (18:11): I would like to focus my remarks this evening on measures in this bill that relate to ARENA. But, before I move specifically to that, I want to talk more generally about the challenge of climate change briefly. It does feel ridiculous to have to be saying these things in 2016, because it is nearly 20 years since the famous hockey stick graph showed emissions rapidly escalating. It is more than 25 years since the first ICPP report, but climate change is real and we still have to assert it here in this chamber, here in this place of elected representatives. We still have to assert, unhappily, that the science of climate change is real and the consequences of climate change pose a significant threat to our way of life.

In this chamber, we have heard even more nonsense than usual recently on this question. We have heard very recently that changes in the carbon dioxide level are a result of changes in temperature, not a cause. That is simply not true, and there is no scientific evidence for that. We have heard that we do not and cannot affect the level of carbon dioxide in the air. That is simply not true and cannot be justified in relation to either the scientific data or the historical experience of industrialisation.

We have heard that warming is beneficial, and that is also not true. It is simply not true. What is true is that we have experienced record levels of warming that almost every credible climate scientist in the world thinks is a consequence of human activity. What is also true is
that we face an uncertain future, a costly future and a riskier future than we need to face of changing climate, rising sea levels and all of the geopolitical and economic instability that will come with that.

There is a real need for action but, instead of action, the Liberals have gutted Australia’s climate change apparatus. What they have left us with is manifestly deficient. They have left us with a target of 26 to 28 per cent reduction on 2005 levels by 2030. That target will see Australia fall well short of the commitments made by any country we might meaningfully seek to compare ourselves with: the United States, the United Kingdom, Germany, Canada, the other European nations. This is simply not good enough for a wealthy country like Australia.

What is more, we have the targets but we do not have any mechanisms to enable us to reach those targets. We do not have an effective price on carbon, no market based mechanism for generating changed in behaviour by consumers or business. It is to the enduring shame of the Australian Greens, who like to talk endlessly about their great achievements in climate change, that they voted against the CPRS, the mechanism that would have been in place for many, many years by this point in time had they actually had the conviction, stood by their convictions, and been willing to support a progressive government rather than undermining a progressive government when they had the opportunity. Direct action is not going to get us the rest of the way there. The research confirms that direct action is largely just funding projects that would have gone ahead anyway. It is essentially a form of corporate welfare. It is not asking the people who need to be contributing to make the contribution they need to make. With all of this, we need to understand that the government only met its 2020 target because of the reduction in land clearing, the consumer-driven embrace of domestic solar, the decline in manufacturing that occurred through the GFC and afterwards, and the corresponding decline in energy demand.

With this bleak landscape—and it is a bleak landscape—ARENA is the last remaining limb of a credible climate change policy. Developing clean tech is essential. It is essential if we are to reduce our emissions. It should be an important part of any policy under this government for jobs and growth, as it was under Labor because the number of jobs in the renewable energy industry tripled during a period that included the global financial crisis. During that period in 2013, the leading global business index in renewables rated Australia as the fourth most attractive destination for renewables investment in the world, behind only China, the United States and Germany. Sadly, that ranking is falling away.

ARENA has played a critical part in all of this. It plays an essential role in developing clean energy technology by investing at each stage in the R&D cycle. It provides support that commercial parties are unable or unwilling to provide. Some technology—for example, wind—is already cost competitive with other energy sources in the NEM. For this reason, ARENA does not invest in wind but instead concentrates on developing new technology. It looks at things in phase 1, the research and development phase. As an example, we can see world-leading research programs at UNSW and ANU into solar PV and thermal solar. Those things receive significant funding from ARENA and they could not have been funded with loans from the private sector. ARENA funds things in the pilot phase—the phase when we need to show that technology can work out of the lab out in the real world. Again, this is too risky for most commercial players, and public-grant funding is incredibly important here.
Of course ARENA also invests in the demonstration phase, which proves that the technology not only works but also can work at scale. It is in this phase that we help to make these technologies cost competitive. It is these investments that bring technology down the cost curve and encourage the development of viable business models and supply chains. This is where large-scale solar energy is at in Australia. The series of grants that were announced by ARENA in the last week will go a long way to making solar a permanent and cost-competitive component of Australia's clean energy landscape. This work is incredibly important and I am very, very proud to say that Labor has stepped in and saved ARENA from a cut that would have, effectively, left it an empty shell had it gone ahead.

In a 2010 speech on low-carbon energy, the Prime Minister acknowledged the role of government in supporting clean energy innovation. He said that government support for innovation and investment in clean stationary energies is important, particularly at the early stages. Well, that was not what was presented in the budget earlier this year, and that was not what was presented in the omnibus bill when the government first introduced it. The problem is that the Prime Minister is hostage to the right wing of his party room. Under these circumstances, Labor defended ARENA from the government, as we did when it was under attack from the former—and, perhaps, once again—Prime Minister Tony Abbott back in 2014. This bill before us this evening secures an additional $800 million over five years in grants. This is $800 million secured by Labor's intervention and by Labor's negotiation with the government. ARENA has stated that this money will provide it with a budget that allows it to continue a strong work program into the future.

Senator Di Natale, as he so often does, used his time this evening not to attack the government but actually to attack Labor, which of course is the modus operandi for the Greens here in the chamber and for the Greens political party out there on the ground in the election. Where are the seats where they direct their resources? Not the seats held by conservatives; they do not spend their time trying to convince conservatives that they ought to change their vote and pursue a more progressive agenda. They spend their time, resources and energy attacking Labor members and undermining Labor members, and it is getting us no closer to the progressive future that they claim they want.

I have a memo to Senator Richard Di Natale. I say to him: Labor did not win the last election. The Labor Party took a program to that election that would have dramatically reduced inequality in this country through investments in education, health, clean energy and universities, but we did not win and we are not in a position to implement that agenda. We find ourselves negotiating with the government, which is not interested in that agenda. But, nonetheless, negotiate we did. One of the things we have secured is a strong future for ARENA, a strong future for investment in clean energy and a stronger future for the researchers who undertake world-leading research in our institutions, universities and research centres.

I commend the bill to the senators present and later this evening, when the bill comes before the chamber, I hope that people recall that, in fact, securing ARENA's future has been a most important contribution made by Labor.
the most vulnerable members of our community. While I realise that this is a government bill, you cannot help but comment on the fact that Labor is helping the government rush through the bill. It is like: 'Nothing to see here. Let's get a move on. Let's push these changes through.' Although, yes, it is really great, as a person who has campaigned long and hard for an increase in Newstart, against cutting the energy supplement, and on issues around psychiatric confinement and the government trying to take DSP off those people who are subject to such confinement, I am really pleased to see that those measures are no longer part of this package.

I am also really pleased to see that the cuts to ARENA are not quite as bad as the government was going to make, but they are still there. They are still going to lose half a billions dollars worth of funding. I for one cannot say to Labor: 'Oh, fantastic. You've made a few cuts—great. We were there already.' But now you're helping the government make all these other cuts, a number of which are in my portfolio areas and which I will go to in a minute, where we have had submissions to the inquiry. The two old parties combined, as they frequently do, to not allow a committee hearing into this bill. Because they chose not to allow an inquiry into this bill, we have not had an opportunity to consider all of the impacts of the 24 schedules of this bill.

Honourable senators interjecting—

Senator SIEWERT: If the two other parties could stop arguing across the chamber.

Senator Bilyk: We're not arguing; we're having a chat.

The DEPUTY PRESIDENT: Order, please.

Senator SIEWERT: If you could keep it down, that would be great.

The DEPUTY PRESIDENT: Please direct your comments to the chair.

Senator SIEWERT: If they could keep it down, that would be fantastic.

The DEPUTY PRESIDENT: I have asked for order. Please continue.

Senator SIEWERT: They combined, as I was saying, to not enable a hearing, so in fact it was up to the Greens and the crossbenches to hold our own hearing into the measures and the impacts of these measures. We gathered some valuable evidence which, although it was not official, is certainly evidence from stakeholders and people that are interested in these cuts. I will go into some of those details in a minute.

It is once again the coalition making cuts—they were trying to make more—at the expense of the most vulnerable in our community. In the years since the horrific 2014-15 budget, which of course was notorious for the cuts it was trying to make—thank goodness many of those did not get through, but that does not stop the coalition. They will keep going and going until they can get some of those cuts through. They are continuing to pursue cuts to income support and to other supports and services that are aimed at the most vulnerable in our community. They are continually trying to cut away our social safety net and, as they do so, they increase inequality, creating a less fair society.

As the Australian Council of Social Services said to us in the informal hearing that was held on Monday, 'The critical question is why the government is pursuing a cut to this payment'—they were talking about the energy supplement at the time—'and consideration being given by the opposition to support that cut.' And thank goodness they did not. I am well on the record of saying thank goodness they did not, although I will come to the bits that they
are still supporting in a minute. At the same time, they are prepared to spend $4 billion over the forward estimates to deliver another tax cut to people on $80,000 or more. It will be about $6 a week of additional cash in hand of somebody who is already on about $80,000, and that will be loose change.

They went on to contrast that to the cuts in the energy supplement, which is a cut of $4.40 to Newstart, a payment that we know is well below the poverty line now. This seems to me to be grossly unfair. It captures the fundamental inequality in the coalition's approach. They are prepared to make cuts to the most vulnerable but really baulk at addressing some of the largess that is doled out to the wealthier.

One of the most significant cuts and one which we have been discussing a lot is the cutting of the clean energy supplement. One of the issues here is the impact that this would have. People think $4.40 a week is not very much, but it is if you are struggling to survive on Newstart. For many payments, this has been the only real increase in decades. Newstart has not been increased beyond CPI for a number of decades. Quite frankly, it was unbelievable that the coalition thought it was acceptable to go in for this $4.40 when there has been no increase for decades. There has been a campaign to increase Newstart by $50 a week for a significant period of time. In fact, that campaign to get the $50 increase has been going for so long that we have had to increase it to $55 a week because the cost of living has risen so much over the time of the campaign.

But, no, instead of increasing it, listening and working on that to deliver a cut, the government chose to try to cut Newstart by $4.40 and give the better off a $6-a-week increase through tax cuts. Community organisations have for years, as I said, been campaigning for a real increase in Newstart. We have had campaigns. We have had inquiries. There has been widespread evidence collected about the need to address the issue of one of the most fundamental pieces of our social safety net.

So the question is: now that there have been some changes there—which I am pleased to see—will the coalition commit not to try to go after the energy supplement again into the future? Can people on Newstart be secure in the knowledge that in fact the government will not come for them again and try to cut their payments?

Last time, the schedule dealing with psychiatric confinement and trying to take DSP off people in psychiatric confinement was a whole bill all on its own. We did previously have an inquiry into that particular piece of legislation. All the evidence showed it was so bad that the government itself was not continuing on with that piece of legislation. In fact they had effectively, as the stakeholders took it, abandoned it. But just so that I can remind people of just how bad this piece of legislation was, or is, if it ever comes back, I want to quote Alison Xamon, President of the Western Australian Association for Mental Health, who gave evidence to the informal hearing on Monday. She said:

What we do know is that people with mental illness can be appropriately treated, and often medicated, and released on conditional release orders. But the problem is that if you have withdrawn all of their supports—

that is, taking away DSP—

because these are often people that are on disability support payment—then what will often happen is that they will lose their accommodation, which is one of the key social determinants for recovery. They can’t keep their rent going, they can’t keep their mortgage going if they have mortgages, or keep the
utilities happening, for the temporary that they are being detained within mental health facilities or prison … There are no long term savings to be made in this, but there are certainly far more expenses to be incurred by these measures.

... ... ...

The reason why you need to keep receiving an income, particularly for people with mental illness, is because you need to be able to maintain those supports externally, while you are being temporarily incarcerated and receiving treatment.

Patrick McGee, from the Aboriginal Disability Justice Campaign, also provided some evidence. He said:

These are people who've been found unfit to plead. They are being detained for the purposes of treatment, and that treatment is designed to return them safely to the community. The DSP is used as a cornerstone mechanism for enabling that pathway.

Earlier, when we were debating this bill, I made these points and gave a large amount of evidence about the detrimental impacts of this particular measure. It is tragic that the government, having seen that evidence, having heard that evidence, pushed ahead to try to push this schedule through. They tried to ram it through this place without proper scrutiny. The further tragedy is that, with the magnitude of the impact it would have caused, all that was saved over four years was $30 million. The government are that mean-spirited that they would subject people that rely on this payment and these circumstances to the appalling consequences of withdrawal of DSP. I am glad to see that this is off the agenda. Again, I ask: will the government now commit to the fact that this particular idea is dead and buried? We do not want it coming back a third time. Do the sector and the community have to keep fighting these appalling ideas?

Then, of course, as has been discussed in the chamber, there are the cuts to ARENA. And we are supposed to be celebrating the fact that we have managed to save part of the funding. But I cannot celebrate the fact that we have lost half a billion dollars worth of funding out of ARENA. My colleagues have been eloquently arguing the issues over that, and they are issues that signal where the government is coming from.

There are other measures that still remain in this bill. For example, the bill still contains cuts to the carer allowance. This is another mean-spirited cut that takes backdating of payments away from carers. As we know, carers are often thrown very suddenly into caring for their loved ones and their friends. Often that is the only thing on a carer's mind—they have, all of a sudden, become a carer. They do not know about—and they do not have time to apply for—carer payment. At the moment, people can claim some backdating of carer payment. As I said, they often do not have time to think about applying for carer allowance, because they are too busy coming to terms with supporting their loved ones. It helps carers quite a bit if they can get a bit of back pay. This is what Carers Australia said in their submission to the bill:

It is hard to over-dramatise the devastating effect of the combined shock of someone you love suddenly becoming disabled or incurring a debilitating illness—having to deal with their pain and suffering and the loss of life chances—accompanied by the sudden loss of income; especially at a time when extra expenses are incurred as a result of having to adjust to the tragedy.

... ... ...
The capacity to be reimbursed for even a comparatively modest amount of the extra cost carers have incurred can make a real difference when they have finally reached the point of understanding that they are entitled to financial assistance.

Again, you are making money off some of the most vulnerable members of our community and trying to make savings from them. These are people who are providing billions of dollars worth of care to our community. It is short-term, mean-spirited thinking.

As I touched on before, the bill contains cuts to the energy supplement. While part of those cuts are going to be opposed, as per the discussion we had earlier, the energy supplement will still be taken off families receiving FTB. They will continue to lose the supplement. This is what ACOSS said about that:

… low income families will still be hurt by the loss of the Energy Supplement from family payments. A single parent family with two teenage children will lose $284 a year, or $5.50 a week.

The loss of the energy supplement to families follows a series of cuts to these payments over the last few years. We cannot afford to further cut away at family payments.

So we are still going to see an impact on low-income families. There is still a lot that we do not know about the impact of the changes to the family tax benefit payments, and so we will be asking some questions in the Committee of the Whole about that.

The bill also makes changes to the Aged Care Funding Instrument and other aspects of aged-care legislation. I make the point that this comes at the time when the government is also trying to take $1.6 billion out of aged-care funding. That is not contained in this legislation, but the changes that are made come in addition to those particular changes the government is trying to make. There were submissions expressing some concerns around putting in place increased compliance measures, some of the amendments that were made there and what impact they will have.

The bill also applies interest charges for those on income support. The interest rate will apply to debts under a range of income support payments. It will be seven per cent higher than the market rate—that is, it will be the market rate plus seven per cent. That is quite possibly more than the government is actually paying on its own debt at the moment. This is the second cruel attack. The coalition is changing the legislation so that a debt incurred because of administrative error will now incur an interest charge. Previously, where there was a debt because of administrative error, it could not result in an overcharge. Now the coalition wants to charge people interest even if it is not their own fault. So this is charging interest on debts from mistakes that have been made in income support payments due not to the person who is receiving the payment but to administrative error. The National Welfare Rights Network said in a submission:

Our members regularly provide information and advice to current and former recipients of social security and family assistance payments about debts. Many have relatively small debts … which are nonetheless a significant burden for them due to their low incomes. Most are willing to repay their debts and do so steadily, although it may take some years for them to repay even small debts. Despite this, many of them miss repayments and repayment deadlines at times. This is for a range of reasons, such as mental health, homelessness …

Sometimes it is simply because of the challenge of managing the household budget on a very low level of income. The submission goes on:
Although in many of these cases, the person might be eligible to have their debt repayments suspended for a period (known as “write-off”) or negotiate a lower rate of repayment, in our experience the same circumstances which lead to them missing payments often lead to them not advising DHS of their situation.

Or seeking relief. In other words, this is another cruel measure, the same as the harsher debt recovery measures that are contained in this bill, attacking once again some of the most vulnerable members of our community. For these reasons, I foreshadow that I will be moving a second reading amendment addressing the issues around this government attacking the most vulnerable members of our community. We will be opposing this bill.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (18:40): I rise tonight to speak on the Budget Savings (Omnibus) Bill 2016. Those opposite have a habit, in this place, of lecturing Labor on fiscal responsibility, yet every time I hear a lecture from those opposite I wonder where they have been for the past three years. Have they been paying attention to the national accounts or are they suffering from some bizarre form of collective amnesia? They have been in control of the finances for the last three years, not us on this side.

Since their 2014 budget, the deficit has tripled, debt has blown out by more than $100 billion, and those opposite have put the AAA credit rating at risk. For the last three years Mr Hockey and Mr Morrison have been running the nation's finances. They are responsible for the deficit being $2.6 billion bigger at this year's Pre-election Economic and Fiscal Outlook than it was at the Mid-Year Economic and Fiscal Outlook in December, with net debt blowing out by $7 billion in the same period. And still, after three years in government, the Treasurer and those on the other side continue to try and blame Labor for the coalition legacy of debt and deficit blowouts and run of reform failures. The hypocrisy of this government is extraordinary.

But there is a budget repair job to do and it should be done fairly, without attacking those in our society that are most vulnerable. This bill, as originally proposed, contained 24 measures with combined savings of $5,997 million, announced in previous budget statements. We propose to support 20 of the measures with no amendments. However, a number of measures originally proposed have a particular impact on vulnerable people or are not consistent with our broader election commitments. This government has an overwhelming track record of trying to hurt those that are most vulnerable in our society. Time and time again, in this place, Labor senators and members of the crossbench, have stopped harsh and unfair cuts put forward by this government. Labor is committed to budget repair that is fair. This means taking responsible savings decisions that improve the sustainability of our public finances, reduce the risk of a credit rating downgrade, protect the most vulnerable Australians and ensure we can make targeted investments that achieve inclusive growth.

Budget repair should be achieved in a way which protects the most disadvantaged and people on low incomes, while ensuring important investments—such as those in clean energy—are protected and can promote sustainable economic growth. The amendments, secured by Labor, will bring the total savings to $6.3 billion, around $300 million more than the government put forward in its original legislation. Since the election and the introduction of the government's legislation, Labor has taken the time to carefully scrutinise and consult on the measures contained in the bill, and the agreement today reflects what we believe to be a better, fairer and more fiscally responsible package.
It is not enough to just sit in this place and to oppose everything. The future of the Australian economy and the Australian people is too important to reject sensible compromise when it can be achieved. So, once again, Labor has protected pensioners, single parents, carers and people with disability, and people who have lost their job because of the Liberals' harsh cuts. We have opposed, or amended, three measures: Australian Renewable Energy Agency savings; the cessation of the energy supplement for new payment recipients; and psychiatric confinement. To offset the cost of this and ensure we deliver a similar quantum of savings, targeted changes are proposed to abolish family tax benefit part A supplement for families with income over $80,000.

One issue that I am particularly concerned about is that of child dental care. Labor is opposed to the government's axing of the Child Dental Benefits Schedule, standing up against Mr Turnbull's plan to force over five million children onto long public dental waiting lists. I am glad that the government has agreed to take that measure out of this bill, even though they will bring it to this place separately—and I will oppose it vehemently when it returns.

In government, Labor established the CDBS in response to alarming evidence about the oral health of Australian children. The CDBS provides eligible children with up to $1,000 in dental services every two years, with a strong focus on preventive care. Today, Labor has protected the Child Dental Benefits Schedule by removing it from the government's omnibus legislation. The government's own health department says the CDBS has been a success, with the only failure being the Abbott-Turnbull government's refusal to promote it.

Labor's National Partnership Agreement on Adult Public Dental Services has also helped states and territories provide public dental services to eligible adults. As the government admits, the NPA has funded treatment for an additional 400,000 patients. But now the government wants to scrap these proven programs and establish its own Child and Adult Public Dental Scheme, the CAPDS. If implemented, the CAPDS would force over five million children onto long public dental waiting lists. This will prevent families from seeing the dentist of their choice and lengthen waiting times for children and the adults who are already entitled to public dental services. As the National Oral Health Alliance has noted, CAPDS funding would allow eligible patients to be seen just once every 17 years! People in rural and remote areas would be even worse off, given a shortage of public dental clinics. This is simply not good enough. The government's CAPDS would also allow states and territories to charge co-payments for public dental care. And this is just another attempt to shift costs onto patients by the government that gave us the GP tax, and now the Medicare rebate freeze—a GP tax by stealth.

The government's plan to axe the CDBS and NPA will save $52 million over four years. Labor is prepared to work with the government to deliver the same quantum of savings while protecting patients.

The government has also stated that the Minister for Health and shadow minister for health will enter into formal discussions, with the objective of delivering at least the same quantum of savings in dental care. But Labor will not stand by while the government axes the effective CDBS and NPA and forces children, as I said, onto long dental waiting lists.

Another issue that has been of concern to me in this omnibus bill is the $1.3 billion the government wished to cut from Australians in need by abolishing the energy supplement. This legislation was the first opportunity that Labor had to scrutinise this measure in detail. Labor
made it clear during the election campaign that we had not been given the opportunity to properly scrutinise the energy supplement measure or seek advice on its effects. After closer scrutiny of the government's legislation, it became clear that the abolition of the energy supplement would have seen the most vulnerable in our society suffer disproportionately as a result of the bill. This is why we have secured important amendments which protect low-income households.

As a result, Labor will support just $200 million of this savings measure so that all existing categories of recipients, including those on Newstart and pensioners, will continue to receive the energy supplement, except for family tax benefit and Commonwealth Seniors Health Card recipients.

If the government's full abolition of the energy supplement passed the parliament, Australians already living on very low incomes would be hundreds of dollars a year worse off. A single mum on Newstart would have been $4.40 or $220 a year worse off. A pensioner couple would have been around $8 a week or $550 a year worse off. A person with a disability would have been around $8 a week or $350 a year worse off, and so too would carers. This may not seem like much to Mr Turnbull. But, to people on low incomes, every dollar counts.

It was Labor that created ARENA and the Clean Energy Finance Corporation, and under Labor renewable energy boomed; jobs in the industry tripled and growth in the numbers of households with rooftop solar went from 7,400 to 1.2 million. Australia under Labor was rated one of the four most attractive destinations for renewable energy investment, along with the US, China and Germany. This ranking has plummeted under the Liberal government.

Labor has consistently resisted attempts by the Abbott and Turnbull governments to undermine the renewable energy industry, and we are doing so again with important amendments that will save ARENA. After closer scrutiny of the government's cuts to ARENA, and consultation with industry, it became clear that the government's proposal to gut ARENA and establish a new Clean Energy Innovation Fund would have seen investments in earlier stage research and development and demonstration projects suffer, as the Clean Energy Innovation Fund would only be able to finance commercially ready projects.

The government's measure would have effectively led to the abolition of ARENA, one of Australia's flagship bodies that invest in early stage renewable projects. Through Labor's strong advocacy, Labor has struck an agreement with the Turnbull government that provides ARENA with a secured budget of $800 million over five years that ARENA itself has stated will allow it to continue its important work.

This budget is additional to funding that ARENA already has in place to complete around 200 existing projects and to fund the large scale solar projects announced on 8 September. As part of this negotiation, the Minister for the Environment and Energy will meet with the shadow minister to discuss the profile of remaining ARENA funds over the forward estimates, and to develop a forward work program which safeguards Australia's reputation as a world leader in research and innovation in renewable energy, building on the work of our universities and CSIRO, and which ensures that there is support for demonstration or proof-of-concept stage development where debt and equity finance is insufficient to support projects.
The government has also agreed to discussions with the opposition about opportunities for bipartisanship around policies that accelerate the transition to a modern, clean energy system that delivers reliable, affordable energy to Australian households and businesses, and which ensure that this transition is—to use the terms of the Paris Agreement—a 'just transition' for impacted workers and communities.

Labor took a comprehensive package of climate change policies to the election, including $300 million of funding for ARENA, a commitment to 50 per cent renewable energy by 2030 and $300 million for a strategic industries fund to ensure emissions-intensive industries and their workers are able to make the transition to a clean energy economy. Labor will continue to advocate for strong climate change policies from opposition, including non-monetary policies. That is why Labor has secured the government's agreement to commence discussions with us to accelerate the transition to a modern, clean energy renewable energy system.

Another measure that we are opposed to is the one concerning psychiatric confinement. This measure would take income support payments away from people in psychiatric confinement who are charged with a serious offence and who are undergoing a course of rehabilitation. The changes the government wanted to make would significantly disadvantage people with a serious mental illness or an intellectual disability who have been charged with a serious offence, and potentially jeopardise their rehabilitation. The purpose of psychiatric confinement is to rehabilitate, not punish, people who have been charged with a serious offence. In some cases, patients may use their income support payment to contribute to other costs of their care and accommodation, and this measure may impact on their access to services or shift costs to the states. This measure would also stigmatise and disadvantage people with mental illness or intellectual disabilities for a relatively minor amount of money. This is not good policy—there has been no consultation and it has not been thought through. I am very glad the government has finally agreed to drop this measure.

To ensure the level of savings in the omnibus bill is preserved, Labor has agreed to alternative savings. In order to protect the most vulnerable, such as Newstart recipients, Labor will support changes to the family tax benefit part A, meaning that the FTB A end-of-year supplement for families with adjusted taxable income above $80,000 will be removed from this financial year. This measure will save the budget $1.69 billion over the forward estimates.

Labor has prevented the government from making much harsher cuts to family payments. For example, a single parent with teenage children would be over $3,000 a year worse off as a result of the government's full package of cuts originally before the parliament, but they are not impacted by this measure. A family with two young children on an income of $50,000 would be more than $1,200 worse off, but they are also not impacted by this measure. The changes to the family tax benefit A end-of-year supplement that we have agreed to will only impact those with incomes over $80,000. The people Labor has protected are on incomes well below this. Labor does not see the case for any further cuts to FTB supplements and will continue to oppose the government's cuts to family payments, pensions and allowances that have recently been reintroduced into the parliament.

Following negotiations with the government, Labor has also secured further fiscal improvements. The government will no longer proceed with the reintroduction of the baby bonus. This means the government will remove and drop from the budget the proposed
increase to the standard rate of FTB part B by $1,000 per year for families with the youngest child under one. This will deliver a $367 million improvement to the budget bottom line. This wasteful spending was part of the backroom deal done between Mr Turnbull and the Nationals to secure his prime ministership, and Labor is pleased to have secured its removal from the budget.

Since the election and the introduction of the government's legislation, Labor has taken time to carefully scrutinise and consult on the measures contained in the bill. The bill we are discussing today reflects what we believe to be a better, fairer and more fiscally responsible package, in keeping with the fiscal commitment we took to the election. While the bill today has made some savings, the government could fund education properly if they listened to Labor on further ways to repair the budget. Labor has put forward a fiscal repair package which delivers more than $8 billion in budget improvements over the forward estimates, and more than $80 billion in budget improvements over the medium term. Mr Shorten, at the National Press Club, put forward $80 billion worth of savings that Labor has proposed—we took constructive positions on superannuation and put forward tough decisions that we were prepared to argue the case for on capital gains tax and negative gearing.

Further savings Labor has proposed include: reforming negative gearing and capital gains, to save $37 billion; restoring integrity to vocational education and training, to save $7.9 billion; increasing the tobacco excise to stop kids smoking, adding $28 billion, which the government has agreed to; and $1 billion from cracking down on private health insurance subsidies for natural therapies. We could also save $160 million dollars or more by not having a divisive plebiscite on marriage equality that government members and senators will ignore the results of.

Finally, the best thing the government could do to improve the budget bottom line is to get rid of their ridiculous $50 billion tax cuts for big business—tax cuts that will be paid for by cuts to health, cuts to education and cuts to social services. Labor supports the cuts to small business tax, but the Australian people do not want—do not want at all—to give a $7.4 billion gift to the big four banks, and especially not when it is our schools, our hospitals and our universities that could be receiving these much-needed funds instead. Mr Turnbull has backflipped on so many of his policies and on so many of his core beliefs. This is one idea that he needs to admit he got wrong, and dump, if he truly cares about budget repair.

Labor is committed to budget repair, and this deal proves that savings can be achieved without hurting the most vulnerable and without sacrificing important investments in renewable energy. I just hope that the government will agree to the sensible measures that Labor has put forward in order to improve the budget bottom line further.

Senator KAKOSCHKE-MOORE (South Australia) (18:58): Mr Acting Deputy President, this is not my first speech. There are measures in the Budget Savings (Omnibus) Bill 2016 that the Nick Xenophon Team support and there are others that we oppose. Tonight I rise to speak on one measure that we simply cannot support—measure 24 of the bill, the single appeal pathway under the Military Rehabilitation and Compensation Act. The Military Rehabilitation and Compensation Act 2004 provides compensation and other benefits for current and former members of the ADF who suffer a service wound, injury or disease. The measure in this bill will create a review pathway for original determinations made under the
MRCA, removing the option for internal reconsideration by the Military Rehabilitation and Compensation Commission and allowing only for a review by the Veterans' Review Board.

The existing pathway for review is twofold, giving claimants the flexibility to choose the review pathway that best suits their circumstances. Currently, a claimant can seek an internal reconsideration by the MRCC, initiated by the claimant under section 349 of the act, or they can opt for a review by the Veterans' Review Board under section 352. The veteran chooses only one of the two pathways with the next stage of appeal for both pathways being the Administrative Appeals Tribunal. Should a veteran opt for the internal review pathway, the veteran cannot access legal aid. However, if the determination is varied or set aside and remade by the AAT then the tribunal can make a costs order against the Commonwealth. Conversely, should a veteran choose the review pathway by the VRB, whilst they may be legally represented, the AAT cannot award that costs of the veteran be paid by the Commonwealth. Whilst this measure seeks to simplify the process for veterans, its effect will make it harder, more onerous and costly for veterans to pursue their claims.

This is not the first time the Senate has been asked to consider the measures contained in this part of the bill. These measures originally formed part of the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015. When it became apparent that these provisions may have caused unintended consequences, the provisions of the bill relating to the single appeal pathway were referred to the Senate Foreign Affairs, Defence and Trade Committee for inquiry and report. The committee received 21 submissions, with two supplementary submissions. Many of the submissions highlighted serious concerns with the proposed legislation. Slater and Gordon lawyers highlighted the inequity created by this measure. They said:

It results in demonstrably inferior appeal rights for injured veterans compared to civilian workers, not just under Comcare, but across Australian States and Territories.

It is clear that the government has not fully understood the implications of abolishing a veteran's right to request an internal review to the MRCC provided by section 349 of the act. It means that civilian staff covered by Comcare, including staff of the Department of Veterans' Affairs, would have better protection and fairer appeal rights compared to Australian Defence Force personnel, veterans and their families. If this measure is passed, it will mean that those who placed their lives on the line for us and those who continue to do so will be relegated to second-class citizens. This is ironic, given that civilian employees of the Department of Veterans' Affairs who administer military and veterans compensation will, if they are injured at work, have greater access to justice and fairer appeal rights than veterans.

There is no group in Australia that we hold in higher regard than our Australian Defence Force personnel and veterans. Each year on Anzac Day, we commemorate their selfless contribution and the ultimate sacrifices they make. It is astonishing, then, that the government, through this measure, would seek to diminish the rights of this group of brave Australians. The Returned & Services League of Australia, on the face of it, supported the measure. However, during questioning by my colleague Senator Xenophon in a Senate Foreign Affairs, Defence and Trade Committee inquiry, the RSL were forced to reconsider their position after initially supporting the process unconditionally. The practical effect of removing the MRCC internal review appeal pathway will be to deny veterans a quicker system of review than is currently available. The MRCC internal review pathway also
provides for veterans to be entitled to legal representation through the entire appeal process, with the right to payment of most, if not all, legal costs and disbursements if an adverse decision is overturned by the AAT.

This measure, however, would mean that all reviews would be directed to the VRB, where an injured veteran is not allowed to be assisted by anyone with a legal qualification during the VRB process. This denial of legal representation for veterans before the VRB sets up a David and Goliath scenario that is virtually insurmountable. The DVA has a plethora of highly qualified private sector panel lawyers and in-house lawyers with unlimited resources at their disposal to help them in defeating an unrepresented veteran's claim. In their submission to the Senate inquiry, Slater and Gordon stated that in 2013-14 the DVA spent more than $6 million on external legal services, including $586,000 on 'engaging counsel who advised on litigation' and other matters. The power of the DVA to defend claims against unrepresented veterans is palpable.

The VRB process also results in the elimination of the possibility of a veteran being awarded costs. Veterans with strong cases will not be able to appeal to the AAT because, win, lose or draw, veterans cannot be awarded their costs at the AAT, if this bill is passed. While the possibility of legal aid may be available to veterans on appeal to the AAT, a grant of legal aid is not guaranteed, as legal aid is administered by state and territory governments. Such services are already under enormous pressure due to funding cuts which are being further implemented under this government. Different eligibility requirements would apply in each state and territory, with veterans vulnerable to the behest of an administrative officer who would make a decision as to whether or not that veteran would be eligible for a grant of legal aid.

With some sensible and reasoned amendments, this measure could achieve a single appeal pathway and a level playing field for veterans in their pursuit for justice and fairness with their claims. The proud history, traditions and sacrifices made by the Australian Defence Force have played a significant role in forging our national identity. It is our responsibility to treat them with the dignity and the fairness they deserve in their hour of need. As I foreshadowed earlier, Senator Lambie and I will be moving an amendment to this bill in the committee stage to remove the measures relating to the single appeal pathway.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (19:06): I rise to speak against Budget Savings (Omnibus) Bill 2016. It is, sadly, very telling that the first substantive piece of legislation that this Senate has dealt with is legislation to cut clean energy. Originally, it was planned that this legislation would cut kids dental services and cut Newstart. It is still going to cut the carer allowance and it is going to cut education and student support. The next bill, which the House has just dealt with and which is shortly coming to us in the Senate, gives a tax cut to people on over $80,000. And we know that shortly after that bill there will be one with $50 billion of tax cuts for big multinational corporations. How sad is it that we have a government that is happy to dole out largesse to those that are already very wealthy and do not need help and is now forcing cuts on the most vulnerable and on our clean energy sector! I think it is a revolting statement of the priorities and the values of the present government.

We are told that we need some budget savings, and we Greens agree. In fact, we have been putting many revenue-raising proposals to the government, to the opposition and to the public
for the last few years, so we certainly do not oppose the need for budget repair. But what we do oppose is the continuation of the $15 billion that has been spent in the last few years locking up men, women and children offshore, the $21 billion of subsidies to the fossil fuel sector that will be doled out over the forward estimates in the coming few years and the continued largesse, as I said, going to tax cuts for big corporations when this government is seemingly blind to the impact of these cuts on vulnerable people and on the clean energy sector. The priorities are very clear. Perhaps it is not surprising, though, that we see massive cuts to clean energy from this government, because it is pretty clear that the backbench is in charge these days, and that is full of climate sceptics and climate change deniers, people who do not understand that we are damaging not only our very way of life but also our economic profitability and our potential for job creation and growth.

The government went to the election with the slogan of 'jobs and growth'. So it is ironic, really, that this bill now cuts money from an institution that is one of the main drivers of jobs and growth in a growing global sector that Australia could really be going to town on. Instead, we see the government hampering jobs and growth with cuts to clean energy. But perhaps that is no surprise, given we have seen this government cutting the carbon price and installing a wind farm commissioner so that people who are very worried about the impacts of wind farms could have somewhere to vent their, thankfully, baseless concerns. Never mind the health impacts of coalmines and other dirty energy! The government was not interested in looking at those. We have seen the massive handouts to polluters so that they can continue to pollute, as opposed to the revenue raising and the tax that they used to have to pay on the pollution that they created.

We have seen cuts to the Renewable Energy Target by this government. Of course, the tragedy there is those cuts were fully supported by the opposition. So perhaps we should not be surprised that we again see a bipartisan approach to cutting clean energy. The Australian Renewable Energy Agency, or ARENA as it is known, will now, as a result of the deal done between these two big parties, have half a billion dollars cut out of its budget, and those cuts have been frontended. The vast majority of them are in the first three years. They are on the books, and ARENA will feel those cuts immediately and for the coming few years.

What an absolute tragedy it is that, yes, we have a terrible government with an awful agenda! But we had the chance here to block those cuts entirely; we have the numbers on the crossbench. But, instead of doing that, the Labor opposition reached an agreement to cut half a billion dollars out of ARENA, and now they have the audacity to want praise for that. They are going around claiming that they have saved ARENA. Well, sorry, you had the chance to not pass any of those cuts. The government wanted to cut $1.3 billion. You could have stood with the Greens and the crossbench—there were enough of us; we all know that—to have stopped all of that $1.3 billion cut from clean energy.

It is an absolute tragedy that the two big parties agreed to cut half a billion dollars when Labor need not have made that agreement. There were other revenue-raising measures. They have found some already. I am pleased they have taken a stand and said they will block the cuts to kids dental and some of the cuts to Newstart and other social support. I welcome that and praise them for that. Why did they not find those same alternative revenue measures and stand up for clean energy, rather than wreaking a half a billion dollar cut on ARENA?
People who are listening might not know what ARENA does. It is a fantastic organisation that was set up to support with grant funding those very early stage renewable energy innovation projects—really exciting things like the printing of solar panels onto, say, corrugated iron roofs and things like speeding up the efficiency, availability and affordability of batteries. Instead of expensive pressure on our grid, with maintenance required for old infrastructure, we can actually look to these new storage methods to not only solve many of the problems of the grid but empower households to manage their own energy demands. It is that sort of really exciting cutting-edge technology that this institution has been investing in.

You want jobs and growth? Well, clean energy is the sector that is taking off globally. Many of the inventions in the renewable energy sector are homegrown, but some of them will not have the ability to proceed because that organisation now has half a billion dollars less. There is half a billion dollars now not going into that innovation to create jobs in clean energy to help us tackle climate change and save the reef. I think it is truly outrageous.

Of course, there is irony in cutting funding from ARENA: how on earth are we going to meet our Renewable Energy Target? How on earth are we going to meet our Paris emissions reduction targets? Many of the experts agree—and, certainly, the scientists agree—that, as it is, those Paris targets are too weak and the Renewable Energy Target is too small. We are on track to overshoot it. Sadly, these guys ganged up and cut it. How are we going to meet either of those targets when we do not have genuine investment in clean energy and innovation? And, of course, we are in a climate emergency, folks.

Of course we need to repair the budget, but let's get things in perspective. There are many ways that we could repair the budget. There are not so many ways that we can help the transition from dirty fuels to clean fuels in a way that safeguards our way of life and our planet and also creates jobs. There are no downsides with clean energy—except if you are a fossil fuel company, of course.

That brings me to the sad revelation that in the last three years there have been $3.7 million of donations made to the Labor, Liberal and National parties by the fossil fuel sector. So of course they are very powerful political influences, and that money talks. It is no wonder that they get their $21 billion of cheap fuel and accelerated depreciation over the forward estimates. Yet we are told that we need to make budget savings. Of course, they do not want to touch that $21 billion, because their donations might dry up. What a sorry situation! It is another reason why we are pushing to reform donations, end corporate donations completely—and, of course, cap donations from individuals as well—and clean up our system.

I would like to make one further point. We were very distressed this week when, after the Labor Party caved in and agreed to cut half a billion dollars out of clean energy, it was let slip in the other place that that $800 million that had been apparently saved from ARENA was going to be cut out of other clean energy sources. It was called either the Clean Energy Finance Corporation or the Clean Energy Innovation Fund—the government was very slippery about using these terms interchangeably, even though they are different pots of money. The government is implying that in fact there have not been any savings at all and that clean energy will still be short a total of $1.3 billion. Either they pulled the wool over Labor's eyes to placate their own climate sceptic backbench or Labor was happy with that arrangement. We do not know, and I will be asking questions in the committee stage to try to
get to the bottom of this. We tried to do that in the House, and the minister was not very responsive—that is the nicest way of describing the responses that the member for Melbourne, Adam Bandt, got. What we need to discover tonight is: is that $1.3 billion still being cut out of clean energy, some of it from ARENA and now some of it from those other pots? Did the government make a huge stuff-up or have they been misleading the house? We will find out tonight.

What I will also be asking in the committee stage is: what projects are going to be jeopardised by the loss of that half a billion dollars? We have just seen a fantastic large-scale solar grant fund by ARENA, which has led to many projects right around the country—particularly in regional areas—huge job creation and great renewable energy input into the grid. That sort of exciting job creation is what we need, and it tackles climate change at the same time. I am worried about what ARENA will not be able to do if they are half a billion dollars poorer. I hope that we will get some answers out of the government as to what the implications of this cut will be and I hope Labor sought to ask those questions when it agreed to cut that amount of money.

I foreshadow tonight that during the second reading stage I will be moving to condemn the government and the opposition for cutting half a billion dollars out of clean energy funding at this point in history, when the climate emergency is real and when the rest of the world is already making the transition to clean energy and benefiting from that not only environmentally but economically. I will be moving to condemn the actions of both of the big parties in this place, who are so held hostage by those fossil fuel donors that they are clearly making terrible decisions when we have alternative revenue raising measures that could repair the budget without buggering up the planet.

**Senator LEYONHJELM** (New South Wales) (19:17): The Budget Savings (Omnibus) Bill 2016 has been heralded as delivering $6 billion of budget savings over four years. It does not. Saving is what happens when you do not spend. This bill cuts back on spending plans by $5 billion over four years, so, at most, the government can claim to be saving $5 billion. Even this is a bit of a stretch, because over the four years in question annual government spending is still estimated to rise by $78 billion—even after accounting for the impact of this bill. Suppose someone were spending more than his income, but still planned to increase his spending in the years ahead. If the person said, ‘I had planned to increase my weekly spending by $83, but now I only plan to increase my weekly spending by $78,’ would you think that he was doing any saving at all? I do not think so.

This bill is said to deliver $6 billion of budget savings, but more than half a billion of this represents tax hikes, not the paring back of spending plans. I oppose these tax hikes. The tax burden is already too high and it is expected to grow even without these tax hikes. Our tax burden has grown decade after decade, even after accounting for inflation and population growth. And it is not as if the money is being so well spent that we should be paying extra!

There are four tax hikes in this bill. The bill imposes the Medicare levy surcharge on more Australians. This is a tax of between one and 1½ per cent on the incomes of Australians without private health insurance. Those without health insurance will pay more tax. The bill increases tax on Australians whose wages include fringe benefits. If they incur medical expenses, have dependants, live in remote areas, serve overseas for our defence forces or make low income superannuation contributions—and if they claim the associated tax
offsets—they will find that their tax offsets will be reduced, and their tax burden will rise. The bill also reduces the research and development tax offset by 1½ percentage points and so raises the tax burden on businesses that innovate. The loss of a tax offset is a tax increase. The bill requires employers of more than 20 people to pay pay-as-you-go withholding and superannuation obligations in line with payroll cycles, rather than up to three months later. This may reduce compliance costs, but if the government were motivated by a desire to help business it would make the change optional. Alternatively, the government would compensate businesses for the loss of cash flow—but it has not. The government only has its eyes on the money, meaning it is a tax grab, plain and simple.

While I oppose each of these tax hikes, I support each of the spending cuts in this bill. Spending is out of control. Real government spending per person has never been higher, and over the past 22 years government spending as a share of GDP has only ever been this high once before—in 2009-10, when Kevin Rudd's emergency spending plan was in full swing. The fact that we are spending at what were once considered emergency levels should be of huge concern to all parties.

The government is living beyond its means. Continual budget deficits are causing our net debt to rise faster than GDP. This is not just concerning because we are borrowing to spend rather than invest and because the billion-dollar monthly interest bill is money down the gurgler; it is concerning because net debt to GDP cannot rise indefinitely without the consequence of a Greek- or Argentinian-style economic collapse. We cannot rely on rosy predictions of budget restraint and falling net debt some years down the track. To ensure our economic security, we need to cut government spending now. So, while I support the spending cuts in this bill, I urge the government to go further.

I urge it to talk to the responsible members of Labor to support spending cuts, to put pressure on the Senate crossbench to take some responsibility rather than letting them just throw pot shots from the sidelines, to look at the more saleable areas in which to cut, such as welfare and taxpayer funded benefits for people who are not poor, and to take advantage of the parliament's convention of passing the government's budget bills by delivering as many spending cuts in these bills as it can. Because while the bill before us today improves the budget position by $6 billion dollars over four years, the deficits over those four years are still expected to add up to $84 billion. We have taken one step. We have got fourteen more to go.

Senator HANSON-YOUNG (South Australia) (19:22): I rise today to speak in opposition to this Budget Savings (Omnibus) Bill 2016. I am very concerned about what this bill is going to mean for future generations. I am extremely concerned about what this bill is going to mean for future generations. I am extremely concerned that we even have to be debating this bill, a bill that is based on the premise of a litany of broken promises from the Labor Party. We know that all cuts are not created equal. There are definitely smart ways to raise revenue and then there are examples like those that we have before us today, cuts that only serve to hold this country back.

It seems as though the Abbott-Turnbull government has had one aim at the top of its mind since it was elected—that is, to make it harder and harder for the next generation to get ahead and to make a go of things. How else can we explain this government's obsession with slashing and burning funding for our universities? In this bill alone, there are $500 million—half billion dollars'—worth of cuts. We have come to expect that the Liberals have a burning ideological desire to hold back young people in this country, to hamper their access to decent
education, decent jobs and their ability to get a foothold in the labour market. But for Labor to roll over like the pack of policy lapdogs that they have become is not only sickening but it is also too often becoming predictable. Yes, they have got some treats from the coalition overlords or perhaps a pat on the head, and every now and again they sit up properly and do as they are told. But is it really worth all of this to sell out young Australians and their access to higher education? The fact that we have Labor and the Liberals standing together proudly cutting more than half a billion dollars from our higher education system is simply disappointing. And the fact that they are crowing about it is even more disgraceful.

This bill will hit Australian higher education students in four significant ways, students who right now are studying, who are about to start or who have already started their second semester at universities across the country. It is going to cut public funding to universities by changing the indexation arrangements, meaning those organisations will get less support and will have to reduce the quality of education or increase the cost for students. This is a tricky manoeuvre designed to make it look like they are not cutting support to universities but in fact that is exactly what the government is doing.

Dropping the threshold at which young people start paying back their HELP debts means people will be slugged harder and earlier to start paying for their increasingly costly degrees. We know right at this moment university students are paying more than they have ever paid before for access to basic bachelor degrees let alone postgraduate qualifications. And here in this bill tonight, students are going to have to start paying this back earlier with lower incomes and it will make it even more difficult once they graduate to get on with their new careers and get themselves set up for the future. It will hold them back as they enter the workforce and try to get on with their careers.

Cutting support to STEM—science, technology, engineering and maths—students is a regressive step that will hamper innovation and hold our country back. Of course this is coming from a Prime Minister who says innovation is what he is all about—well, innovation for some and bad luck for others. Further removing access to student start-up scholarships means that students who are already studying extremely hard, who are already at university struggling and doing it tough are about to have the chair kicked out from under them.

Many of these measures were originally part of the Abbott government's disastrous 2014 budget. At the time Labor and the Greens along with other crossbenchers worked together to make sure that they did not get through because they were bad then in 2014 and they are still bad now. Trying to make savings out of university funding, and making students cover the costs of higher income tax breaks that the government has announced only earlier today is just not fair.

In his budget in reply speech from 2014, the Leader of the Opposition, Bill Shorten, said: 'Tonight I rise to speak on behalf of millions of Australians who feel shocked and angry. Well, tonight Bill Shorten seems to have forgotten about those shocked and angry Australians because here he is with his troops here in the Senate, lining up with the coalition to push through cuts to education.

**Senator Lambie:** Selling out the poor.
Senator HANSON-YOUNG: As my colleague Senator Lambie says 'selling out the poor'. Bill Shorten's broken promises are all to be revealed in this bill that is being rushed through and crunched through this place tonight.

The ACTING DEPUTY PRESIDENT (Senator Ketter): Senator Hanson-Young, if you could refer to the Leader of the Opposition by his correct title please.

Senator HANSON-YOUNG: The Leader of the Opposition is the master of broken promises as outlined in this bill tonight. Back in 2014, opposition leader Bill Shorten proudly proclaimed, 'Labor will vote against these cuts to university funding and student support.' Well, what a difference two years can make—broken promises, and Blinky Bill has folded. These students are copping half a billion dollars' worth of cuts in this bill because the Labor Party did not have the gumption to stand up for them tonight.

These cuts will hurt vulnerable young Australians and make it harder for them to access quality, affordable higher education. It is one of the reasons I will now foreshadow that I will move a second reading amendment later this evening that outline these dangerous cuts and the sickening nature of using university students in this country as scapegoats for the government's budget repair.

The other issue that I, as a senator for South Australia, want to touch on briefly is my deep concern for the half a billion dollar cuts to ARENA and to renewable energy in this country. Ripping half a billion dollars from funding for renewable energy projects will hit my home state in South Australia the hardest. We are a leader when it comes to renewable energy, and we must be because we have to do something not just to tackle climate change but to deal with our ever-soaring electricity prices. We have a system in South Australia that is rigged towards the big energy producers, ripping off South Australian households and small businesses day in, day out. In order to bring those costs down, we need more diversity in our energy production and more diversity in the market. Today, we have Labor and Liberal senators from South Australia voting to make it even more difficult for the South Australian energy market and for South Australian households to deal with our energy crisis going forward. Gutting $500 million from investment in renewable technology will be devastating for South Australia, the state with the highest percentage of renewables in its energy mix.

With innovation and proper investment South Australia can be supported in being the leader of the nation and the world in renewable energy jobs and technology. Right when our state needs more support than ever from our federal government to invest in job creation, we have the Labor and Liberal parties ganging up here to cut one of the most richest job-creating industries that we have—that is, renewable energy. The solar thermal plant project in Port Augusta, which has been planned for a long time and has huge community support not just in that regional area but across our state, desperately needs that extra $100 million to bridge the gap to make this project viable. Where is it going to come from now that half a billion dollars has been cut from the organisation and the agency that was meant to fund it?

South Australia can lead the nation when it comes to investing in renewable energy and tackling dangerous global warming, but we are being let down by the old parties here in Canberra. It is time the government stood up to the vested interests of the fossil fuel companies, whether it is in energy production, the price gouging of electricity prices in my home state, or BP trying to drill in our Great Australian Bight. Here we have today the Labor and Liberal parties doing exactly what the big, old fossil fuel companies want more than
anything—that is, to stick the boot into the development and the flourishing of the renewable energy sector. It is, frankly, outrageous that there are handouts given to the mining and fossil fuel companies every year. Yet, for the industry that we know we need to be investing in into the future, and that will be jobs rich, in South Australia alone thousands of jobs are on the line tonight because of this bill. Cutting half a billion dollars out of ARENA will cost jobs in South Australia.

I want to know what the South Australian Liberal senators and the South Australian Labor senators are going to say when they get back home to Adelaide tomorrow and explain to South Australians that they just cost jobs in South Australia because they gutted the renewable energy industry. Jobs in the solar thermal plant in Port Augusta will not go ahead now. Jobs that are needed in the wind industry in South Australia will not go ahead now. What will my South Australian colleagues say to the public back home? 'Oh, well, we just decided to cut renewable energy, but don't worry, Malcolm Turnbull has just confirmed that he's still going to give big tax cuts to business and high-income earners. She'll be right.' It is time that the government stood up to these vested interests and stopped propping up a dying, backwards-thinking and regressive industry that is so outdated that it cannot stand on its own two feet.

Here in this chamber tonight we have the Labor Party and the Liberal Party pushing through a bill that has not had proper scrutiny. We have not been able to see all of the impacts of what their dirty deal is going to deliver. But what we do know is that it relies on three main things: cuts to renewable energy; putting action on climate change on the backburner; cuts to higher education and support for students; and making it harder for the most disadvantaged in our communities. Rather than making the big end of town pay a fair share of tax, rather than ensuring that we deal with things like negative gearing, proper reforms around the tax rorts of those who have massive superannuation fund contributions and, of course, the high-income earners who are about to get a tax cut, and rather than tackling actual inequality in the system we have the government and the Labor Party ganging up to stick the boot into renewable energy, education and welfare recipients. It is shameful. And it gets rushed through late at night on a Thursday at the end of a sitting week.

We know that the government needs to do it now because the only other big thing going on for the government is that we have a Prime Minister who cannot even get through his own agenda in his own cabinet. He is totally crippled by the right-wing grumps on his front and back benches.

Not many people in Australia would have even known who George Christensen was until recent weeks when all of a sudden he has been promoted, it seems, to prime adviser to the Prime Minister—calling the shots on what laws will pass this parliament, calling the shots on what laws will be put by the government of the day. I can tell you what: those right-wing grumps on the front and back bench of the Liberal Party do not give two hoots about the sustainability or certainty of the renewable energy industry and they certainly do not give a damn about the impact of cuts to education or support to students in this country. They do not give a damn about those who are on low incomes in this country who are struggling every day. They have just signed off on giving the richest people in this country a big tax rort and have let them off the hook when it comes to superannuation.
So we are debating a bill, because we need budget reform in this place, and yet we have just seen the Prime Minister say: 'We're in such a budget crisis. We'll start giving tax cuts to the wealthiest in this country.' Seriously, grow a spine.

And to the members of Labor Party here: if you care about tackling global warming, if you care about tackling inequality in this country, don't push this bill through—pathetic penny grabbing from those who can least afford it; a bill like this that attacks the poor, attacks renewable energy, attacks students. Instead, show some spine when it comes to standing up to those tax cuts for Australia's richest people.

The wealthy in this country are about to get a lovely Christmas bonus. That is the bill we going to be dealing with when we come back after this week is over. The last few weeks of sitting are going to be dominated by giving the rich not as much reform as we need in terms of superannuation, but we are going to be giving them tax cuts, because the Labor Party cannot stand up to Malcolm Turnbull.

The people standing up to Malcolm Turnbull right now are the rabid right wing of his party, and it has made him a weak Prime Minister, backed now by a weak Leader of the Opposition.

**The ACTING DEPUTY PRESIDENT:** Senator Williams, a point of order.

**Senator Williams:** Senator Hanson-Young should refer to those, especially in the other place, by their correct title, not just Malcolm Turnbull, Bill Shorten or whatever. She should have learnt after eight years in this place to show a bit of respect for those who deserve it.

**Senator HANSON-YOUNG:** I think what we would like to see in this place, Mr Acting Deputy President Ketter, is a bit of respect for those who every day work to pay their bills, to put a roof over their heads, to get their kids to school, to help their kids get to university. Here today what we see is the government, the Prime Minister, Malcolm Turnbull, making life harder for them. They are the people who deserve a bit more respect tonight. I do not really give two hoots about the financial circumstances and the hardship of the Prime Minister, Malcolm Turnbull.

This bill should be voted down. It is appalling to see the Labor Party just flicking it through. I will be voting against it, as will all of my Greens colleagues. It is unfair. It is short-sighted and it is based, as I said at the beginning, on a bunch of Labor's broken promises. They said in 2014 that they would not stand for this assault on the Australian community, on the renewable energy industry, on universities and education. Yet tonight we have them lining up to stick the boot in, alongside Malcolm Turnbull and the coalition.

This bill should be voted down. It should be thrown in the bin. It is sad it is not going to be, because we have seen the dirty deal done between the Labor Party and the Liberal Party here tonight. Thank you very much.

**Senator LAMBIE** (Tasmania) (19:41): I rise to speak on the Budget Savings (Omnibus) Bill 2016. This bill will unfairly take over $6 billion of benefits and entitlements away from Australia's poor, unemployed, disabled, aged, veterans and university students in the name of budget repair. I will not support it; it is absolute rubbish. There are better ways, which I will detail shortly, to repair the Australian budget than taking money away from Tasmania's and the mainland's poorest battlers.
It appears from media reports, conversations and speeches in this and the other place that Labor members will support this government's legislation. I am terribly saddened by that news but I cannot wait to put it in my newsletter over the next few weeks and give it to every Tasmanian to tell them what the new Labor members they voted for are doing to them down there.

This legislation has the stain and deception of former Treasurer Joe Hockey's and former Prime Minister Tony Abbott's horror budget of 2013-14 all over it. Who could forget the budget emergency? That is right: the big budget emergency that wasn't actually a budget emergency; it was just an attempt at a terrible deception of the Australian people that was finally uncovered after the Liberal government handed down their 'disregard-what-we-said-last-time-everything's-okay' budget of 2014-15.

The major parties of this parliament, their supporters and political donors try to make out that budget repair is a difficult thing to do; however, repairing Australia's budget and protecting our credit rating is quite easy. The parliament just has to make the super rich, who hide their wealth in offshore tax havens, and tax-dodging multinationals, who make billions trading in Australia, pay their fair share of tax. This parliament should target those rich individuals and organisations for budget repair, not the poor, the down-and-out, the elderly, the sick, the pensioners, the unemployed or our sure-as-hell struggling uni students. This is not just what I want when it comes to tax and equity; it is what the majority of Australians want.

The Australian National University in April 2016 released Report No. 21, which studied what Australians wanted when it comes to the management of our public moneys. On the question, 'A range of measures exist to reduce government debt in Australia, which of the following policy responses would you prefer?' 37 per cent of respondents said, 'Make cuts to other areas of government spending,' and 23 per cent said, 'Reduce ways to minimise tax, such as negative gearing and superannuation concessions'. Only 15 per cent agreed that welfare payments should be decreased. On the key question, 'Do you agree or disagree that reducing government debt is currently the most important economic issue facing the country?' the report stated:

Australians are split fairly evenly on whether reducing government debt is the most important economic issue facing the country.

Contrasting with the budget emergency rhetoric of the Tony Abbott led federal government, 51 per cent of respondents disagree or strongly disagree that 'debt reduction is the country's most important economic problem'.

The ANU report also notes that Australians show some confusion over the relative cost of different welfare spending programs. Fewer than one in four respondents correctly answered that age pensions are the most expensive government welfare program. Almost 30 per cent incorrectly named disability pensions as the least expensive welfare program. Just to remind the chamber of the annual costs in the 2016 budget: age pensions or income support for seniors was the highest welfare cost, at $44.17 billion, followed by family tax benefit at $20.15 billion. Disability pensions or income support for people with disabilities totalled $17.05 billion, unemployment benefit or jobseeker income support was the second lowest welfare budget item payment at $11.51 billion, and the lowest government welfare payment at $4.67 billion was the single-parent pension.
If you want to know who should be made to repair the budget, look at the long list of donors to our major political parties. That will give you a good whiff! Of course we will only discover those names when the political donation list is made public and—surprise, surprise—in the past both major parties have cooperated to design a political donation system which covers up for a long time the names of people who give money to political parties. They have not got the spine to make real-time disclosure. Oh goodness me—no—that is never going to happen. I did suggest that to the current PM, but he said that until Labor meets his match he is not prepared to do that. I would have thought that if you had leadership built within you, you would make that happen. That would make common sense, and show that you have nothing to hide.

On a per capita basis, Tasmania has the most age pensioners living on or below the poverty line, the most unemployed, the most youth unemployed and struggling small businesses. So I will not be supporting this legislation. It will only make our situation in Tasmania worse and that is why it surprises me that the Tasmanian Labor representatives are supporting this. It makes me sick to the guts.

I am happy to work with the Liberals on budget repair, but it is just that when you say ‘budget repair’ the Liberals, Nationals and now the Labor Party want to take it away from poor people—the poorest in society. Why can't we repair the budget by taking money from super-rich people and the wealthy multinationals who do not, and have not, paid their fair share of tax?

I have presented a plan to the parliament and to the government which will raise $9.4 billion each year or $94 billion over the next decade. If the government and the opposition are serious about fair budget repair, they will seriously consider the super-rich death tax to raise $5 billion a year, a financial transactions tax to raise a minimum $1.4 billion a year and capping the capital gains tax exemption to raise $3 billion a year. These three revenue-raising provisions are practised in many modern countries. They are not new. They are independently assessed and they are globally accepted as part of a fair and balanced way of raising revenue. So why do our major political parties ignore these obvious budget repair measures? The simple, truthful and sad answer is that these taxes would mean that the big end of town would have to pay their fair share of tax. Hooray! When cash is king regarding political donations, it is always going to be the battlers who end up paying for budget repair in Australia.

There is one example of cover-up which shows how politically protected the big end of town is from paying their fair share of tax. According to ASIC—which is supposed to be Australia's corporate watchdog and which has no teeth—about 30 per cent of Australia's share market trade is controlled by half-a-dozen traders who use super computers and highly advanced computer programs. In America, high-frequency share traders and their super computers control about 70 per cent of the share market. These share traders use advanced technologies and computers to get an unfair advantage over super funds investing for ordinary mum-and-dad investors. In Australia, it is estimated by ASIC that they skim about $4 billion of profits from mum-and-dad investors. So a financial transactions tax ranging from 0.001 per cent to 0.01 per cent could raise up to $2 billion a year.

Even just finding out who those six privileged in-hiding, high-frequency share traders in Australia are is absolutely impossible. A couple of years ago during estimates, I asked the head of ASIC who these companies were. The head of Australia's corporate watchdog, under
oath, could not tell me the name of the six companies which account for 30 per cent of Australia's share market. I find that absolutely absurd. How are we supposed to have confidence in our corporate watchdog who can admit to me, 'Yes, we know that they exist and that they control 30 per cent of our financial market trades but we do not know who they are'? This is either incompetence at the highest level or just a plain cover-up. I would go just plain cover-up, to be honest. So perhaps the Minister for Finance, in his summing up, can tell this Senate the names of the half-a-dozen high-frequency share traders, who use super computers and insider knowledge from computers and programs that no-one else has access to and who actually skim $4 billion to $5 billion from mum-and-dad investors? I would like to see that blown out of the water this evening. I will be asking for those six high-frequency share traders. I cannot wait to hear their names. I would like to know why we could not put a FTT on those organisations, as many other OECD countries do with their high-frequency share traders? After I am provided with the names of those six companies, I would also like to know how much money in political donations they give, whether they pay any tax and whether they have offshore accounts in tax havens. I have no doubt those three questions will hit them like a brick. These are the questions that should be answered before we tax the poor Tasmanians for budget repair.

There are a number of provisions, totalling nearly $900, wrapped in this bill that I would support: newly arrived residents' waiting periods, interest charges for outstanding debts, social security debt recovery before overseas travel and fringe benefits reform.

In relation to budget repair and the overall state of our budget, the Prime Minister has lavished praise on former PM Howard and Treasurer Costello for the state of our economy today. Oh dear! In heaping praise on former leaders, the current Liberal leadership forgot a few stunning and sobering facts regarding previous conservative government management of public finances. According to the Walkley Award-winning journalist, local government councillor and shareholder activist Stephen Mayne's Mayne Report when he addressed the matter of Howard-Costello government management of our public moneys, Mr Mayne writes: 'Yes, they inherited $96 billion of outstanding bonds and about $69 billion of unfunded staff super. They left $58 billion of bonds and about $50 billion in unfunded super largely thanks to selling the Commonwealth Bank, Telstra and various airports. That's right—selling off our airports. Don't worry about national security.'

According to the Department of Finance and Deregulation, Mr Howard's Liberal-National Party government made a grand total of $59.8 billion from public asset sales, selling off the farm gate. In summary, Mr Howard and Mr Costello sold $59.8 billion of public assets, paid back $57 billion of Labor debt and left us with $108 billion of outstanding bonds and unfunded Public Service super. I would not say that is someone that is economically bloody smart. What if we didn't sell those public assets in the first place and had enjoyed the guaranteed revenue streams from our airports, from Telstra and from the Commonwealth Bank? Imagine if that money had gone back into our health, back into our schools, back into our kids? We would not need to take money. Instead, we take money from the poor to repair our budget now. That is what we do. That is their payback. Your mistakes; they pay it back. Someone more financially qualified can answer that question, but I do know this fact: you can only sell the farm once.
I will now turn to some of the more damaging measures the bill, starting with the changes affecting our uni students. These changes create several disincentives for our young people to gain qualifications to improve themselves and to pursue the career of their choice. We know an educated nation is a progressive and prosperous nation. It follows that so-called 'budget repair' would not include changes to higher education, yet it does. So much for the Liberal government being good money managers! How can the Liberal government expect the Australian economy to excel when only people born with a silver spoon in their hand can afford to attain a bachelor degree or higher?

Australia prides itself on being a classless society and has worked hard to achieve an enviable level of equality, but these changes are just the beginning of a widening of the gap between the rich and the poor. It's an age-old story we are all familiar with, but have not until today had to personally live. Many of those who have been through parliament or are still in parliament are the beneficiaries of free university degrees; why shouldn't subsequent generations be granted the same opportunity? We should be offering our children and grandchildren their first degree for free, giving them the opportunity to pursue the career path of their choosing, not the career path their birth determined for them.

If you cannot take my word for it then perhaps you will listen to the coalition of leading Australian universities, the Group of Eight, who said in their submission on this bill, 'The largest risks outlined in the reports referenced above relates to the costs of the VET FEE-HELP loans scheme and not higher education loans.' This begs the question: why is the government choosing to punish uni students when cleaning up the well-documented rorts in the VET FEE-HELP loans scheme would achieve a greater and a fairer outcome? The Group of Eight also recommends against indexing the higher education grants to CPI, stating: 'Annual indexation is required to maintain the accuracy of the costing structure and to prevent real cuts in funding. To that end, the Higher Education Grants Index, designed to reflect the indexation of Higher Education costs, provides more policy coherence than the CPI indexation proposed in the omnibus bill.' The Group of Eight explained in their submission that the higher education grants index is closely linked to the cost of providing an education and as a result does not need to be tinkered with.

In Tasmania, the state government is working to increase the number of people entering tertiary education, because we have a skills shortage in Tasmania. Not enough Tasmanians have the skills or qualifications to fill any job openings that do come around. Tasmanian uni students do not need added barriers to further study.

The job commitment bonus is one of the measures I agree with. The job commitment bonus is inefficient and underutilised and does not address the real issue: a lack of meaningful, long-term job creation or employment. This is why I have proposed that we remove the tax on jobs and Tasmania becomes a payroll tax free state. Payroll tax exemption for Tasmanian businesses would encourage greater investment in our state and increase the opportunity for jobs. The Tasmanian government informs me that, in the 2015-16 financial year, the state government received $400 million in payroll tax. Yet in the 2016 budget, the Tasmanian government proposed a $425 million jobs package, most of which is tied up in administration and infrastructure. Which of the two is the simplest and likely to have an immediate effect? That is right: the payroll tax exemption.
Youth employment could also be increased by introducing voluntary national service. If our kids are leaving school and do not want to study or cannot find work then they need to be doing a year or so in national service, where they can learn employability skills and a trade of their choosing, giving youth the foundation they need to pursue a career after national service.

These policies will encourage greater workforce participation, encourage greater contribution to the tax base and reduce the cost of welfare.

The changes to pensioners and aged care in this bill are just another onslaught they cannot afford. Most of our pensioners are living in poverty, and our aged-care providers are not sure how to handle the sheer number of elderly entering aged-care facilities. Meanwhile, the government is accusing providers of roting the system. According to the government, one in every eight claims is a rort. Considering the complexity of the aged care funding instrument, these rorts could be simple mistakes—which is the overwhelming response from aged-care providers. Before the government makes devastating cuts to the aged-care sector, the ACFI must be scrapped. We must start again, in consultation with all industry stakeholders. This will give the government and the sector an opportunity to streamline the process and make savings in both administration and mistakes.

The government has also proposed to impose the pension assets test on residential aged-care arrangements, which has made the Australian Council of Social Service, me and many others concerned about how pensioners are going to pay for aged care. ACOSS says that this change further restricts choice for those on low incomes in paying for residential aged care.

In relation to the single appeal pathway, the big problem we have is the veteran suicide crisis. A large reason for that is the way veterans are being treated when they lodge claims for compensation. Veterans would rather return to war than deal with the mess that the claims system is in. Even though it has been amended by Labor, what the government is proposing under the single appeal pathway still means that this bill denies veterans the right to legal representation. That is right—it denies the right of every veteran out there to legal representation when forced to go against a government body that is stacked with government lawyers. Important decisions about veterans entitlements are being made in a situation where a severely damaged veteran and an advocate walk into a room absolutely stacked with government employees holding law degrees. How is that fair? How intimidating is that to our Australian veterans? How intimidating is it for veterans to walk in and take on a government bureaucracy that is overstacked with overeducated bloody lawyers when they cannot take one in themselves! How are they supposed to defend themselves? What you are doing to these veterans is absolutely disgusting—and if you think I was heating up on Tuesday night, wait till the next lot!

Senator RICE (Victoria) (20:02): This week has been a big one for me. From dawn to late at night, I have been flat out, bumper to bumper. I know most of my fellow senators know how I feel. So I want to put my response to the Budget Savings (Omnibus) Bill 2016 in this context.

In between speeches, press conferences, the highs and lows of first speeches, and meetings about agriculture, rural women, human rights and equality for same-sex and gender-diverse people, there is one meeting that I have had this week that stands out. I squeezed it in on Tuesday. It was squashed between a RRAT committee meeting and a press conference on the marriage equality plebiscite. It was with Dr Andrew Glikson, an experienced, senior, wise
scientist from ANU—an earth and paleo-climate scientist. Dr Glikson has taken it upon himself to brief whichever parliamentarians will listen to him about the existential threat to our survival that we face due to global warming and the climate crisis that faces us. My colleagues have covered a broad range of the impacts of the cuts to essential services that are contained in this omnibus bill. I want to focus on the climate implications.

Dr Glikson was frustrated that people were not listening—frustrated that, here we are, facing the biggest threat to humanity ever, and people are not listening, frustrated that our political processes are seemingly incapable of tackling this problem—that we are all Nero, fiddling while our planet burns. He was angry at our impotence, upset about the denialism, astounded at the inability of politicians and the broader community to logically and rationally look at the science, come to terms with its implications and methodically and systemically take the action that is required to save ourselves. His passion, on Tuesday, released the stopper on the same emotions that I generally have jammed into my powder keg. I try to keep them under check, because, for me, releasing this reality tends to send me careering into despair. What is it going to take? Is there any chance for humanity at all? What is the point? Why don't I just give up all this political faff and retire to the country, drink red wine and grow myself some organic vegies, and watch on as the world disintegrates before our very eyes?

This is the context in which I consider this omnibus bill, in which I consider the government's original aims of destroying our Renewable Energy Agency, with the Labor Party sanctimoniously patting itself on the back for having saved some of the furniture. We are meant to be grateful that ARENA is not going to be completely gutted, only moderately so. And we are meant to ignore the fact that, in tackling our budget emergency, we are leaving completely untouched the obvious ways of bringing in billions of dollars—the subsidies to the fossil fuel companies.

Senators, legislators, anyone who will listen—it is not enough. Half measures are not enough; business as usual is not enough. It is not where we need to head. The only thing that usually enables me to keep my despair in check is that I know what we need to do to tackle the climate crisis. We are facing massive problems, but there are solutions. If we put our mind to it, our ingenuity to work, our innovation, our commitment, our passion, the world can reduce its carbon pollution to zero within the next two decades. We have the technologies, and those that we do not have we can develop. I can even feel some optimism that we can develop technologies that will enable us to soak up the carbon out of the atmosphere at the scale and the speed required to put the brakes on the runaway train that is headed for the precipice that we are currently on. But we have to do it. We have to invest in renewables. We have to plough resources into agencies like ARENA, not ask them to muddle along and get by on half the resources they had last year. Australia is so well placed to play a leading role. We are a developed country with a well-educated community and so much renewable resource. We could be playing a leadership role, not being climate denialist laggards.

Can I remind you what we face if we do not do this, if Australia does not play its role, if the world just goes on, business as usual, as we currently are? It is not pretty. You know where we currently grow wheat in Australia? Sorry, we will not be able to do that anymore. The wheat-growing areas of Australia, under four degrees of warming—where we are still headed—will have a climate that is currently experienced in the central deserts. You know
those beachside suburbs that we live in? Sorry, they will be under water. You know the sewerage systems of our cities? They will be inundated. Just think of that. Miami, in the US, is already suffering from this—putrid sewage seeping up into the streets with every high tide. You know how, across the country, our agricultural industries, our farmers and our economy do not cope too well with drought? Sorry, droughts will be much more frequent, more severe, and no amount of frenzied dam building will give us water supply in a hotter, drier world. There will be more floods, more droughts, more bushfires—unstopable, making large parts of Australia increasingly marginal to survive in.

You know how we are currently challenged by the numbers of refugees seeking asylum around the world? Think of the refugees when the agricultural lands of India, Pakistan, Vietnam and Bangladesh are flooded by sea level rise and glacial melt. Rice is a staple food in Bangladesh, and rice farming is vital to the nation's economy. Sea level rise could threaten the food security of more than three million people in the Ganges-Brahmaputra Delta by the middle of the century, by making the water and soil too salty to grow rice. I want to quote renowned Australian economist Ross Garnaut. I think he is respected by all sides of politics. He wrote in 2009:

If sea level rises and displaces from their homes a substantial proportion of the people of Bangladesh and West Bengal, and many in the great cities of Dhaka, Kolkata, Shanghai, Guangzhou, Ningbo, Bangkok, Jakarta, Manila, Ho Chi Minh City, Karachi and Mumbai, it will not be a problem for Bangladesh, India, Pakistan, China, Thailand, Indonesia, the Philippines and Vietnam alone.

If changes in monsoon patterns and the flows of the great rivers from the Tibetan plateau disrupt agriculture among the immense concentrations of people that have grown around the reliability of water flows since the beginning of civilisation, it will not just be a problem for the people of India, Bangladesh, Pakistan, Vietnam, Myanmar and China.

The problems of unmitigated climate change will be for all humanity. That is what we are facing. We know what we have to do. We know what we can do. It is a matter of priorities. It is making decisions for our future, not pandering to the interests of those who are comfortable with the status quo and have their heads in the sand about the future we face. We should be, we could be, we must be massively increasing investments in renewable energy, and Australia could be a leader. It would be great for the economy, great for jobs. During the election campaign, the Australia Institute estimated that, if we reached the Greens' target of 90 per cent renewable energy by 2030, it would create 30,000 jobs, which I reckon would be pretty good for our economy.

Yes, we have a budget emergency—a carbon budget emergency. It overwhelms the financial budgetary problems, which can be pretty simply fixed by some of the many revenue measures that the Greens have proposed, the full impact of which would bring in over $100 billion of revenue over the forward estimates. My colleagues, in their contributions, have already outlined what those opportunities are—the various measures that could be bringing in revenue instead of these misplaced, short-sighted cuts that we are considering in this omnibus bill.

We have a carbon budget emergency because, to keep a safe climate for humanity, there is no carbon budget left—zero. We need to be drawing carbon out of the atmosphere, not brazenly, profligately, criminally continuing to pollute and destroy our one and only planet,
our one and only home. If we are to have a habitable planet for us, our children and our grandchildren to live in, we need to urgently tackle our carbon budget emergency. We need to massively increase investment in renewables, not slash it and try and pretend that half of not enough will do. It will not. We in this parliament have a choice. We can choose to direct ourselves towards a future where humanity does have a future. It is with such sadness in my heart that I have to face the reality that the current direction that this government is taking us in, epitomised by the measures in this bill, is entirely the wrong direction.

Senator HINCH (Victoria) (20:13): I will be brief. We heard Senator Sinodinos, the Minister representing the Minister for Industry, Innovation and Science, this afternoon referring to the fact that the government was not a one-night stand, that it was there for the long haul, that it was there to be in a lasting relationship. I was quite intrigued by that, because what it is going to do to ARENA is gut it. I will apply the analogy of the one-night stand to what the government has done in recent years to ARENA. They got engaged. The government promised to get married to ARENA and said they would last forever. Ever since, from the Abbott government onwards, the government has been trying to jilt the bride, leave her at the altar and gut ARENA. It has been dressed up, with the opposition, as a way, they say, to save ARENA. They have saved some of it but, down the track, the road has been taken to gut ARENA.

That is why later in the night I will be moving a motion to amend the Budget Savings (Omnibus) Bill 2016. I support most of it, but, in this case, you have got jobs coming out of this. They keep talking about the future, about the innovative jobs that we are going to have under the Turnbull government: 'It's all going to be wonderful. Get into innovative stuff. Do all this; do all that—exciting times to be alive in Australia.' But what they could be doing, if they kept the money—all the money—in ARENA, and if they used that extra money, is to look at ways, when the automotive industry collapses and finally closes down in Australia, to divert that money towards retraining all those people in the automotive industry who need new jobs, like the subcontractors in the automotive industry who need new jobs. You could do stuff for them.

In South Australia, Senator Xenophon follows the same sort of line. But in Victoria, when they close down Fishermans Bend and Broadmeadows and Geelong—and the same in South Australia, with what happens in Elizabeth—if they could keep ARENA going and if they did not touch ARENA, some of that money could be used for the people who need new jobs. This may sound dramatic. And I am not a builder. But you could say: 'The guys who are building hubcaps and windscreen wipers and all those things for the car industry which will become obsolete could be doing jobs.' They could be switching them over and training them in small industries, new industries, and they could save thousands of jobs around Australia.

I think it is a canard—and I am sad that the Labor Party has done the same thing—that they have said, 'Wow, look what we've done! ARENA is not dead.' In recent weeks, we have had meetings with the ARENA people. We have met with people from CSIRO. All these people know what can happen. They know that, if ARENA is preserved and protected, you can find ways to keep these jobs going. It saddens me, and I think it is wrong—the way they have dressed it all up. Because this is a tangible thing. If only they had even had the decency to say, 'All right; we'll adapt ARENA. We'll leave the money but you've got to change it.' Just imagine if they do keep pushing, and the government funds its grants, and the grants become
investments in sustainable jobs, and Australia takes equity in these jobs and these new inventions. And they will get some of it back, and they can make some money out of it.

So that is all I want to say tonight. I do not want to take up very much time at all. I just want to say that I will be hoping—through amendments, and through other ones put up by the Greens and, I think, by Senator Xenophon—that we will be able to save ARENA and say, 'Okay, you've got most of your stuff through in the budget from the lower house, but leave this alone because it's a worthwhile project.'

Senator XENOPHON (South Australia) (20:17): Under English law, 'the man on the Clapham omnibus' is defined as 'a hypothetical, ordinary and reasonable person used by the courts in English law', according to definitions I have read, where it is necessary to decide whether a party has acted as a reasonable person would—for example, in a civil action for negligence. The man on the Clapham omnibus is a reasonably educated and intelligent but nondescript person against whom the defendant's conduct can be measured. I guess here we have a case of, 'What would the man, or woman, on the government omnibus bill be saying about the fairness or otherwise of these measures?'

I think it is fair to say that the fact that there was no public hearing—something that both the government and the opposition combined to vote for—is wrong. For the Senate to do its job, it needs to have a process of public hearings, an inquisitorial approach, to assess the measures and the consequences, intended or otherwise, of a bill. And a bill such as this, traversing so many areas, is a bill that ought to have been looked at through a hearing. The concerns of stakeholders were not adequately assessed, and not even a half-day public hearing was set aside.

Senators had to hold a quasi committee hearing—and I congratulate Senator Rachel Siewert for the initiative. I took part in that on Monday, along with Senator Hinch and Senator Lambie, and there were other Greens senators, including Senator Di Natale, who took part in that hearing—which was actually useful. We heard from ACOSS, from Cassandra Goldie. We heard from Catholic Social Services. We heard from those involved in the dental space who were concerned about changes to dental programs, and from the Australian Dental Association. My colleague Senator Kakoschke-Moore was part of that hearing. We heard about military compensation changes—something that Senator Lambie and my colleague Senator Kakoschke-Moore are particularly concerned about. That process was useful in clarifying thinking about this bill, the Budget Savings (Omnibus) Bill 2016. And I note that the government has deferred the changes to dental funding for children, which would have a huge impact in regional communities, out in the bush, and also in the outer suburbs of our capital cities where young children still have much higher rates of dental decay, of dental disease, than children in inner metropolitan areas. We need to address that imbalance, and that is why that dental program has been so important.

What has happened, though, as a result of negotiations between the government and the opposition, is that there have been some positives. Funding has been restored, in part, to ARENA. There have been significant concessions to ensure that those on Newstart and disability payments, carers and those on the aged pension, are shielded. Bipartisanship is positive and it is what the Australian people want. I would like to think that the crossbench maybe nudged the two major parties together because we stood firm in relation to a number of measures. And I think that what shadow Treasurer Chris Bowen and Treasurer Scott Morrison
did, by sitting down and trying to sort out the differences and coming to a compromise, was a good thing which is, I think, what most Australians want.

However, there are measures in this bill that the opposition rallied strongly against in the last parliament that they now seem happy to support. One of these is the cuts to the R&D incentive, and I will refer to that later in this contribution.

I note that Senator Kakoschke-Moore referred to the whole issue of military compensation changes which we, along with Senator Lambie, will be opposing, because they are wrong. They will prejudice veterans who are fighting for just compensation, because I think they will be disadvantaged as a result of those changes—something that the opposition previously stood firm on but does so no longer.

Can I just say, in relation to ARENA: I and my Senate colleagues, together with my colleague Rebekha Sharkie, the member for Mayo in the House of Representatives, welcome the fact that the $1.3 billion cut to the Australian Renewable Energy Agency will not go ahead as planned, but we are disappointed that the compromise will still see $500 million worth of funding cut from the agency. The long-term future of ARENA is less uncertain than it was just a few days ago, but I believe it can be secured in the long term if the financial arrangements for ARENA are extended to provide it with the capacity to provide investment funds as well as having equity in funded projects. So, if ARENA invests in a new form of renewable energy technology and it takes off and goes gangbusters—if it takes off in the sense that it becomes a huge commercial success—then why shouldn't that be paid back? Why shouldn't there be a discretion in the grant for that to be paid back or even to get an equity in that project on the part of ARENA so that ARENA's funds can be replenished?

I do not think it is an unreasonable commercial proposition that should be applied to ARENA, and I do not think the board of ARENA would regard it as unreasonable either if they are given the discretion. It is a discretion that they ought to have. If this approach is adopted, ARENA would be in a position to have grants repaid with interest if the project funded becomes a commercial success. ARENA having the option of taking equity in the project and reaping the benefits would be very positive for the fund in the longer term. It is all about being agile—something I would have thought the government would welcome. Under both proposals money would be ploughed back into the fund to replenish it. I now foreshadow my second reading amendment, to this effect, and I look forward to discussing this proposal with Minister Frydenberg at a later date in a constructive manner. Later I will move:

At the end of the motion, add:

", but the Senate is of the opinion that the financial arrangements for Australian Renewable Energy Agency should be extended to provide the Agency with the capacity to provide investment funds, as well as have equity in funded projects.

Private health insurance has not got much attention in the course of this debate, but it ought to. This measure has not attracted much attention, not many people get excited about private health insurance except when there is a premium increase, but it is an issue that I have long had an interest in. Back in 2008, when the Hon. Nicola Roxon was health minister, I held out on a piece of legislation that the then Rudd government wanted to get through on the basis that there should be a thorough Productivity Commission investigation on the interaction between the public and private health systems, the first comprehensive study of its type, and I think it was a good benchmark to see where the strengths of the public system were, where
the strengths of the private system were and where the two complemented each other. I commend that for anyone who is interested in long-term good public health policy in terms of how we maximise taxpayer involvement in the health system to get the best value for money for taxpayers and the best outcomes for patients.

At a recent speech I gave to the Health Insurance Restricted and Regional Membership Association of Australia, or HIRRMA, I spoke to a number of not-for-profit private health insurance providers. These providers include two great providers in South Australia, the Police Credit Union and Health Partners. They look after one million people. They are not-for-profit providers; they provide exceptional service and value for money. Not-for-profit and member-owned health funds have for the past 11 years consistently reached 97 to 98 per cent overall customer satisfaction—if only any of us politicians could get anywhere near those numbers!—and they incur far fewer complaints with the Commonwealth Ombudsman than large for-profit health insurers.

In 2012, when the Gillard government was in power, the federal parliament was debating the introduction of means testing for the private health insurance rebate and I moved an amendment to the government's legislation which I called the Roberts amendment, after a pesky ABC press gallery journalist, George Roberts, who was badgering me at the Senate doors one morning asking me, if I wanted to talk about transparency, what would I do about it. I moved an amendment that would have required the Productivity Commission to prepare an annual report to the health minister, for presentation to the parliament, relating to changes in the composition of the persons insured under private health insurance including information about the number of persons who have ceased to be insured and the number of persons who downgraded their level of insurance. It also required the Productivity Commission to make recommendations for addressing the reductions in the number of persons insured and the downgrading of their level of insurance. That is the sort of information we want in order to guide good public policy so that we do not have a situation where health funds effectively end up stalling and going into a nosedive because of the drop-off in the number of people who are in them or the sort of cover they had.

The then opposition, the coalition, was effusive about those changes. They supported the amendment, though we missed out because the Australian Greens did not support it, which I regret. In 2014 I moved virtually the identical amendment, the Roberts Amendment, and guess what? The coalition government rejected that transparency measure because they said it was not necessary—they had got advice from the department, the bureaucrats. So that was that. I can indicate that I will not be moving this amendment this evening; however, it is an issue that I will be pursuing. Transparency is the key to driving better outcomes in savings in the health system—just look at what the Swedes have been doing. They have brought down the level of expenditure in the health system through greater transparency measures and innovative policies that get better outcomes for their patients. That is something I think we need to look at.

Schedule 6 of the bill pauses income thresholds for the Medicare levy surcharge and rebate at the 2014-15 rates for three years from 2015-16. The explanatory memorandum states:

Continuation of the pause in income thresholds at 2014-15 levels could result in individuals with incomes below each threshold moving into a higher income tier as their incomes increase. As a result:
• individuals who do not have private health insurance and do not currently pay the MLS may become liable to pay the MLS, thus encouraging them to purchase private health insurance; and
• an individual's level of MLS may increase, thus encouraging the person to purchase private health insurance.

In theory this sounds like a good idea. The more people who have private health insurance, the smaller the impact on Australia's already overstretched public health system. Statistics released by APRA in February 2016 showed a record 11.3 million people have private hospital insurance. However, when you dig a little deeper, as Westfund Health Insurance did—a not-for-profit community health fund based in regional New South Wales—a worrying trend becomes evident. The number of full-cover policies is at a record low, and the proportion of policies with exclusions or restrictions has exceeded 55 per cent for the first time. This is a direct consequence of the Gillard government's approach. The coalition, when in opposition, were deeply concerned about it and they are now ambivalent towards it. They do not seem to care—it is too hard for them to tackle. If a policyholder needs treatment for an excluded procedure, such as joint replacement, they are likely to seek that treatment at a public hospital. With restricted policies, many consumers face high out-of-pocket costs and are also likely to seek treatment at a public hospital. This negates the whole idea of having private health insurance in the first place, and increases the pressure on the public hospital system.

Trying to find savings in the private health insurance space has resulted in what seems to be a furious battleground. It started in 2009, when the coalition was in opposition, over the freezing of the private health insurance rebate. I voted against the freeze then, as did the coalition. I thought back then, and still do, that it would make private health insurance less affordable and, ultimately, put more pressure on our public hospital system. Similarly, in 2011, when the Gillard government introduced means testing, it was a delayed double whammy, also opposed by the then opposition. I thought it would lead to distortionary effects, with consumers opting for the lowest, 'bare bones' health cover and dropping ancillary benefits, which in turn would cause additional blowouts in the public sector, or, worse still, Australians not getting treated for conditions early, which would actually become much bigger problems for them and for our overall health budget down the track. You have seen the ads, particularly in June, which claim that you may save on tax if take out private health insurance by 30 June. Putting aside the potentially misleading aspects of such advertisements, I believe that many Australians are taking out 'bare bones' private health insurance policies just to avoid paying tax.

This measure has the explicit purpose of encouraging people to purchase private health insurance and avoid becoming liable to pay the Medicare levy surcharge. I have great concerns that this measure will see an increase in the number of people holding exclusionary or restricted policies, which will result in people still utilising the public hospital system, despite holding a private health insurance policy. Additionally, the government does not reveal the amount of premium rebate paid for policies with restrictions or exclusions. Westfund estimates that the government is outlaying premium rebates of $1.5 billion on policies with restrictions or exclusions. I would like to find out from Minister Sussan Ley just what this cost is and the impact it is having on our public health system. It is not an easy problem to fix, but I think the government could take a step in the right direction by...
disqualifying policies with exclusions for common major procedures from the government premium rebate, or reducing the rebate entitlement on them.

On research and development, I last spoke about cuts to R&D tax incentives almost one year ago. What I said then is just as relevant now. The second measure contained in this bill proposes a reduction in the rates of tax offsets under the research and development tax incentive. In a country with a long and proud history of inventors, inventions and innovations, it seems the importance of encouraging research and development is critical. From the humble rotary clothes line, the Hills hoist, to the black box flight recorder, the photocopier, the bar code and, more recently, wi-fi, the depth of talent in Australian inventors cannot be underestimated. The potential of this innovation for our economy must not be lost on any government. In my home town of Adelaide, SupaShock is gaining attention around the world for its development of a shock absorber that is credited with the Ford racing team winning V8 Supercar races because of what it does to a car's handling. Not so long ago, they won a Formula E race through the Virgin Atlantic team. That gives you an idea of the potential of R&D. I know that defence industries around the world are looking at this technology—technology that could drive more jobs in my home state of South Australia, as we see auto making fall of a cliff in this country, and, with it, many tens of thousands of jobs.

The coalition had two attempts at passing this measure and both attempts were met with steadfast opposition from the Australian Labor Party. There were some terrific comments on R&D, on this measure. I genuinely have enormous admiration for Senator Kim Carr and the way he has cooperated with me on issues of industry in our car-making sector. On 2 March 2015, he said:

The government is using these changes to the R&D tax incentive to gather savings, not to make the R&D tax incentive more effective. This is typical of the way in which this government has failed to understand the crucial role of innovation in an advanced industrial economy.

He went on to say:

The measures proposed in this bill, however, will only erode certainty and transparency. The effect of the bill will be to discourage R&D investment in Australia. In particular, the bill punishes small- and medium-sized enterprises.

Dr Leigh, the member for Fenner, is a renowned economist and a very smart man. On 17 June 2015, he said:

What is this apart from a cash grab by a desperate government? Why else would the government be trying to hack into the productive potential of the Australian economy, hack into that research base, at the very same time as the government—which began bereft of a science minister and continued by cutting CSIRO—has so put itself offside with the science community and so jeopardised the potential of the Australian economy to create new jobs?

Mr Acting Deputy President Ketter, there is even a quote from you, but I will not be cruel and quote it—unless you want me to. Basically, it is on the same theme—that this is a counterproductive cut in relation to R&D. It is a shame that the opposition has decided to change its position at a time when we need, more than ever, to be fostering and supporting innovation in this country, not destroying it.

I cannot support a measure which will have a retrograde effect on small and medium businesses involved in research, and I will be moving an amendment to oppose schedule 22. When it comes to R&D, we need to keep those current incentives in place so that those
200,000 jobs—which could well be lost in Victoria and South Australia by the end of 2017, when the car-making sector closes down—have a fighting chance of being replaced. In terms of student start-up scholarships, Rebekha Sharkie, the member for Mayo, made a contribution in the other place about how these changes will be retrograde and will disadvantage regional students.

I am pleased there have been some compromises. I am concerned about those matters where there has been no compromise, particularly in terms of R&D. I acknowledge that we do need to undertake budget repair, but let us undertake budget repair fairly and in a way that does not take away from the productive capacity of the Australian economy. Let us do it in a way that is fundamentally fair, so that the man or woman on the 'Clapham omnibus' would say that it was a fair deal.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (20:37): So here we are: it is about 20 to nine on the last sitting day of this session, most of the press gallery have gone to sleep and most of the rest of the country have almost certainly switched off from whatever might be going on in this building. Obviously, that is exactly what the government had in mind. Tomorrow's headlines, turned into Saturday's fish and chip wrapper, will be that the government did something or other to fix the budget. Tonight the vacuous emptiness at the heart of this government is laid bare, and that is why they are so happy to see it pushed to a vote in the dead of night.

It is a government empty of purpose and direction in open civil war with itself, with a bunch of yesterday's men whose ambition is only outmatched by their mediocrity. And this week is the anniversary of the overthrow of Mr Tony Abbott. How fitting! He was already two years past his use-by date by the time his colleagues threw him under a bus. He was replaced by someone with a big grin, a confident manner and a vague promise that any day now some sense of direction would be established. But, here we are tonight, debating the Budget Savings (Omnibus) Bill 2016, which sounds as though it is designed to be boring. It is designed to make your eyes glaze over and your attention move on. But what it is, effectively, is a dismal camel of a bill.

My colleagues, from Senator Whish-Wilson earlier in the afternoon to Senator Di Natale, Senator Hanson-Young, Senator Siewert, Senator Rice and Senator Waters, have dismantled the fundamental premise of the different elements of the bill and its overall philosophy in a fair bit of detail. Change to family payments is the biggest single measure, with more than $1½ billion in unnecessary cuts to family assistance, ending family tax benefit part A for families earning over $80,000, which actually is not very much as a combined household income. A single-parent family with two teenage children will lose $284 a year, or $5.50 a week. That is not much for people in here earning $200,000 a year, but for families struggling—uncertain about continued employment or suffering intergenerational unemployment—it is a big deal. Removing the ability to backdate a carer allowance is cruel and pointless and it saves, what, $108 billion over the forward estimates.

I will speak in greater detail about ARENA and my particular concerns about what is going to happen with the half a billion dollars ripped out of ARENA and how that will impact on Western Australia.

On higher education, I have been here long enough to remember how in 2013—or it might have been 2010—the Greens were campaigning against the then Labor government's utterly
counterproductive cuts to higher education. Then, right after the election, right after the change of government in 2013, the Labor Party magically reinvented itself as the natural party of higher education, and we were all just expected to imagine that the preceding period simply had not existed. Now, as Sarah Hanson-Young pointed out, new scholarships are being turned into more HELP debts. The HELP repayment threshold is being dropped and indexation rates on payments are being boosted. All of this is, in a sense, to get students and people seeking a tertiary education further into hock, further into debt that will follow them around, in some instances, for the rest of their lives. How utterly counterproductive!

Other senators, including Senator Xenophon and Senator Whish-Wilson, have already pointed out that there was no hearing into this bill. It is worth $6 billion in cuts and revenue measures. Why would the Senate not conduct an inquiry into a bill of that scope? This is not a trivial matter. It was up to Senator Siewert to book a committee room and invite witnesses from various parts of society who will be impacted by the cuts in this bill to tell their stories. The priority of the Labor Party and the Liberal Party for this 45th Parliament is, so they say, deficit repair, but it is off the backs of the most vulnerable people. It does not tackle rising inequality. It does not tackle global warming. It does not tackle any of the real challenges bearing down on this country. As it turns out, it does not tackle budget repair either, and that is the most sadly ironic aspect of what is going on here.

The Australian Renewable Energy Agency was a key component of the clean energy package that Senator Christine Milne, Senator Bob Brown and the member for Melbourne, Adam Bandt, negotiated with Prime Minister Julia Gillard, Mr Combet and the two country Independents—the coalition stayed on the sidelines but they were not actually missed—to create a carbon price package that would fund the clean energy transition. ARENA was a foundational part of that, with ARENA doing the research and development and the early commercialisation work to get projects off the ground. There are people in this country with incredible technical and engineering expertise and they want to get the job done that we so urgently need done. They want to get a job, go to work and get these power stations built. These things were negotiated by the Greens with the Labor Party and the country Independents at the time to put together a world-leading climate package. It was not perfect. It was one of the most interesting examples of compromise. Nobody got everything they wanted, but it was a lot better than the alternative that was on offer. Now ARENA is an incredibly important part, a foundational keystone, of getting these projects to commercial scale.

I want to mention just a couple of examples from the $72 million dollars worth of projects in Western Australia, mostly in regional areas. This is why the National Party have not even bother to show up for the debate and cannot make eye contact with anybody. These are jobs in the regional areas that these people claim to represent. Without ARENA funding in Meekatharra, Perenjori and Cervantes, those communities and those small businesses who form part of the supply chain would have missed out on being a part of the transition. There were announcements just last week about three of 12 new projects being funded. At Emu Downs, $5½ million will go towards a 20-megawatt solar farm. It will complement the output from the big wind farm that is already at that location. That will mean clean energy and sustainable employment in Cervantes. It is almost inconceivable to imagine that the agency
that has helped get that project off the ground would be suffering the kind of cut that is on the table tonight.

About three hours north of Perth, ARENA is funding a feasibility study into the construction of a 20-megawatt solar thermal power station in Perenjori. What could be more important in this day and age—an age of cheap solar and cheap wind—than to be able to bring dispatchable clean energy projects online? When the sun goes down, they just keep generating that output and they can provide the backup to the more ephemeral wind and solar output. That is the key to getting to 100 per cent clean energy: energy efficiency—which ARENA, the CEFC and industry are already invested in—and the kind of dispatchable clean energy that backs up the wind and the solar photovoltaic output. The plant is proposed to employ molten salt technology. Senator Milne and I visited one of these plants a couple of years ago, in the south of Spain—the Gemasolar plant. It is a 20 megawatt plant, a bit bigger than just prototype scale but smaller than a commercial unit, which runs 24/7 on sunlight.

More recently, I visited the solar thermal plant at Crescent Dunes in Nevada, SolarReserve's project, designed to provide dispatchable electricity for peak-hour generation in Nevada, and for Las Vegas in particular, at about eight o'clock at night, running that brightly lit city on solar energy. These are the kinds of projects that we can bring to commercial scale if we keep these agencies in business. We should be getting a project of that scale. Earlier in the evening, Senator Hanson-Young put in a bid for Port Augusta; I am putting one in for the goldfields. Out on the edge of the Western Desert, on the edge of the interconnector leading back into the south-west grid, there is an industrial site already gazetted and there are companies that are interested. They cannot take these projects to the bank, because the finance is not quite there yet. That is ARENA's job; that is the CEFC's job.

One example that I would have thought would have been interesting to the coalition, given their passion for mining, primary industries and the bulk export of commodities, is the DeGrussa copper mine. They put in a solar battery system, not too far from Meekatharra, and created 45 jobs. A Western Australian local company put the infrastructure in. They received a $20 million grant from ARENA for a $40 million total project. It has allowed them to offset five million litres of diesel a year from July 2015, and that is diesel that does not have to be trucked out to the site and burned when the sun is not shining. Remote Western Australia is really the perfect place for starting these innovative off-grid applications, because it is so expensive to generate electricity. That was ARENA's job. That is what they were doing. They were providing the start-up funds to get these projects off the ground.

I get that the Liberal National Party is still on this grotesque bender to delay the clean energy transition for as long as it can. It means the donations keep rolling in, and after they are done they get to slide into those sweet lobbyist roles with the Minerals Council and whoever else offers to pay the bills in their political afterlife. Every now and then they send in one of their more impressionable product placements, shuffling in here wearing a fluorescent vest donated by the Australian Coal Association, just in case there is anyone left in the country who thinks there is still some residual ambiguity in the government's attitude to the world's increasingly violent weather.

The thing that I do not get—maybe Senator Conroy, Senator Bilyk or somebody up the other end of the room can help us out and make it clear to me—is why on earth the Labor Party is providing cover for this undignified hot mess. What are you doing? We have the
numbers to defeat this tonight, if you come in here and do what people pay opposition parties to do. Did you tell the social media people who photoshopped this thing up this afternoon what you had actually done? For the benefit of the *Hansard*, there is a picture of Mr Shorten and Ms Plibersek on a rooftop surrounded by solar panels—it is a nice photograph, very well composed—and the text says 'Breaking news: Labor saves ARENA from the government's plan to destroy it. Thank you.' No, thank you, Australian Labor Party. If someone says that they are going to set fire to your house, and you just sit there with your eyes glazed over until it is half burned down, you do not get to post memes congratulating yourself for there still being some ruins standing! It is like drinking half of someone's beer while they are not watching and then expecting them to thank you for the courtesy of having some leftovers. This is bad, and you should feel bad. Go and put that on your Facebook page!

If it is revenue that you want, if it is savings that the government is after, we can help. We are a part of this debate. We took $141 billion of revenue and savings measures to the 2016 election, all of it costed by the independent Parliamentary Budget Office. Phase out the capital gains tax discount and negative gearing and you can generate $14 billion over the forward estimates. That is a start. That is more than this bill is worth. An end to fossil fuel subsidies would save nearly $24 billion over the forward estimates. Can you imagine, in an age of climate change, that we still subsidise fossil fuels? A coal export levy, so that that industry can start to at least amass some funds to pay for the harm that it is doing to communities here and overseas, would raise $2.4 billion. Putting a price back on pollution would raise $16 billion.

There are any number of ideas. Here is a good local one. What if I told you that, sight unseen, the federal government wants to blow nearly $1 billion of your taxes on a heavy freight highway through a wetland, obliterating 90 hectares of banksia woodland, wiping out an Aboriginal campground that has tens of thousands of years of occupation behind it and ruining neighbourhood amenity for all time? The federal government proposes to chip $960 million into this atrocity. It is a project that the community does not support. It is a project that has been running under cover of darkness, because even this week the government refused to hand over basic information about the financial liability that the Barnett government is signing taxpayers up to in WA. Mr Turnbull, on the underwhelming anniversary of the deposition of your predecessor, we found you twice as much money as you are ripping out of ARENA just in this one wide, pointless strip of concrete on the other side of the country. That is really how we know that this bill actually has nothing to do with budget repair. You have done nothing but kick the debt and deficit can down the road. Anything that would have required so much as homeopathic traces of political courage has been forced under the carpet.

The government will get the headlines it wants in the morning; I know it will. We all know we will get endless footage of Mr Morrison's beaming head and the only thing we will be able to do is turn the volume down until he goes away. But the numbers will not lie. The big challenges still lie ahead, whether it is bringing the budget back into balance, doing something about our dependence on fossil fuels, or creating opportunities for people whose jobs are being offshored or automated out of existence.

How do we know that this bill has nothing to do with budget repair? Senator Whish-Wilson belled the cat right at the outset of this debate, because while we were in here debating this
bill, the House of Representatives was debating a $4.3 billion tax cut for the 20 per cent wealthiest Australians. This is about nothing more than that headline and the opportunity for Mr Morrison to get himself on television in an attempt to persuade people that they have some faint idea what it is they are doing but the budget papers will not lie, and the stale charade that you put us through this week will be exposed for what it is. And instead of standing up to you, the Labor Party has let you run the table. So tonight I am nominating Dr Richard Di Natale as leader of the opposition because you lot are just not up to it; I am sorry, but you are not.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (20:53): Could I take this opportunity to thank and congratulate Senator Cormann for his constructive approach to resolving some of the difficult issues. Both sides were involved in a little bit of give and take but the approach taken by Senator Cormann speaks volumes for him. As it is very late, I seek leave to table the rest of my contribution so we can move on.

Leave granted.

The speech read as follows—

You should always go out on top. This week as Captain of the Parliamentary Soccer team I scored a hat trick. It must be time to say farewell.

In 1996 in my first speech in this place I said: "The Labor Party's next challenge is to confront the changing structure of Australia's work force. Technological change is forcing the pace as more people work part time and from home. A new type of poverty is beginning to emerge and its impact will need to be assessed carefully. We are seeing a growing gap between the information rich and the information poor. This has many implications for public policy. How do we ensure that every Australian child has the education including the standard of literacy they need to be able to use the new information technologies? How do we ensure that all Australians have access to the information carriers that will revolutionise the way we learn, work and enjoy ourselves? More practically, what can we do to make sure Australians have the skills and back up they need to be leaders in developing and providing these new technologies?"

There is nothing more fulfilling and no greater privilege than to be in Government and conceive, create and implement a strategy to deliver the economic and social opportunities that technology brings and reach all Australians wherever they live and whatever their backgrounds. The National Broadband Network will remain my greatest contribution.

The concept and plan for the NBN enabled me to meet some truly extraordinary people who have all been deeply involved in the internet debate. I am privileged to have met Professor Larry Smarr, a pioneer of the internet; Professor Jeff Cole whose insights into people and their online habits is world renowned and Larry Irving who created the phrase the Digital Divide.

These three great men inspired me even at the toughest times and I'm proud to count you as my friends.

I have also been able to contribute in other portfolio areas even from opposition. I have championed corporate governance reforms to try and make Boards and Executive Management more accountable to shareholders. Significant amendments to our corporate laws have allowed shareholders to reign in some significant areas of corporate excess.

I was Labor's trade spokesman at the time of the debate of the US FTA. I take pride in the fact that without my active support it would not have passed into law. I would also like to acknowledge the support of Phil Scanlon and the greatest Prime Minister Australia never had, Kim Beazley.

In the Defence portfolio the debate over the construction of Australia's submarine fleet was an enormous challenge. The then Prime Minister had done a deal to buy Japanese submarines and abandon our manufacturing base here in Australia. I was able to lead a campaign to overturn a decision of the
National Security Council of Cabinet and protect Australia's national security interests and the livelihoods of tens of thousands of Australian families.

As I say farewell I would like to take this opportunity to publically acknowledge the recent retirement of a friend and champion of the trade union movement.

Wayne Mader was the Secretary of the Victorian Branch of the Transport Workers Union (TWU) from 2009-2016. He was a member of the Victorian Branch for 45 years and an elected official for 32 years. I consider it an honour to have served in the TWU with him for the four years before I entered the Senate.

Wayne Mader embodies the true spirit of the trade union movement. He is honest and trustworthy and has always put the interests of his members first.

Wayne is truly the salt of the earth, nobody could ask for a more loyal, decent and generous friend and I want to publically thank him for that. My success in politics has been in no small part due to the unwavering support he has given me over the 25 years we have known each other.

The Victorian Branch of the TWU is now in the safe hands of John Berger and I wish him well and look forward to proudly receiving my 25 year membership from him in a few years time.

No one can survive 20 years in the Federal Parliament without a genuine group of friends. It's no different in my case. I have had the privilege of serving with and being friends with a group of passionate and dedicated Labor icons. We have been called many things over the years but the name which stuck the most is the Roosters.

Wayne Swan, Jenny Macklin and Tanya Plibersek, three incredible individuals who refused to surrender their Labor values in the face of the greatest financial disaster in 70 years, the GFC. In the six years we served in Cabinet together they championed policies that protected and improved the lives of those who needed help the most. They were and continue to be committed to true Labor ideals. In my first speech I argued that Labor's mission was to civilise capitalism—that economic policy was not an end in itself. Wayne, Jenny and Tanya demonstrated that belief time and time again. They fought for that in ways that most will never be aware of, but I want to put on the record that I was witness to them fighting to improve the standards of living of working Australian families and that I know they will continue to do so.

I would also like to acknowledge the privilege it was to serve Australia's first female Prime Minister, my friend Julia Gillard.

I will miss my friends and colleagues terribly—our Saturday morning chats, our Sunday night plane trips, our Wednesday night dinners. All made the burden of being away from our families a little more bearable.

As each of the past few years slipped by other good friends have left this place and a piece of me left with them—Steve Smith, an original Rooster, ever the calming influence on Wayne and myself. What a tragedy for the people of WA that they will not get a chance to have him serve as their Premier. My skiing buddies Mark Arbib and Joe Ludwig, two friends and colleagues who always had my back no matter what.

I would also like to single out one of the most significant and long lasting influences on my political thinking. My first friend in the schoolyard when I arrived in Australia was a kid called Bill Johnston. This was in February 1974, Bill was the youngest from a large family. They were committed Labor voters and Collingwood supporters. 42 years later Bill is still one of my closest friends and it is with great pride that I will watch him be elected to the next WA State Labor Government and take his place as a Minister. His passionate advocacy for social justice burns as brightly today as it did when he was a teenager when his nickname was “Johno the Commo”.

Peter Barron has been another significant influence on me. He has never allowed me to lose sight of the ultimate objective of the Federal Parliamentary Labor Party—winning Government. Peter is the
silent godfather of political advisors. He is one of the few people I have met who has the gut instinct to understand the 'mob' as he would say. His unerring wisdom has transcended 40 years of service to the Party and I think him for his patience with me over many years.

Peter always has the right words for the right times and on the news of the birth of our daughter Isabella, he described her as a "triumph of love and friendship". I am extremely proud that as a family we have influenced surrogacy laws around Australia.

As I look around Caucus today, I see an outstanding future Labor Cabinet to rival the best of the past. The most passionate and brightest have come pouring into the caucus in the last two elections. I'm especially proud of my fellow Victorian Colleagues and the contribution I know they will make in the Shorten Government. Tim Watts, Clare O'Neill, Richard Marles, Joanne Ryan, Rob Mitchell, Michael Danby, Peter Khalil, Anthony Byrne, Mark Dreyfus and David Feeney. A group of true believers drawn from many backgrounds and experiences who share a common set of values to improve the standing of working people and to keep them secure in an uncertain world.

And to the next Labor Prime Minister of Australia. I have known Bill Shorten since the 1986 ALP National Conference. A bundle of energy and ideas from the first meeting. Bill and I have shared the highs and lows of all that life can throw at you. We have been friends, rivals and frenemies. He should never be underestimated. Malcolm Turnbull learned that on 2 July this year. Tony Abbott learned it on 14 September last year. The Canberra Press Gallery has still not learned it but they will.

As Opposition leader Bill has shown what I have always known—he is a resilient, smart, warm man of the people and for the people. He is Australia's Prime Minister in waiting. I'm sorry I will not be alongside you in the Federal Parliament as you take your place in history.

I would like to acknowledge one final Federal colleague, Kim Carr. Much maligned, a passionate advocate for unfashionable economic policies but a Labor warrior. If there was a tough battle in the Senate and you needed a wingman, you would always want Kim Carr next to you. People have always misunderstood our relationship. It is based on two simple things, trust and mutual respect. In the 25 years I have worked with, fought with and struggled together with, Kim Carr has never broken his word to me. In any walk of life that is the measure of a man.

I would like to single out some Victorian colleagues to whom I owe much. My two amigos, the founders of the LRA, Telmo Languiller and Theo Theophanous. Words cannot express how much their friendship and support means to me. They have believed in me when others have walked away, their loyalty has given me the strength to endure when I would have given up otherwise.

To my former colleague Mehmet Tillem, politics is a cruel game and it can be fickle. No matter how hard working, intelligent and compassionate you are it can cut you off at the knees. But Mehmet is a patient man and his time will come again.

Phil Dalidakis, a passionate, loyal and dedicated Minister in the Victorian Government. He is a powerful advocate for the people of Victoria and he is positioning the state to benefit from the jobs of the future.

My friend and confidant Bob Smith, the man who taught me to play golf—my family has not forgiven him for that. Bob saved the AWU from bankruptcy after the corrupt leadership of Bruce Wilson. I remember talking with him often during this period. He was faced with a dire set of circumstances that would have defeated most others but he began the rebuilding of that famous union from the ashes. A pillar of strength for me so many times over so many years. I look forward to sharing many more games of golf in the future.

I also want to thank Tony Sheldon, the National Secretary of the TWU. A committed trade unionist, a passionate advocate for transport workers and someone who gives unflinching support to his friends no matter the cost to himself.
My many staff who have made me look and sound so informed, intelligent and thoughtful over 20 years. Your commitment to the Labor cause was above and beyond so many times. I have been humbled by your friendship and support. To my current team - Lucien, Claire, Garth, Helen, Andy, Haaki, David, Bassell and Sam, thank you for always believing in me. I could not pass up this opportunity to mention one other staff member, our dearest friend Jan Cleeland, who worked for me for many, many years and was taken from us far too soon. She was devoted to me and saved me from myself so many times.

To all the dedicated staff at Parliament House, the Hansard reporters, the Clerks, the Librarians, the Security team and the Comcar Drivers both here and in Melbourne. Thank you for your professionalism.

To the person who kept me functioning first thing in the morning, Dom and all the team at Aussies. Thank you. I will miss the daily discussion of the world game, mocking you over Carlton's increasing number of wooden spoons and your warm and friendly smile day in and day out.

I could not have survived the last 20 years without the support of a loving family. Having grown up in Canberra, I have had the advantage that my parents live here. Canberra has never been the empty cold flat I return to each Sunday night as many of you have. Each week I would return to my parents home, where I grew up, to the welcoming smiles, the updates on my nephews and now my great nieces. Bantering with Dad about Newcastle's results, him mocking Chelsea's results given how much money we have spent on players and of course watching the Chelsea-Newcastle matches together. But what made the trek up to Canberra on a Sunday night was the prospect of Mum's Shepherd's Pie - at the end of the day I'm still just a kid from the North of England.

The internet has been a boon for communicating with family across the globe but it has its downsides too. After a few years I had to ask my dad to please not use his name on blogs if he was going to vigorously participate in political debates online as his comments could be taken out of context and used against me in Parliament or by journalists. His paternal instinct was strong and he was always keen to correct the many inaccurate comments about me. At one stage when I was a Minister there was a particularly vigorous online debate about a policy I was advancing. The full force of the internet trolls was raining down and my staff were monitoring the commentary which was very unflattering. They came to me proudly to show me at least one person was defending me staunchly in the face of the abuse. The looks on their faces after they handed me the printed versions and I explained that Derek Green was actually my uncle and even worse he lived in England and could not vote for me, was priceless. Even from half way around the world the Conroy/Clements clan still loyally stick together.

I have had one constant companion through this 20 year journey, my wife Paula. We met in March 1996 just as I entered the Parliament. She has been a rock for me and our now 9 year old daughter Isabella. It is almost impossible to explain to those outside the Federal Parliament the sacrifice that your family make while you are an elected representative. It's not just that you can be away almost half the year, but when you come home after an exhausting week and just want to rest and sleep and you can't immediately let go of work or what is happening in the political arena.

It is also the intangibles - coping with the coverage in the media, especially as the 24/7 media cycle has changed the nature of political discourse. Noting the glances and scowls as you walk down the street together. Explaining to my young daughter why people have shouted abuse at her Daddy in the street. Being immediately judged as you explain what your partner does or who he is based on the media image. I'm sure you would all agree that there should be a special place in hell for those who judge women based on their spouse's work. Paula has remained steadfast in her support for me while maintaining her own career but it is the incredible job she has done in raising our beautiful daughter Isabella while I have been absent that I owe her an undying debt of gratitude. It is often commented that Isabella has me wrapped around her little finger, but who could not be when confronted by such a smart, kind, considerate, funny and loving, no longer little girl. She increasingly misses me when I can't
be at soccer training or a match. She would love me to attend at least one assembly a year and be there when she gets an award.

I often reflect on when I was a kid, how my father who worked shifts at ICL would never miss a single soccer match from the Under 11s to the Under 21s. Week in, week out. You never appreciate it at the time but you realize much later how special it was. I always vowed that I would be there for Isabella like my dad was for me. At Father's Day at her school recently Bella had to write about her Dad. She wrote that she loved it when her Dad taught her new soccer tricks.

When you resent being in Canberra because you are missing your daughter's soccer training it is time to retire from the Federal Parliament.

It's time for me to hang up my boots as Captain of the Parliamentary Soccer team and spend more time teaching Isabella soccer tricks.

It has been a great privilege to serve as a Senator for Victoria, as Leader and Deputy Leader of the Labor Party in the Senate and as a Cabinet Minister in two Labor Governments. It is also a great responsibility. To my fellow Senators a final word — it is our privilege and responsibility to serve all Australians — those who were here before us, those living here today and all those who will come to join us and continue to build this great country.

Thank you.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (20:53): I would like to thank all the senators who have contributed to this debate. Budget repair is an important challenge for the government but it is also an important challenge for the parliament because it is important for us to continue to protect our economy by preserving our triple-A credit rating, by protecting our economy and our budget, and by protecting our capacity to fund the important services of government sustainably over the medium-to-long term by making sure that we get the budget back into balance as soon as possible. Of course we should also get the budget back into balance to ensure that we do not keep living at the expense of future generations, at the expense of our children and grandchildren, putting their future opportunities at risk.

The debate tonight in this chamber demonstrates the difficulty with actually achieving budget repair because everybody agrees in theory with the need to get spending growth under control but then you need to make specific decisions about specific areas of expenditure, so obviously the whole conversation becomes much more difficult. It is in that context that I would also like to thank the Labor Party and in particular the Shadow Treasurer, Chris Bowen, for their very constructive engagement. We have worked through a very constructive process in recent weeks with the necessary give and take to ensure that we were able to secure a consensus in this chamber for $6.3 billion worth of budget savings.

The context is that in the lead up to the election, we went into the election with this series of budget savings that were unlegislated up until that point in time. Both the Labor Party and the coalition took a series of savings measures to the last election and the measures that were initially originally included in the omnibus savings bill are a reflection of those savings measures that both Labor and the coalition took to the last election. To be fair to the Labor Party, a number of them and, principally those that are subject to the amendments to this bill, Labor during the election period indicated that they, while banking the saving, reserved the right to implement it in a different way and that is why we have worked through this process.

Budget repair is not an easy affair. It is an important affair though in our national interest. It is important for us as we strive to put Australia on the strongest possible economic and
fiscal foundation for the future as we strive to ensure that our children and grandchildren can continue to have greater opportunities in the years and decades ahead, to have the best possible opportunity to get ahead and be successful. It is important, as we strive to ensure that we are in the best possible position to deal with any future global economic shocks, that we do get our budget back into balance, back under control as soon as possible and this $6.3 billion contribution to budget repair tonight, if this Senate is to endorse it, is going to make a material and significant contribution. So I conclude my remarks again by thanking the Labor Party for having stepped up to the plate on budget repair, for having engaged with the government in working through some of the issues that this bill put on the table and for having reached a sensible compromise position. I commend this bill to the Senate.

**The DEPUTY PRESIDENT:** The question is that the amendment moved by Senator Whish-Wilson, amendment No. 7927, be agreed to.

The Senate divided. [21:02]

(The Deputy President—Senator Lines)

Ayes .................10
Noes .................46
Majority.............36

**AYES**

Di Natale, R
Lambie, J
McKim, NJ
Rice, J
Waters, LJ

**NOES**

Back, CJ
Brandis, GH
Bushby, DC
Canavan, MJ
Cash, MC
Cormann, M
Dodson, P
Fawcett, DJ
Gallacher, AM
Griff, S
Hume, J
Ketter, CR
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O'Sullivan, B
Payne, MA
Pratt, LC
Ruston, A
Smith, D
Urquhart, AE (teller)
Wong, P

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Collins, JMA
Culleton, RN
Duniam, J
Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Lines, S
Marshall, GM
McCarthy, M
McKenzie, B
O'Neil, DM
Paterson, J
Reynolds, L
Seselja, Z
Sterle, G
Williams, JR
Xenophon, N

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**CHAMBER**
Question negatived.

Senator SIEWERT (Western Australia—Australian Greens Whip) (21:06): I move the second reading amendment:

"but the Senate expresses its deep distress and concern at the continued attempt by the Coalition Government to cut away Australia’s social safety net, including cuts to the Clean Energy Supplement, Carers Allowance and other measures which will hurt the most vulnerable and disadvantaged."

The DEPUTY PRESIDENT: The question is that Senator Siewert’s amendment be agreed to.

The Senate divided. [21:08]

(The Deputy President—Senator Lines)

Ayes ......................10
Noes ......................46
Majority ....................36

AYES

Di Natale, R
Lambie, J
McKim, NJ
Rice, J
Waters, LJ

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

NOES

Back, CJ
Brandis, GH
Bushby, DC
Canavan, MJ
Cash, MC
Cormann, M
Dodson, P
Fawcett, DJ
Gallacher, AM
Griff, S
Hume, J
Ketter, CR
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O’Sullivan, B
Payne, MA
Pratt, LC
Ruston, A
Smith, D
Urquhart, AE (teller)
Wong, P

Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Collins, JMA
Culleton, RN
Duniam, J
Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Lines, S
Marshall, GM
McCarthy, M
McKenzie, B
O’Neill, DM
Paterson, J
Polley, H
Reynolds, L
Seselja, Z
Sterle, G
Williams, JR
Xenophon, N
Question negatived.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:10):
As foreshadowed in my second reading speech, I move:

At the end of the motion, add:

", but the Senate condemns this bill for ripping $500 million from the Australian Renewable Energy Agency's clean energy innovation grants as a dangerous and irresponsible act of sabotage, especially in a climate emergency and global transition to clean energy, and because it leaves the Coalition and Labor parties with no meaningful plan to meet Australia's Renewable Energy Target and pollution reduction target agreed at the Paris climate conference."

The DEPUTY PRESIDENT: The question is that Senator Water's amendment be agreed to.

The Senate divided. [21:12]

(The Deputy President—Senator Lines)

Ayes ...................... 10
Noes ...................... 46
Majority .................. 36

AYES

Di Natale, R
Lambie, J
McKim, NJ
Rice, J
Waters, LJ

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

NOES

Back, CJ
Brandis, GH
Bushby, DC
Canavan, MJ
Cash, MC
Cormann, M
Dodson, P
Fawcett, DJ
Gallacher, AM
Griff, S
Hume, J
Ketter, CR
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O'Sullivan, B
Payne, MA
Pratt, LC
Ruston, A
Smith, D
Urquhart, AE (teller)
Wong, P

Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Collins, JMA
Culleton, RN
Duniam, J
Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Lines, S
Marshall, GM
McCarthy, M
McKenzie, B
O'Neill, DM
Paterson, J
Polley, H
Reynolds, L
Seselja, Z
Sterle, G
Williams, JR
Xenophon, N
Question negatived.

Senator HANSON-YOUNG (South Australia) (21:16): I move:
At the end of the motion, add:
"but the Senate rejects the slashing of more than $514 million from higher education programs and support for students as inappropriate saving measures that will hurt Australian students and universities and damage Australia’s international reputation as an innovative leader in education."

The DEPUTY PRESIDENT: The question is that the amendment moved by Senator Hanson-Young be agreed to.

The Senate divided. [21:16]

(The Deputy President—Senator Lines)

Ayes ...................... 10
Noes ...................... 46
Majority .................. 36

AYES

Di Natale, R
Lambie, J
McKim, NJ
Rice, J
Waters, LJ

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

NOES

Back, CJ
Brandis, GH
Bushby, DC (teller)
Canavan, MJ
Cash, MC
Cormann, M
Dodson, P
Fawcett, DJ
Gallacher, AM
Griff, S
Hume, J
Ketter, CR
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O’Sullivan, B
Payne, MA
Pratt, LC
Ruston, A
Smith, D
Urquhart, AE
Wong, P

Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Collins, JMA
Culleton, RN
Duniam, J
Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Lines, S
Marshall, GM
McCarthy, M
McKenzie, B
O’Neill, DM
Paterson, J
Polley, H
Reynolds, L
Seselja, Z
Sterle, G
Williams, JR
Xenophon, N

Question negatived.

Senator XENOPHON (South Australia) (21:19): I move:
At the end of the motion, add:

"but the Senate is of the opinion that the financial arrangements for Australian Renewable Energy Agency should be extended to provide the Agency with the capacity to provide investment funds, as well as have equity in funded projects.".

**The DEPUTY PRESIDENT:** The question is that the amendment moved by Senator Xenophon be agreed to.

The Senate divided. [21:21]

(The Deputy President—Senator Lines)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
<th>Majority</th>
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<tbody>
<tr>
<td>5</td>
<td>52</td>
<td>47</td>
</tr>
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AYES

Culleton, RN
Kakoschke-Moore, S (teller)
Xenophon, N

NOES

Back, CJ
Brandis, GH
Bushby, DC
Canavan, MJ
Cash, MC
Cormann, M
Dodson, P
Fawcett, DJ
Gallacher, AM
Hanson-Young, SC
Hume, J
Leyonhjelm, DE
Ludlam, S
Marshall, GM
McCarthy, M
McKenzie, B
Moore, CM
O’Sullivan, B
Payne, MA
Pratt, LC
Rhiannon, L
Ruston, A
Siewert, R
Sterle, G
Waters, LJ
Williams, JR

Griff, S
Lambie, J

Bilyk, CL
Brown, CL
Carr, KJ
Collins, JMA
Di Natale, R
Duniam, J
Fifield, MP
Gallagher, KR
Hinch, D
Ketter, CR
Lines, S
Macdonald, ID
McAllister, J
McGrath, J
McKim, NJ
O’Neill, DM
Paterson, J
Polley, H
Reynolds, L
Rice, J
Seselja, Z
Smith, D
Urquhart, AE (teller)
Whish-Wilson, PS
Wong, P

Question negatived.

**The DEPUTY PRESIDENT** (21:25): The question is that the bill now be read a second time.
The Senate divided. [21:25]

(The Deputy President—Senator Lines)

Ayes ...................... 46
Noes ...................... 10
Majority ............... 36

AYES

Back, CJ
Brandis, GH
Bushby, DC (teller)
Canavan, MJ
Cash, MC
Cormann, M
Dunniam, J
Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Leyonhjelm, DE
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O’Sullivan, B
Payne, MA
Pratt, LC
Ruston, A
Smith, D
Urquhart, AE
Wong, P

Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Collins, JMA
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McKenzie, B
O’Neill, DM
Paterson, J
Polley, H
Reynolds, L
Seselja, Z
Sterle, G
Williams, JR
Xenophon, N

NOES

Di Natale, R
Lambie, J
McKinn, NJ
Rice, J
Waters, LJ

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

Bill read a second time

In Committee

Senator HINCH (Victoria) (21:30): by leave—I move Derryn Hinch’s Justice Party amendments (1) and (2) on sheet 7926 together:

(1) Page 2, clause 2 (table item 6), omit “Schedules 5 and 6”, substitute “Schedule 6”.

[Australian Renewable Energy Agency’s finances]

(2) Schedule 5, page 18 (lines 1 to 7), to be opposed.
[Australian Renewable Energy Agency's finances]

I am moving these amendments to try to save ARENA in its entirety. I believe that what the government and the Labor Party opposition have decided to do has the potential to destroy ARENA in the future.

This afternoon, we had Senator Sinodinos boasting that the government was not a one-night stand. Well, let him and the government prove that it is not a one-night stand. Years ago they courted ARENA, they wooed ARENA, they formed ARENA, they got engaged to ARENA and now they are trying not to marry ARENA—or, if they do, to make it a very short relationship. Leave it alone. You boast about all the things you can do. You boast about research and development; you say how good it is going to be. You talk about the jobs it can save and you talk about the things that it is going to do for everybody. You have left some of the money in there, and we know the fix is in and that you are going to ignore us.

What you could do, if you were really sincere about it, is preserve jobs in the area of renewables and in research and development. You talk about those young graduate students who have great ideas about new products and the new things they can do—the way they can save the world—and now you are trying to put the handcuffs on them. All I am asking you to do is think about it. Leave ARENA alone. In areas like the automotive industry in Victoria, and especially in South Australia—I know Senator Xenophon agrees with this—in the next couple of years thousands of people are going to be out of work, including the subcontractors. If you believe in ARENA and in the things they can do, you could retrain those people. Thousands of people could have new jobs in areas we do not even know about yet. So all I am saying to you tonight—and it is getting late—is leave ARENA alone.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:32): The government does not support these amendments. At the request of the Labor Party, and in the context of the agreement on this bill, the government has agreed to restore $800 million worth of funding for the purpose of providing direct grants to ARENA. This $800 million is funded through savings in other parts of the bill, in particular, the changes to family tax benefit A supplement arrangements.

For the benefit of the chamber and to deal with some of the issues that the Greens have also raised during the debate, separately and off budget, the Clean Energy Finance Corporation and the Clean Energy Innovation Fund receive a capital allocation of $10 billion. The overall allocation is unaffected by the agreement that has been reached on this bill, and, unlike ARENA grants, these investments need to be commercially viable. So the agreement between the opposition and the government on the omnibus savings bill has no impact on the overall capital allocation for the Clean Energy Finance Corporation and the Clean Energy Innovation Fund, which remains unchanged at $10 billion. In relation to the decision to restore $800 million in funding for ARENA, and to avoid an unintended increase in public resources available to ARENA beyond this $800 million allocation, a commensurate adjustment has been made to the Clean Energy Innovation Fund, but without impacting the overall capital allocation to both the CEFC and the CIF.

Senator GALLAGHER (Australian Capital Territory) (21:34): While Labor is sympathetic to the intention of Senator Hinch's amendments, we are not able to support them on this occasion. We certainly welcome both Senator Hinch's interest in safeguarding ARENA and his enthusiasm for contributing to how this parliament can achieve real progress.
in tackling climate change while further developing our domestic renewable sector. We look forward to working constructively with you, Senator Hinch, and all willing crossbench and government senators in the future on this vitally important issue.

Our approach to budget savings is one guided by fairness but also an acute appreciation of the important work that programs like ARENA do. This agreement, we believe, represents that balance in action. We can achieve a significant budget saving while we maintain ARENA as a pillar of our support for a growing renewable energy industry. Labor is understandably protective of ARENA. Its establishment is a proud achievement of our previous term in government, and we will always support it. We have, over the course of the Abbott-Turnbull government, fought against its abolition, and now, through this bill, contrary to the initial intentions of this government, we have managed to obtain ongoing certainty of funding and purpose.

This bill secures additional funding of $800 million for ARENA over five years. This is in addition to the more than 200 existing projects that ARENA is already auspicing and in addition to the 12 large PV solar projects that were announced by ARENA last week but are not yet contracted. ARENA has stated that this sum—$800 million over five years—will provide it with a budget that allows it to continue a strong work program into the future. This agreement places ARENA's funding on a sound footing. Importantly, it provides researchers, entrepreneurs and industry with the certainty they need to continue turning renewable energy opportunities into new technologies, new projects and new jobs.

As part of the agreement underlying this bill, the government has also agreed to sit down with the opposition to ensure that our priorities are satisfied. These priorities are, first of all, to ensure that ARENA's budget preserves Australia's world-class leading research and innovation capability, particularly seen in our universities and CSIRO, and also to ensure that there is a budget for demonstrational, proof-of-concept stage developments in the industry.

In addition to securing our research capability, the agreement between the opposition and the government will also allow ARENA to support demonstration and proof-of-concept stage developments in the industry that ensure that the findings by those universities and by CSIRO scientists are able to be shown to be commercially viable and then able to be presented to lending and equity investors and become a reality across the Australian landscape. It is important to point out that there is no change and no reduction at all to the $10 billion Clean Energy Finance Corporation fund that is overseen by the expert board at the CEFC.

The final matter I quickly want to allude to is: there was also a commitment made by the government, as part of this agreement, to sit down with the opposition and explore opportunities for bipartisan agreement around policies that would accelerate the transition for Australia to a modern clean energy system and to ensure that this transition is, to use the words of the Paris agreement, a just transition for workers and impacted communities. So, whilst the opposition will not be supporting this amendment, I thank Senator Hinch for his concern and for the contribution. We do welcome the considered contributions to this vital policy area, and I am sure we will have cause and opportunity to work together on this issue going forward.

Senator XENOPHON (South Australia) (21:38): I can indicate that I and my colleagues Senators Griff and Kakoschke-Moore will be supporting this amendment. Even though the cut is still happening—we acknowledge that there will still be a fund but cut significantly—we
are still very concerned that the solar thermal plant at Port Augusta, essential for that community, in one of the sunniest places in the world, ought to still proceed. I hope against hope there will still be enough funds for that solar thermal baseload power plant to continue.

I have a question of the minister in respect of this, and it follows from the second reading amendment that I moved that was defeated recently. Can the minister advise whether there are any plans on the part of the government to allow—by regulatory amendment, for instance—ARENA to make investments or to have a grant convert, in the event that it is a highly successful project, to be either repaid or get an equity in it? Is that something that has been discussed with the board of ARENA with a view to replenishing the fund in the event that there has an investment in a technology that takes off commercially?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:39): I thank Senator Xenophon for that question. The short answer in relation to ARENA on its own is no, but of course that is precisely why the government, within the Clean Energy Finance Corporation, set up the Clean Energy Innovation Fund, which is jointly managed by the CEFC and ARENA. That is a fund that provides debt and equity financing for projects that need to be commercially viable. The difference between ARENA and CEFC—and that is the way it was set up by the previous government, not by us—is that ARENA provides grants, whereas the CEFC is the vehicle which provides debt and equity financing. As part of this agreement between the government and the opposition, we have restored $800 million out of the initial $1.26 billion save to ARENA for the purposes of ARENA providing direct grants, consistent with their modus operandi up until this point. We also have guaranteed that the overall capital allocation to the CEFC will remain at $10 billion. The way this is funded is by other savings in the bill, as I have indicated to the chamber.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (21:41): Minister, just to clarify: you have confirmed that the CEFC's budget of $10 billion will not be altered, but am I correct in that you have also confirmed that you will move $800 million out of the $1 billion Clean Energy Investment Fund back into the Clean Energy Finance Corporation and that you have somehow linked that with the so-called savings from ARENA? Can you please clarify that you are in fact cutting $800 million out of Prime Minister Turnbull's signature pre-election clean energy announcement?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:41): I certainly have not indicated that a saving to fund the $800 million contribution to ARENA would come from what you have just described. I actually answered that in my initial contribution in response to Senator Hinch's amendments. The funding for the restoration of $800 million to ARENA for ARENA grants comes from savings in other parts of the bill, principally the changes to family tax benefit supplement arrangements. However, given the decision to restore $800 million in funding for ARENA, for ARENA grants, and to avoid an unintended increase in overall public resources available to ARENA beyond that $800 million restoration of grants funding for ARENA, a commensurate adjustment in the Clean Energy Innovation Fund, which is a capital fund jointly managed by CEFC and ARENA to provide debt and equity funding, is necessary. However, for the avoidance of any doubt, the agreement between the government and the
opposition has no impact on the overall capital allocation for the Clean Energy Innovation Fund and the CEFC, which remains at $10 billion as before.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (21:42): So, Minister, am I correct in interpreting that you are cutting money out of CEIF and putting it back in CEFC and you claim that that was not part of the Labor Party deal? Did you raise this with the Labor Party before you reached an agreement with them? Are they aware that this so-called savings of $800 million from ARENA will now sacrifice $800 million from the CEIF?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:43): Your characterisation is wrong.

Senator Waters interjecting—

**Senator CORMANN:** If I may answer the question, no aspect of the agreement between the government and the opposition in relation to the omnibus savings bill has got any impact whatsoever on the overall capital allocation to CEFC and CEIF. You are mixing up off-budget-balance-sheet equity and debt financing instruments with actual cash grants which hit the underlying cash balance. You are mixing these up. If we were to do what the Greens are suggesting, instead of restoring $800 million to ARENA we would actually be making available to ARENA about $1.6 billion worth of resources for the purposes of providing grants as well as debt and equity financing. But that was never the intention of the arrangement reached between the government and the opposition. The intention, and in good faith what we have agreed to do, at the request of the Labor Party, is to restore $800 million worth of funding for the purpose of ARENA grants, which was previously supposed to be saved. But, obviously, when it comes to the capital allocation of the jointly administered capital fund between the CEFC and ARENA, within the CEFC, well, yes: the capital allocation for CEFC increases does take into account adjustment to the jointly administered CEIF.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:45): So how much will be left in the CEIF?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:45): The overall allocation of the Clean Energy Finance Corporation and the CEIF will be—

*Honourable senators interjecting—*

**Senator CORMANN:** If I may answer—

*Honourable senators interjecting—*

**Senator CORMANN:** There is nothing tricky about it whatsoever—I take that interjection. The overall allocation—

*Honourable senators interjecting—*

**Senator CORMANN:** If I may answer, the overall allocation remains, at $10 billion, unchanged, but obviously the funds that are available for ARENA to co-administer are now adjusted accordingly, given that there is an $800 million increase in terms of grants funding. What that means is that the capital funding for debt and equity financing for renewables...
remains precisely as it was. But we are not proposing to double the contribution to ARENA to $1.6 billion; that is not something that we are proposing to do.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (21:46): Just following up on that question: it was a very straightforward question, Minister. The Clean Energy Innovation Fund, which was the centrepiece of the Prime Minister's announcement leading into the federal election, was funded to the tune of $1 billion—the Clean Energy Innovation Fund. How much will now be available within that fund?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:46): I have answered that question. The Clean Energy Finance Corporation, which has within it the CEIF, has an overall capital allocation of $10 billion. That was the allocation before today; that will be the allocation after today, should this bill pass. On top of that, we have agreed to restore $800 million in funding to ARENA, for the purpose of ARENA being able to provide direct grants, which is funded from separate savings within the omnibus bill—namely and principally the changes to family tax benefit supplement arrangements.

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (21:47): This just requires a yes or no answer, Minister. Will the Clean Energy Innovation Fund continue to have $1 billion worth of investment available? Not the Clean Energy Finance Corporation—the Clean Energy Innovation Fund. Will it continue to have $1 billion available to it? Yes or no?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:47): As I have indicated to the chamber, the Clean Energy Finance Corporation capital will continue to be $10 billion, and the funding for ARENA has been increased by $800 million compared to what is reflected in the budget.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (21:48): Minister, I will just repeat my earlier question: was the Labor Party aware that you would take a commensurate amount out of the Clean Energy Investment Fund as part of their deal in what they think has saved ARENA?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:48): Senator Waters, your characterisation is completely inaccurate. The capital available to the Clean Energy Finance Corporation, including the Clean Energy Innovation Fund, was $10 billion before today; it will be $10 billion after today, should this legislation pass. And, on top of that, the government has agreed, at the request of the Labor Party, as part of this agreement, to restore $800 million worth of funding, for the purposes of ARENA grants, which was previously supposed to be saved. I do not know how I can be any clearer than that. However, clearly the intention of the agreement between the government and the opposition never was to increase resources available to ARENA to $1.6 billion. It was to provide an additional $800 million, and the implication of what you are asking for is essentially to double the contribution to ARENA, once you take grants and debt and equity financing resources into account.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (21:49): So, Minister, the implication of what you are saying is that there was really no point to the Clean Energy Investment Fund, if it is basically the same as the CEFC. So how then do you
explain the Prime Minister's press release, in the lead-up to the election, trumpeting it as a 'strong new approach to clean and renewable energy innovation in Australia'? Which is it? Have you cut it, or was it meaningless in the first place?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:49): Well, again, that is just political rhetoric—and I will conclude my contribution on this point. That was certainly the feedback during our conversations—without attributing feedback to specific people. The feedback that we have received was that ARENA did not feel that, for its purposes, debt and equity financing was workable—that that was more in the remit of the Clean Energy Finance Corporation, and that the focus of ARENA and its purpose were better suited to the provision of grants funding. And what we have done, through this exercise, is to restore $800 million in funding for grants, which was previously supposed to be saved, without making any adjustment to the overall capital available to the CEFC and the CEIF.

Senator WATERS (Queensland—Co-Leader of the Australian Greens) (21:50): So, Minister, why were there multiple different explanatory memorandums when this bill was before the House—the first one mentioning the cut to the Clean Energy Investment Fund, the next one not mentioning it, and then a further version—before us here in the Senate? Which is the truth? Is there a link? And was this part of the deal with the Labor Party or not? Which version of the explanatory memorandum was accurate?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:51): They are all accurate. Obviously, an explanatory memorandum that goes to the Senate after legislation is passed through the Senate is put together for the purposes of Senate consideration at that point. But, beyond that, it is all accurate and consistent with what I have just indicated to the chamber.

Senator WATERS (Queensland—Co-Leader of the Australian Greens) (21:51): Minister, the difference I was referring to was in the two House versions of the explanatory memorandum. Why the change?

Senator WHISH-WILSON (Tasmania) (21:51): Minister, could you just clear up something for me. What is the overlap between with the three different organisations: ARENA, the CEFC and the renewable energy investment fund? Can you outline the quantum? You said a little bit earlier that there were joint ventures and that they worked together. Can you explain how debt financing, equity financing and cash grants worked between those three organisations? I am a little bit confused as to how they worked together. Can you just illuminate that?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:52): It does seem that the Greens are a little bit confused, even though the explanation has been very clear for some time. As a result of the agreement that the government and the opposition have reached in relation to this bill, ARENA will end up with $800 million more in direct funding for the provision of grants than they otherwise would have had. Separate to that and off budget—and this is not something that we put in place; this is something that Labor and the Greens put in place under the period of the previous government—there is a capital allocation—
Senator Whish-Wilson: Chair, I raise a point of order on relevance. I asked how they worked historically. I did not ask about what you are planning to do now. I want you to explain to me how those three organisations have worked together and whether they have taken on joint venture projects together and how they have actually shared their financing across different projects. Perhaps you could explain to us how it worked previously, and then we can work out what quantum of differences we are looking at from these bills.

Senator CORMANN: Thank you, Senator. I was getting to that, of course. You know that the Clean Energy Finance Corporation, as it was set up by the parliament under the period of the previous government, was set up to provide financing for commercially viable projects, by way of either debt or equity financing. ARENA was set up for the purpose of providing grants funding for relevant renewable energy projects. Our government has established within the CEFC a jointly administered Clean Energy Innovation Fund, which was aimed at bringing ARENA and the CEFC together in the context of, in particular, as it says, clean energy innovation related projects but providing support through debt and equity financing as well. What has been put to us is: instead of doing it this way, leave all of the capital that was previously allocated within the CEFC fund—not touch that at all; not reduce that at all. We have decided to restore $800 million worth of funding for ARENA, which they will be able to deploy for their pre-existing purposes, as per usual.

Senator HINCH (Victoria) (21:55): Senator Cormann, after all these words and all these answers and all the ducking and shoving, will you admit that all you have done here with ARENA is rob Peter to pay Paul?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:55): Thank you very much, Senator Hinch. No, that is not what the government has done. If you are suggesting that we have paid for the additional funding for ARENA with savings elsewhere, then that is true. We have paid for the additional $800 million funding for ARENA by proposing to pass adjustments to family tax benefit A supplement arrangements. We have not paid for this additional $800 million by savings in other parts of the renewable energy space. That is the point I was making. That is something that the Greens are inaccurately trying to assert, and it is not right.

Senator WHISH-WILSON (Tasmania) (21:56): I have one last question. If I get this right then the CEFC is debt and equity financing, depending on its risk profiles; the innovation fund that you have set up to bring these two organisations together is debt, equity and grants as well; and ARENA is now just purely grants. Is that correct?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:56): No, the way you have put that is not correct. You should know this because you were a part of the government that set this up. ARENA has always been an organisation that provides grants and not equity and debt financing. This continues. The Clean Energy Finance Corporation has always been the body that provides debt or equity financing for commercially viable projects. Within the overall capital allocation of the CEFC, the Clean Energy Innovation Fund brought together the CEFC and ARENA within the CEFC to pursue debt and equity financing options. The overall capital available remains at $10 billion. There has been no money taken out of that overall capital allocation. It is the same as it was before. However, as a result of the agreement that the government has reached with the
Labor Party, we are restoring $800 million worth of direct funding to ARENA for its usual purpose, which is to provide grants.

Senator Waters (Queensland—Co-Deputy Leader of the Australian Greens) (21:57): Minister, what impact will shuffling around the $800 million from the Clean Energy Innovation Fund—moving that to the CEFC—have on the decisions that can be made by the CEFC in relation to the risk profile of investments?

Senator Cormann (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:58): The risk framework that you are referring to is completely unchanged. There is absolutely no change whatsoever, and the Clean Energy Finance Corporation will continue to make decisions consistent with the arrangements that were put in place in legislation by this parliament under your period in government with the previous Labor government.

Senator Waters (Queensland—Co-Deputy Leader of the Australian Greens) (21:58): Minister, my understanding is that the whole point of the Prime Minister's Clean Energy Innovation Fund was to allow higher risk investments within the pool of money allocated to the CEFC. If you are now taking that ability away and taking $800 million out of that $1 billion, are you also now claiming that it will not have any impact on the risk profile of the investment decisions that can be made? Are you saying that the Prime Minister's announcement was a complete sham the whole time? Or have you got your facts wrong?

Senator Cormann (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (21:59): Again, I hardly agree with anything that you have suggested there. I do not agree with your characterisation of the quality of the investments. But the point I would make—

Senator Waters interjecting—

Senator Cormann: Hang on. By putting $800 million to ARENA for grants funding, you do not even have to have a commercial return. Talk about high-risk investments.

Senator Waters interjecting—
Senator CORMANN: So you are not interested in the fact that we are putting $800 million back for grants funding. The Greens are not interested in that. You want to have your cake and eat it too. Instead of us putting $800 million back in, you want us to put $1.6 billion back in. Guess what: it does not work that way. You cannot spend the same money twice. Maybe the Greens can spend the same money over and over, but you know what? We are acting in good faith. We have sat down with the Labor Party in good faith. We have agreed to absolutely leave the capital for the Clean Energy Finance Corporation intact at $10 billion and on top of that we have agreed to restore $800 million in grants funding to ARENA which, of course, was previously subject to a savings measure.

If you want to talk about high-risk investments, you cannot have an opportunity for higher risk investment than when you provide a grant, because, when you provide a grant, you literally give it away irrespective of what happens. If you talk about the fact that we now have a requirement for lower risk profile as a result of the money that is invested here, that is just plain wrong.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:02): Minister, as you understand it, what is the difference between the Clean Energy Innovation Fund and the Clean Energy Finance Corporation?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:02): We are going around and around in circles. The Clean Energy Innovation Fund is jointly administered by the CEFC and ARENA, whereas obviously the capital outside the CEIF is managed by the CEFC on its own.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:03): Thank you. They are clearly administered in slightly different ways. What other differences are there?

Senator WHISH-WILSON (Tasmania) (22:03): Is there any co-financing through the innovation fund—with banks, for example—and what kind of risk profile do the projects in that fund have?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:03): I will just point out that the amendments moved by Senator Hinch actually have no relationship to the Clean Energy Finance Corporation or the Clean Energy Innovation Fund. These are amendments that relate to ARENA. The government has clearly pointed out that the government is restoring $800 million worth of grants funding for ARENA which had previously been subject to a savings measure.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (22:04): Given that both the Clean Energy Finance Corporation and the Clean Energy Innovation Fund are off balance but they will provide slightly different levels of return, I understand there will not be a significant impact on the balance sheet but there will be a small impact on the balance sheet because of the different levels of return. What is that difference?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:04): The truth is nobody can actually tell you, because it is way too soon to assess what the return will be. You might be able to predict what a future return will be. I would not hazard a guess.
Senator DI NATALE (Victoria—Leader of the Australian Greens) (22:04): Senator Cormann, given that you have acknowledged there will be a different level of return—you acknowledged that with your previous answer—and that clearly reflects the fact that you have taken $800 million out of the Clean Energy Innovation Fund and put it within the Clean Energy Finance Corporation, let's just get to the bottom of this. There is no significant impact on the balance sheet. Is this an attempt to undermine the Prime Minister and to shaft his signature project going into the last election? Is that what is going on here? Have the right-wing dinosaurs inside the Liberal Party decided: 'We are going to hobble the Prime Minister's signature renewable energy achievement. We are going to do it through the back door. We are going to use the Labor Party, who obviously went into this sleepwalking, and we are going to have a go at the PM'? Is that what this is about?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:05): Senator Di Natale, you are now really scraping the bottom of the barrel. All night I could not have said it more clearly. Your assertion that we have taken money out of the Clean Energy Innovation Fund to put into ARENA is wrong. I have spelt that out very clearly. The overall capital allocation for the Clean Energy Finance Corporation and the Clean Energy Innovation Fund remains the same. It was $10 billion before today; it will be $10 billion after today.

On top of that, what we have done is to restore $800 million worth of funding, at the request of the Labor Party, to ARENA for the purposes of providing direct grants. This is not funded from any source related to renewable energy; this is funded from other savings in the bill, principally the changes to family tax benefit A supplement arrangements. I have said that several times now. There is absolutely no truth to the absolutely inaccurate assertion that you have made and that Mr Bandt made in the House of Representatives earlier this week. I have been making that very clear all week.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:06): So, Minister, what is the rationale for moving money out of the Clean Energy Innovation Fund and putting it into the Clean Energy Finance Corporation? You have not actually outlined that for us. Could you please do so.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:07): I have actually said that several times. The reason we are making an adjustment to the Clean Energy Innovation Fund is to avoid an unintended consequence, which would be effectively a doubling of the resources available to ARENA through grant and debt and equity financing beyond the $800 million restoration of grants funding. The intention is not to provide them with $1.6 billion in additional resources. The intention is to provide them access to $800 million worth of additional resources. That has been very openly and transparently put on the public record several times now and it is very openly and transparently the intent of the agreement between the government and the opposition.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:08): Minister, did you consult with the CEFC and ARENA about this massive cut, this 80 per cent cut, to the CEIF?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:08): The government followed all the proper processes.
Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:08): Minister, is that a yes or a no? Did you consult or not?

The CHAIR: I am going to put the question on the amendment.

Senator WHISH-WILSON (Tasmania) (22:08): I missed the minister's response. Could he respond on whether or not he consulted ARENA.

The CHAIR: The minister is not seeking the call. I am going to put the question.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:08): What are the impacts on staffing at ARENA—and at the CEIF if they have an independent staff pool—from these changes?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:09): Self-evidently, the staffing profile for ARENA will be improved as a result of the restoration of $800 million worth of grants funding. As far as the staffing profiles for the CEFC and the CEIF are concerned, they are unchanged.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:09): I was after the difference from when ARENA had $1.3 billion—which they currently have until we rise tonight if the Labor Party sticks with the really bad deal to cut half a billion and then see $800 million slashed out of the CEIF, which I hope they walk away from. What is the difference in staffing from ARENA's current funding to what the staffing levels would be if this bill passes?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:10): As is usually the case in relation to these sorts of arrangements, if the parliament were to support the restoration of $800 million in additional resources to ARENA, relevant consequential staffing arrangements would be put in place at that time.

Senator WHISH-WILSON (Tasmania) (22:10): Ground zero is not assuming that this has already been removed. That is a sleight of hand on a piece of paper. That is not a real development. We have got real people and an organisation performing a function right now. Senator Waters's question was obvious. Perhaps the minister could just tell us quickly how many staff are employed at ARENA now and across the fund and how many will be employed once this change of process occurs if the Labor Party vote for this tonight.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:11): ARENA has got about 50 departmental staff and 15 specialist staff.

Senator WHISH-WILSON (Tasmania) (22:11): That answer was unclear to me and my colleagues as to whether that is now or whether that is going to be after you and the Labor Party cut their funding in half. Surely you have done a projection of—

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:11): As I have already indicated to you, the current departmental staffing profile is 55 departmental staff and 15 specialist staff. Once the parliament has confirmed the appropriate resourcing allocation and whether to support this restoration of $800 million in additional funding for ARENA for the purpose of ARENA providing further direct grants, relevant decisions will be made at that point.
Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:12): Have you told the 55 departmental staff and the 15 ARENA staff that their future, according to your last answer, is entirely uncertain?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:12): Again, I do not agree with your characterisation, and, no, I have not spoken directly with ARENA staff, as you would not expect me to do.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:12): Can you guarantee that those 55 departmental jobs and the 15 jobs in ARENA will stay?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:12): As I have indicated before, once the parliament has made a judgement on the proposed resourcing of ARENA, including the proposed restoration of $800 million worth of funding for ARENA, at that point in time judgements will be made about the appropriate future departmental resourcing and the requirement for specialist staff.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:13): I was not able to get a clear response earlier on whether you had consulted with ARENA. The inference that I made from that was that you had not, but I would like to ask this next question anyway. Have ARENA sought to advise you or any relevant minister about the nature or extent of projects that will not be able to proceed as a result of half a billion dollars being cut from their budget?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:13): This is probably a good time to remind everyone that this is actually not something that has just come out of nowhere. This is something that has been on the books and on the table for a very long time. It is something that we took to the last election. It is something that the Labor Party took to the last election. To be fair to the Labor Party, as I indicated in my summing-up speech, while they reflected the saving against their budget bottom line they had also made a series of other related decisions and had indicated publicly before the election that they would make judgements, should they win government, on how best to give effect to this saving, which is why we have been prepared to work with them constructively on this whole process to get to a commonsense resolution. That has resulted in $800 million worth of funding for ARENA being restored. That is what has been put into this bill in the form of government amendments in the House of Representatives and the Senate of course now has in front of it the amended bill, and that is what we commend to the Senate.

Senator HANSON-YOUNG (South Australia) (22:14): My question, Minister, is whether the $100 million needed for the solar-thermal plant in Port Augusta in South Australia will be made available and as a matter of urgency.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:15): All of the existing programs, including the grant funding that you mentioned, of course remain in place. This $800 million comes on top of all of the existing projects that ARENA is currently managing.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:15): Minister, ARENA is not currently managing that project and, now that its resources will
dwindle by half a billion dollars, is it envisaged that there will be any money left for such an amazing job-creating project in a state like South Australia?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:15): Let me just be very clear again. The ARENA grant funding includes up to $100 million for large-scale solar deployment projects and ARENA was also given ongoing resources through the budget to manage 252 current projects and continues its existing knowledge-sharing and brokering role.

Senator HANSON-YOUNG (South Australia) (22:16): None of those existing projects include the South Australian Port Augusta solar-thermal plant. I want to know from the minister: how will the government guarantee that that project will get the hundred million dollars it desperately needs? And which fund will it come from?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:16): As you would be aware, decisions on specific projects are not made politically by the government. Decisions in relation to specific projects are made by ARENA, according to the process that the Labor Party, with the cooperation of the Greens, set up. We have not change that process. There is a process that is non-political, as it should be. It should not be political discretion that determines that we pick this project or we pick that project. There is a rigorous process. And of course, as to what we have done, there is grant funding available to ARENA of up to $100 million for large-scale solar deployment projects—that is not changing—and ARENA also has ongoing resources through the budget to manage 252 current projects and continue its extensive knowledge-sharing and brokering role. If you want to champion specific projects because you have an interest in a particular local project, then I would encourage you to make representation to ARENA in the appropriate way.

Senator HANSON-YOUNG (South Australia) (22:17): I want to know from the minister, yes or no: will the government guarantee that the South Australian Port Augusta solar-thermal plant will get the hundred million dollars it needs? Yes or no?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:17): It would be entirely improper, and not the way you set up the process, for the government to make the decisions. We would not need ARENA. If you want the government to make these sorts of decisions, why have ARENA at all? Let's just have a discussion here and you could say you want a hundred million dollars there—'I want one for my backyard. I want one for over there.' That is not the way the process works. ARENA is there for a purpose. ARENA has a job to do. We want ARENA to do the job. I am not going to second-guess the professional judgements that ARENA makes in relation to this. It would be entirely improper.

Senator HANSON-YOUNG (South Australia) (22:18): I will take it, then, from the minister's comments that the government is not committed to funding that project, is not committed to ensuring that the hundred million dollars that is needed is there. And I hope that the Liberal senators from South Australia understand they have just sold Port Augusta and the South Australian community out.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:18): Still on that matter of Port Augusta, my understanding is that SolarReserve is seeking debt
and equity funding. The most likely bucket that would have come from, given that it was a higher risk profile investment, would have been the Clean Energy Innovation Fund, which used to have a billion dollars in it. You have confirmed tonight that it is going to be cut down to $200 million. Port Augusta needs $100 million. Obviously that is 50 per cent of what is left in that bucket, because you have just taken out $800 million, and yet you were trying to maintain earlier that there would be no impact. How do you reconcile those two things?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:19): Senator Waters, that comment is completely false and inaccurate. You should not talk about something you do not know anything about. The project proponents actually want the grant, and the advice I have got is that the grant does not come —

The CHAIR: Minister, resume your seat. Did you have a point of order, Senator Waters?

Senator Waters: Yes, my point of order is that he is misleading the chamber. They clearly said to us yesterday that they actually do not want grant funding.

The CHAIR: That is not a point of order. It is a debating point.

Senator CORMANN: My very clear advice is that that project cannot proceed without a $100 million grant. A $100 million grant is something that can be accessed through ARENA, not through the Clean Energy Innovation Fund. So the suggestion that somehow this relates to that is wrong. Again, I go back to the first point: whether it is a grant or whether they are seeking debt and equity financing, it is not the government that makes a political decision to allocate that. There is an independent process at arm's length to the government to make merit-based judgements. That is the way it should be. If you are saying we should just spend money based on the government's political interests, I think that would be wrong in relation to this.

Senator WHISH-WILSON (Tasmania) (22:21): Could the minister give us an indication of the unfunded propositions before both ARENA and the Clean Energy Investment Fund at this stage? Call it a pipeline, if you like, of unfunded projects. Primarily in dollar terms.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:21): My advice is that that is not information I am at liberty to disclose.

Senator WHISH-WILSON (Tasmania) (22:21): The most important aspect of this is we have taken $500 million out of this fund and we still have some dodgy business as to how the accounting has gone down. I am interested in how many people actually want money off both ARENA and the investment fund. That is important to me because it tells a story about who is out there with innovation and who is out there with projects that are going to reduce emissions and have an impact on climate change. If there is $10 billion worth of people seeking high-risk seed funding, that is very important to know if we are cutting the resources of this organisation by $500 million. Minister, I ask you again: what kind of proposition pipeline is there for these agencies? In other words, who is going to miss out because you are cutting $500 million of funding?

The CHAIR: Senator Hinch's amendment is to oppose schedule 5. I am going to put the question that schedule 5 stand as printed so that I can ascertain whether schedule 5 has majority support. Senators opposing the schedule should vote no to that question. Senators
supporting the schedule staying in the bill should vote yes. The question is that schedule 5 stand as printed.

The Committee divided. [22:27]

(The Chair—Senator Lines) Ayes ...................... 43
Noes ...................... 14
 Majority .................. 29

**AYES**

Back, CJ
Brandis, GH
Bushby, DC
Canavan, MJ
Cash, MC
Cormann, M
Duniam, J
Fifield, MP
Gallagher, KR
Hume, J
Leyonhjelm, DE
Macdonald, ID
McAllister, J
McKenzie, B
O'Neill, DM
Paterson, J
Polley, H
Reynolds, L
Sculion, NG
Smith, D (teller)
Urquhart, AE
Wong, P

**NOES**

Di Natale, R
Hanson-Young, SC
Kakoschke-Moore, S
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

Griff, S
Hinch, D
Lambie, J
McKim, NJ
Rice, J
Waters, LJ
Xenophon, N

Question agreed to.

The **CHAIR** (22:30): I will now put the consequential amendment to alter words in clause 2. The question is that amendment (1) on sheet 7926, standing in the name of Senator Hinch, be agreed to.

The committee divided. [22:31]

The Chair—Senator Lines Ayes ...................... 14
Noes ......................41
Majority .................27

AYES
Di Natale, R
Hanson-Young, SC
Kakoschke-Moore, S
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS
Griff, S
Hinch, D
Lambie, J
McKim, NJ
Rice, J
Waters, LJ
Xenophon, N

NOES
Back, CJ
Bilyk, CL
Brandis, GH
Brown, CL
Bushby, DC
Cameron, DN
Canavan, MJ
Carr, KJ
Cash, MC
Collins, JMA
Cormann, M
Dodson, P
Duniam, J
Fawcett, DJ
Fifield, MP
Gallacher, AM
Gallagher, KR
Hanson, P
Hume, J
Ketter, CR
Lines, S
Macdonald, ID
Marshall, GM
McAllister, J (teller)
McCarthy, M
McKenzie, B
Moore, CM
O'Neill, DM
O'Sullivan, B
Paterson, J
Payne, MA
Polley, H
Pratt, LC
Reynolds, L
Ruston, A
Scullion, NG
Seselja, Z
Smith, D
Sterle, G
Urquhart, AE
Williams, JR

Question negatived.

Senator XENOPHON (South Australia) (22:36): by leave—I move amendments (1) and (2) on sheet 7931:
(1) Page 4, clause 2 (table item 25), omit "Schedules 22 and 23", substitute "Schedule 23".
(2) Schedule 22, page 189 (lines 1 to 17), to be opposed.

These amendments relate to the rates of R&D tax offset. I traversed this in the course of the second reading debate. The concern is that this will impact by ratcheting down the R&D tax offset. It will make it less attractive for small and medium enterprises to invest in R&D. Given the hour I will not restate what I said previously, but this is something that the ALP, less than a year ago, trenchantly opposed because they said it would destroy innovation and affect jobs, and we need this level of R&D at a time that is so critical when we are facing a crisis in our manufacturing sector.
The comparison with what is currently being proposed is that under the current law you may obtain a refundable tax offset equal to 45 per cent of eligible research and development. This will cut it down to 43.5 per cent. All other eligible entities may obtain, and, depending on the size of the entity, there is a cut of 1.5 per cent from 40 per cent to 38.5 per cent. That percentage difference does make a real difference in the context of being competitive in the R&D space compared to what other countries are doing in respect of R&D. I urge all senators to support these amendments.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:38): I thank Senator Xenophon for his contribution. The government will not support either of these amendments. The reduction in the rates of the refundable and non-refundable tax offsets for eligible R&D spending will help improve the sustainability of the program. The R&D tax incentive will continue to provide generous, easy to access support for thousands of eligible companies in all sectors of the Australian economy. Companies with a turnover of less than $20 million will still get a 43.5 per cent refundable tax offset for the first $100 million of eligible R&D expenditure. All other companies will still get a 38.5 per cent non-refundable tax offset for the first $100 million of eligible R&D expenditure.

The government's National Innovation and Science Agenda is investing $1.1 billion to incentivise innovation and entrepreneurship, reward risk-taking and promote science, maths and computing in schools. Innovative businesses will benefit from a range of other measures, including allowing more businesses to access prior year losses. Changes have been made for operations such as entering into new business activities, and start-ups' intellectual property and other intangible assets will be more attractive investment options through more generous tax deductions through depreciation and connecting more small and medium businesses with researchers by investing $18 million in a new innovation connections initiative.

Senator GALLAGHER (Australian Capital Territory) (22:39): Labor will not be supporting this amendment. The provisions as set out in the omnibus bill relating to the R&D tax incentive are the same as those that Labor committed to supporting during the 2016 election, with a start date of 1 July 2016. As part of our election platform, Labor said we would support the government's proposal to take savings from the R&D tax incentive. We also said that a Labor government would use the findings of the review to consider whether there are more appropriate methods to achieve the same level of savings. It is disappointing that the technical issues with this measure remain unresolved, despite stakeholders raising them with the government on numerous occasions, but it is the government's responsibility to resolve those technical elements relating to the drafting of these provisions and their interaction with other areas of tax law.

Senator XENOPHON (South Australia) (22:40): I thank the opposition for the courtesy of setting out their position, but I am disturbed that the opposition acknowledges that there are technical issues in respect to these offsets, in respect of these changes. I just want to reflect on what Mr Conroy, the member for Charlton, said last year:

I do not see how reducing the R&D tax offset provides an incentive to invest in research and development. Surely it does the exact opposite?

He went on to say:
It is incredibly short-sighted and it is incredibly silly in an era where we need to grow jobs for the future.

My very short question to the finance minister, Minister Cormann, is: has any modelling been done on what the impact of this will be in terms of the level of R&D investment? Has there been an assessment made of the risk of seeing companies doing their R&D overseas, where there may be more generous tax offsets and incentives for R&D?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:42): Consistent with usual practice, the government, through the Treasury, has assessed the budget impact of this measure, and of course that is reflected in this bill. There has not been any further modelling.

The CHAIR: I am going to put questions in the same way as we dealt with the previous amendments, so there will be two questions. The first question is that schedule 22 stand as printed.

Question agreed to.

The CHAIR: The second question is that the amendment be agreed to.

Question negatived.

The CHAIR: Now we are moving to the final amendments, which are in the name of Senator Lambie and Senator Kakoschke-Moore.

Senator LAMBIE (Tasmania) (22:43): I move my amendments (1) and (2) on sheet 7924:

(1) Page 4, clause 2 (table item 26) to be opposed.
[military rehabilitation and compensation]

(2) Schedule 24, page 212 (line 1) to page 215 (line 27), to be opposed.
[military rehabilitation and compensation]

The big problem we have is the veterans suicide crisis, and the large reason we have this problem is because of the way the veterans are being treated when they lodge claims for compensation. Veterans would rather return to war than deal with the mess the claims system is currently in and has been for many years. What the government is proposing under the single appeal pathways, even though it has been amended by Labor, still means that this bill denies veterans a right to legal representation when forced to go against a government body stacked with government lawyers. Important decisions about veterans' entitlements are being made in situations where a veteran and advocate walk into a room packed with government employees holding law degrees. It is a denial of natural justice and due process, and the government is trying to cover it up by saying they will simplify the process by taking away the lawyers. They are taking away the lawyers all right—they are taking them away quite nicely because, bloody hell, the veterans are not having one. You are putting them up against nine or 10 lawyers in a Veterans' Review Board. How would you go if you had PTSD, a missing arm, some missing legs, and you are going in there against a lawyer.

Senator O'Sullivan interjecting—

Senator LAMBIE: If you want to stand up, Senator O'Sullivan—

The CHAIR: Senator Lambie, address your remarks to the chair.

An honourable senator: Tell him to shut up, then!
Senator LAMBIE: Have some sympathy. You should pull your head in. Senator O'Sullivan—

The CHAIR: Senator Lambie, address your remarks to the chair, not through the chair. Please continue.

An honourable senator: Tell the boofhead to pull his head in.

Senator LAMBIE: The government only did half the job when they drafted this measure. They have taken away the lawyers representing the veterans but not the lawyers from the government. Last time there was such an inequity was when the Christians were thrown to the bloody lions.

This measure should be fiercely opposed because it jumps the gun. The Senate has already agreed to an independent inquiry into veterans affairs and the high rates of suicide. By the way, just so we are all clear, there was another one yesterday. I think we are at about 48 so far this year. It is going great guns! Nothing should be changed that disadvantages veterans until the veterans have had an opportunity to have their say in front of a committee. I know many veterans will make submissions which will describe the many injustices inflicted on them by the veterans compensation system, including the VRB and the AAT.

So I am asking you, Labor, to stand up for veterans tonight and support my motion to stop the government changing the compensation system to further deny the veterans their rightful compensation and entitlements. Labor, you stood with me and voted to establish a historic investigation into veterans affairs, with particular reference to:

a. the reasons why Australian veterans are committing suicide at such high rates,
b. previous reviews of military compensation arrangements and their failings,
c. the Repatriation Medical Authority's Statements of Principles, claims administration time limits, claims for detriment caused by defective administration, authorised medical treatment, level of compensation payments, including defence abuse, as contained in all military compensation arrangements …

More importantly, the committee will inquire into the performance of Veterans' Affairs—or the lack of performance over many years—and other related matters.

The government budget measure to establish more savings by adopting a single pathway for veterans compensation claims is jumping the gun. Before any change to the veterans compensation system is allowed by legislation, particularly a change which many veterans and legal experts say will have adverse effects on veterans, the findings and recommendations of the Senate inquiry should be seriously considered.

I am sorry, Minister—I need you to remind me what the cost saving of this measure is.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:47): This is actually not about savings. The saving is absolutely minuscule. It is $3.6 million over the entire forward estimates. The reason we are doing this is to improve the service available to the ex-service community.

This initiative will benefit the ex-service community because it will streamline the appeals process presently available to veterans under the Military Rehabilitation and Compensation Act by providing access to the more veteran-friendly appeals process that exists through the Veterans Review Board. This implements the recommendation of the 2011 review of military
compensation arrangements which was initiated by, and the recommendations of which were accepted by, the former Labor government.

It will achieve savings for the Department of Veterans' Affairs through a reduction in legal costs as a result of the introduction of a single appeals pathway for veterans covered under the MRCA. As I say, it is just $3.6 million worth, but that relates to specific legal costs.

The new appeals pathway, supported by a new initiative known as alternative dispute resolution, will encourage and facilitate the resolution of disputed cases at the Veterans' Review Board through case conference discussions. This streamlined process combines the advantages of the two current appeals paths available to veterans under the Military Rehabilitation and Compensation Act. The Veterans' Review Board provides a process that is non-adversarial and veteran friendly and will encourage and support participation in the process to reach a resolution for the veteran at the earliest possible point. This approach is supported by ex-service organisations, which have been consulted on this measure, because going through the Veterans' Review Board is independent. They know and understand the process, which is friendlier and less formal.

In the event that an appeal still proceeds to the Administrative Appeals Tribunal, access to legal aid will still be possible, subject to the usual eligibility requirements. The new process will make settling disputes faster, easier and less demanding for veterans covered under the Military Rehabilitation and Compensation Act than is presently the case.

Senator LAMBIE (Tasmania) (22:49): I was just wondering if the government or the minister here could tell me how much money was spent on private law firms in 2009, in 2013-14 and in 2014-15 to fight against our veterans and to take their legal rights off them?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:49): I do not have that data going back to 2009. As I have indicated to you, the process we are putting forward here is designed to be better for veterans. It is designed to be more veteran friendly. It is designed to achieve resolution of relevant, legitimate grievances more efficiently. This is not driven by seeking to achieve a major saving; this is driven by seeking to improve the veterans' experience in these circumstances and responds directly to relevant recommendations that were made by the 2011 review of military compensation arrangements.

Senator LAMBIE (Tasmania) (22:50): Minister, in 2009 you spent $4.5 million to take down our veterans. In 2013-14 you spent close to $10 million. In 2014-15 you spent just over $10 million. Can you tell me why you see a problem with changing to one single pathway yet are prepared to go and spend millions and millions and millions of dollars on external lawyers—taxpayers' money—denying our veterans their rights to compensation?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:51): We do not want to deny anybody their rights. We want to ensure that people's rights are respected and that the government acts in accordance with people's rights, and we are seeking to improve the process that determines the appropriate resolution of any issues where there is a legitimate grievance. What we are proposing here is to make the process less legalistic, at least in the first instance, to ensure that a larger number of issues can be resolved in a more informal and less adversarial fashion. If there is still an
ongoing grievance then of course the current and existing process through the Administrative Appeals Tribunal will continue to be available.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (22:52): I recognise that Senator Lambie probably has a couple of other questions to put to the minister. I will just put the Australian Greens position on the record so that the debate can proceed. We will be supporting this amendment by Senator Lambie, and I thank her for bringing it forward. Senator Cormann, before I proceed too far, can you identify whether these particular amendments relating to the veterans compensation system have been put in some other forum to an inquiry, apart from the 2011 review that you mentioned just a short time ago? Have these measures actually been fully ventilated with the veterans community, with their representative organisations, with individuals? Or is this just an attempt to pass something pretty late at night without proper process of review?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:52): Again, this is probably a good moment to remind everyone of the history of the measures in this bill. These bills all have a long history. When the measure we are now discussing was considered by the Senate Committee on Foreign Affairs, Defence and Trade back in September last year—you have to remember: the budget measures that are brought together in this omnibus bill are measures that were left unlegislated from the previous parliament. They have all been discussed and debated at length. They have all been subjected to scrutiny. In relation to this particular proposition there was a 2011 review. It was a very important review that made good recommendations, which the previous government accepted and which we accepted and which, on coming into government, we sought to give effect to.

Obviously these things take awhile to work their way through the process and obviously after the election, given that both the Labor Party and the coalition took these measures to the election as part of our respective pre-election costings, we are now seeking to give effect to them through this vehicle. If you are trying to suggest that this has come out of nowhere and is trying to be snuck through late at night for the first time, that is just not correct. It was the subject of a specific Senate committee inquiry last year.

Senator LAMBIE (Tasmania) (22:54): I think you know what I do, Minister. There are advocates out there—the external service organisations that are out there—and you know what I do: they are not lawyers. So when you try to sell them the crap that you sell them with this single pathway—and then I brought to their attention the harm that was going to do—things turned around very dramatically. They realised that you are hoodwinking them. So can you tell me: in the last three months, out of the 200 external service organisations out there, how many of them support this, and can you give me their names?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:54): I respectfully reject any proposition that we are seeking to hoodwink the veterans community. I think all of us in this chamber have a very high regard for the contribution that has been made to our country by our veterans community—all of us in this chamber. So I think we should not question our motivations. This is not a partisan issue and should not be a partisan issue in any way, shape or form.

As part of the process of putting the measures in this bill together, the government consulted with the Returned and Services League of Australia and the Alliance of Defence
Service Organisations. And, as I said, the changes in this measure will be of benefit to current, former and future members of the Australian Defence Force, covered by the Military Rehabilitation and Compensation Act, because it makes the process much more veteran friendly, less adversarial and more informal and seeks to facilitate a more efficient resolution of any disputes.

Senator GALLAGHER (Australian Capital Territory) (22:55): I just want to put on the record Labor's position on this amendment. We will not be supporting the amendment. The government's original Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill was flawed, and because of the referral of the bill to the Senate Committee on Foreign Affairs, Defence and Trade the flaws were highlighted and we now have a superior piece of legislation. In particular, veterans will now be able to appeal determinations of the Veterans' Review Board to the Administrative Appeals Tribunal, confident that if successful they can recover costs.

This means that enormous disincentive to challenge the Military Rehabilitation and Compensation Commission has been removed. The introduction of a 28-day statutory reporting time frame for the Military Rehabilitation and Compensation Commission to consider new evidence provided by a claimant is an important step in speeding up the time it takes for a claimant to achieve justice under the appeal system. The changes also allow for an internal review of the Military Rehabilitation and Compensation Commission decision as envisaged in the 2011 military compensation review. We believe that these changes make the bill stronger and will put in better protections for veterans, and that is why we are supporting them as part of the Budget Savings (Omnibus) Bill before us tonight.

Senator LAMBIE (Tasmania) (22:57): I just want to get this clear: out of 200 external service organisations out there, you have support from the national RSL—which does not surprise me. I have in my office a letter from ADSO that says they do not support this. The Alliance of Defence Service Organisations does not support this. You have one, the national RSL—and why doesn't that surprise me? You have one lot of support. So, unless you have other evidence and I am missing something, please stand up. Otherwise, I rest my case.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:57): Just to clarify: yes, we have consulted with the RSL, who, I am advised, does support what we are seeking to achieve here. And the Alliance of Defence Service Organisations is a peak body that covers a number of organisations representing veterans. So to suggest that there is just one organisation that supports this change is not accurate.

Senator LAMBIE (Tasmania) (22:58): I was just going to ask the minister: what would you say to a former commando who narrowly missed being hit by an RPG and now has to fight the government to have access to $11,000 hearing aids? And should this person have a right to legal representation if he takes on a vindictive and heartless DVA who are determined to deny him access to modern hearing aids?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (22:58): I am not in a position to talk about specific cases. What I can say by way of general comment is that all of our veterans ought to be treated with the utmost regard and receive all their entitlements and all the support they are entitled to through relevant legislation.
Senator LAMBIE (Tasmania) (22:59): Does the government think it is fair that an injured veteran who has PTSD, alcohol abuse and drug abuse has to go into a VRB with an advocate who is not highly trained in the legal profession? Does he think it is fair that that veteran should have to go in there and fight his case against seven, eight or nine people on the Veterans' Review Board who are lawyers?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (22:59): The whole point of this measure is to ensure that through this process a veteran does not have to fight, that it is a more veteran-friendly, informal opportunity for dispute resolution. This is the whole point. If it can be avoided, we should not send veterans into the sort of circumstance that you are describing, which is the whole reason why we are proposing to make this change. We are very grateful that, after making the improvements that Senator Gallagher indicated, the Labor Party sees fit to support this measure.

Senator XENOPHON (South Australia) (23:00): I indicate that I will obviously be supporting this amendment. I commend Senator Lambie for moving and Senator Kakoschke-Moore for co-sponsoring it. But references were made to the RSL and I want to put this very briefly on the record. When there was a Senate inquiry into this very bill, the RSL appeared and after questioning they could not really justify their support for this amendment. Unless they have recently articulated why they are now supporting this amendment, I think that the RSL needs to explain to their members why they are going down a path that could very well prejudice their members, who could be seeking compensation, given that they could well be out of pocket and disadvantaged as a result of this. I guess we will have to wait and see.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (23:01): To clarify, as is the case with any consultation, when you consult with organisations, whether it is the RSL or any other organisation, concerns are raised from time to time. To the extent that I am advised, any concern has been addressed in this amended form of the bill. This has been an iterative process for some time. My advice is that all of the concerns that the RSL has impressed at various stages of the process have been addressed in the final version of this bill.

Senator LAMBIE (Tasmania) (23:01): Minister, what is the legal term for when you deny someone access to proper legal representation? Is it called a failure to ensure due process and lack of natural justice?

The CHAIR: The minister has not responded to the call. Senator Lambie?

Senator LAMBIE: Let’s go into legal aid. Senator Kakoschke-Moore, can you stand up?

Senator KAKOSCHKE-MOORE (South Australia) (23:02): Can the minister please explain why a public servant appealing a decision by Comcare to the AAT will be entitled to their legal costs whereas a veteran who is appealing a decision of the VRB in the AAT will not? Why are veterans being treated to a different standard than public servants?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (23:02): The whole point is the Veterans' Review Board hearing is not a legal process. The Administrative Appeals Tribunal process is a legal process. Of course, legal aid is entirely available, consistent with the usual eligibility requirements that apply to everybody on the same basis.
Senator LAMBIE (Tasmania) (23:03): If it is not a legal process then why are you stacked up with lawyers in there against the veterans? Come on!

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (23:03): Lawyers can assist a veteran to prepare their board application and participate in alternative dispute resolution processes but cannot appear at a hearing for any party. This has always been the case and the ex-service organisations want it that way. That is certainly my advice. It is at no cost to the veteran.

Senator HINCH (Victoria) (23:04): Senator Cormann, would you at least now concede, after what has gone on tonight with Senator Lambie and the Xenophon team, that your fast-moving omnibus bill is really an express train which you are rambling along the tracks here? With all these questions about so many areas like ARENA, like the war veterans—question after question which, with respect, you cannot answer—would you at least concede to us tonight that you have pushed this along far too fast?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:04): As I have indicated before, Senator Hinch, this process has been going for years. These measures have been debated for years. They have been subject to Senate inquiries for years. Everybody well understands what the government is seeking to achieve. Any flaws that have been identified through various processes have been addressed along the way and, of course, the measures in this bill are a reflection of savings measures, which both Labor and the coalition took to the last election and which are now reflected in this bill in a way that both the Labor Party and the coalition are comfortable to support.

Senator LAMBIE (Tasmania) (23:05): I was wondering if the minister was aware: I know that the lawyers are not allowed to represent the veteran at the VRB. Does the minister actually realise it is cost neutral? All that paperwork he has to do on the outside, he could actually save himself the pen and the paper and be representing the veteran in the VRB, so then it is fair game against the other eight or nine lawyers he has against him on the other side. This is not fair.

Senator KAKOSCHKE-MOORE (South Australia) (23:05): Perhaps the minister misunderstood my previous question. I was inquiring as to why public servants who are appealing a decision of Comcare in the AAT are able to have their costs awarded but why veterans appealing a decision of the VRB in the AAT, the same forum, are unable to have costs awarded to them.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:06): With the greatest of respect, that assertion is wrong. Obviously, if you do appeal a decision to the AAT and you win the case, you can get costs awarded. That is the general principle that applies to everyone. There is no distinction. So the distinction that you make in there is inaccurate.

Senator LU DLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (23:06): I will just conclude my earlier comments. It was only a matter of a few days ago that the Senate voted to establish an investigation into veterans affairs with particular reference to some of the issues we are traversing here tonight. Senator Cormann would probably be aware,
if he had anybody observing the hearing that Senator Siewert and other crossbenchers attended the other day—because you denied this parliament the opportunity for a formal hearing—that these very points that you are making are contested not just by people such as Senator Lambie but those who have been put through the ringer and have had a lot of experience trying to make their way through this system. The veterans compensation system is complex and the Australian Greens are open to reform proposals that simplify the system, but this is not the way to do it. Before any changes to the veterans compensation system are allowed by this parliament, particularly change which veterans and some legal experts are saying will have adverse impacts on the very people that we are trying to help, the findings and recommendations of that Senate inquiry, which has just been put on its feet, should be considered before this matter is resolved.

Senator LAMBIE (Tasmania) (23:07): I am going to the legal aid funding. The single appeal pathway to the VRB brings with it the right for legal aid for veterans with overseas service—deployments to Iraq and Afghanistan—irrespective of a means-test and based on the merits of the case. For the majority of veterans injured during their normal service—that is, non-overseas service—they are highly unlikely to be eligible for legal aid under the respective state and territory legal aid means-test, as the means-test is stringent. Minister, can you explain to me how you have offered them all legal aid and they are all going to be covered legal aid because I am a little confused?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:08): Well, every veteran can access legal aid on a non-means tested basis but subject to the usual merit assessments, which generally apply.

Senator LAMBIE (Tasmania) (23:08): I am just trying to get my head around this. Access to legal aid is not an inherent right for veterans even with the operational service. This is evident when New South Wales legal aid decided in December 2014, and in response to cuts to legal aid funding—and, by the way, we have had more cuts to legal aid funding; isn't this hitting home?—with the Commonwealth Attorney-General not funding veterans even with operational service, after being notified of this substantial policy change by the New South Wales legal aid on 19 December 2014 and bringing it to the attention of and enlisting the assistance from ESOs by reminding DVA of how they spruiked the VRB system as providing beneficial support to veterans with operational service—that is, access to legal aid and New South Wales legal aid commission reinstated aid.

Isn't it true that DVA cannot control or determine access to legal aid and it is the states and territories that disburse legal aid after the Commonwealth Attorney-General makes a grant? This relationship is made abundantly clear by DVA to compensation lawyers. When we have previously highlighted how hard it is to run cases on the current grant of legal aid, we are told that it is not within DVA's control as it is state government that determines the amount of the grant. So the rights for veterans with operational service, and having gone through the proposed single pathway, the VRB, and expecting access to legal aid, are not enshrined, are they? Clearly, this is not a hypothetical question given what has happened in the recent past. DVA, the Department of Veterans' Affairs, are full of it. They cannot rely on the goodwill of the state or territory legal aid commissions to fund veterans. That is a straight-out lie, especially when they are subjected to the Commonwealth Attorney-General reducing their annual grants. Who will miss out? Our veterans, not those applying for legal aid for
committing violent crimes and needing access to lawyers as a liberty, are at stake. So maybe you can explain to me how all these people are supposed to get legal aid funding, because, by the way, while they are fighting their cases they are broke. They are struggling to put bread on the table for their kids; they are going through marriage break-ups. It is just putting more financial strain on them. So maybe you can tell them out there, while they are listening to us on radio, how you promised to give them a guarantee that they would get legal aid funding.

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:11): As I have indicated before, access to legal aid funding for veterans is available on a non-means tested basis, whereas for an everyday non-veteran citizen a means test would usually apply, and of course there is a merit assessment which does happen in the usual way and that is organised at a state level through the relevant legal aid organisations, bearing in mind, though, that the Commonwealth provides the relevant funding for those organisations. May I also just clarify that access for veterans to legal aid funding is not only not means tested; it is available irrespective of the type of service that was provided, whether it was service overseas or service in Australia.

**Senator LAMBIE** (Tasmania) (23:12): So you are going to give me a guarantee that every veteran who puts in for legal aid will receive it—100 per cent of them? Every single one of them. The states and territories are going to provide every single one of them with legal aid. Can you show me the document where you have made that deal with the states and territories?

**Senator CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:12): Senator Lambie, I obviously cannot guarantee that every veteran who makes a claim for legal aid will get legal aid, because, as I have indicated to you, there is a merit assessment, which you would expect there to be. That is not a decision that the government makes; that is a decision that is made in the relevant legal aid commissions around Australia, as it is done for everybody else.

**Senator KAKOSCHKE-MOORE** (South Australia) (23:13): I am just going to return for a moment to the costs issue that we have been discussing. I am reading an extract from the Senate Foreign Affairs, Defence and Trade Legislation Committee inquiry into the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015, schedule 2, which was tabled in September last year. Paragraph 2.19, on page 13, reads:

A number of submitters raised concerns regarding the AAT's ability to order that the costs of proceedings, outlined in section 357, be paid by DVA in cases where the AAT finds in favour of the claimant. The Defence Force Welfare Association described the retention of section 359, which states that sections 356, 357 and 358 do not apply to reviews of determinations of the VRB, as an 'oversight', commenting that:

We notice that the Bill contains no provision for removal of that part of S359 which provides that S357 does not apply to review by the AAT of a determination of the VRB. We feel sure that retention of this provision is an oversight, and we think, a serious one. S357 provides for award of costs against the Commonwealth in some circumstances, in the event of a decision by the AAT in favour of the Veteran... we hold strongly to the view that just treatment of Veterans' claims ought not to depend on their ability to meet the costs of access to the ordinary processes that are put in place to deal with those claims.

Can the minister please clarify whether the Defence Force Welfare Association's concerns still stand?
Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:14): I thank you for putting that question. What you have just read out is evidence that this process works. It is also evidence, Senator Hinch, that this process has been going on for a very long time, because these concerns, which were expressed in September last year, were taken on board by the government, and the amended bill that is in front of us has addressed them. This concern has been removed. Senator Gallagher, in her contribution, also pointed that out explicitly. So this issue was raised. The government recognised that this was a legitimate issue, and we have addressed it by making relevant amendments to the bill that is in front of us.

Senator LAMBIE (Tasmania) (23:15): Can the minister tell me the difference between merit testing and means testing?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:15): Means testing, obviously, depends on what your level of income is; whereas merit testing of a case is, obviously, a high-level assessment of whether or not there is likely to be any prospect of success before you pursue a particular process.

Senator LAMBIE (Tasmania) (23:16): Do lawyers decide that?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:16): As I have indicated in a number of my previous answers, these decisions are made by legal aid commissions across Australia, consistent with their usual processes.

Senator LAMBIE (Tasmania) (23:16): I am still trying to get my head around why your government believes it is fair that somebody with all those physical and psychological injuries can walk into a Veterans' Review Board with a trained advocate, that is not trained in law like a lawyer, and has to go up against numerous lawyers on the other side. I am trying to see where the fairness is in that.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:17): In all sincerity, what we are trying to do here is improve the process for veterans. What we are trying to do here is ensure that resolution of issues for veterans can be done in a less adversarial fashion, at least in the first instance, so that most issues, hopefully, can be resolved in a more informal setting through the Veterans' Review Board. Some issues will not be able to be resolved that way, and that is why the avenue for appeal to the Administrative Appeals Tribunal remains there, of course. But instead of having, right up front, an adversarial, formal, legalistic, confrontational process in the way that you describe it, what we are seeking to do here is improve the experience for veterans, improve the capacity to get satisfactory outcomes in a more efficient way, and the way we are doing it responds directly to relevant recommendations made by the 2011 Review of military compensation arrangements, and takes on board the feedback that we have received through our own consultations and the feedback that we have received as a result of the inquiry by the Senate Foreign Affairs, Defence and Trade Committee. As a parliament, I think we have done everything we possibly can do to ensure that this measure is in the best possible shape, and I genuinely believe that what we are doing here, if we pass this, is doing the right thing by our veterans. I very much commend this measure to the Senate.
Senator LAMBIE (Tasmania) (23:18): How does the VRB improve the outcome for veterans, when the first thing they do is walk into a Veterans' Review Board, in front of nine lawyers, and feel as intimidated as hell? How does that improve their outcome? Do you at least agree that we have a suicide crisis under Veteran's Affairs?

Senator KAKOSCHKE-MOORE (South Australia) (23:19): I thank the minister for his previous answer. I would like to ensure that my understanding is crystal clear. If a claim is brought to the AAT from the VRB, can costs be awarded?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:19): Yes.

Senator LAMBIE (Tasmania) (23:19): You said costs can be awarded, but what about when there is further medical evidence and that sort of thing and they are denied? Those costs are not going to be awarded though, are they, Minister?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:19): My advice is that if there is further new evidence that is provided later in the process then obviously you have to reassess that at that time. But the AAT appeal is obviously in respect to a specific decision that was made on the basis of specific information at that point in time. My answer to the question from the senator representing the Nick Xenophon Team stands as accurate, but obviously you cannot award costs in relation to something that is not part of the scope of the AAT process in question.

Senator LAMBIE (Tasmania) (23:20): Let me get this right: when the veteran pays for their own evidence from their own medical side with their own documents to fight your medico-legals, they will not get a reimbursement for those medical reports?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:20): In the circumstances you describe, my advice is that if evidence is presented late in the piece that should have been and could have been available then the process would essentially go back to the first step through the Military Rehabilitation and Compensation Commission.

Senator LAMBIE (Tasmania) (23:21): The reason they go to the review board is that the Department of Veterans' Affairs has already knocked them back in the first place. What I am asking is: when the veteran supplies further medical evidence, and that backs the veteran 100 per cent against a medico-legal bloody medical report, which is usually rotten to the core, they do not get a reimbursement for the medical report that they have obtained by a specialist, do they, Minister?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:21): My advice is that, at the Veterans' Review Board level, these sorts of costs are actually able to be reimbursed to the tune of about $460.

Senator LAMBIE (Tasmania) (23:22): I am sorry—can you just repeat that cost? I missed it; I am sorry. What was that? What is the cost that you are going to reimburse them? I am sorry; I did miss that. What did you say?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:22): At present, the reimbursement for obtaining medical reports is $457.50, which the coalition has indicated we will increase to $1,000 at a cost of about $1.2 million over four years.
Senator LAMBIE (Tasmania) (23:22): Minister, can you give me the average price of obtaining a specialist report? The Department of Veterans' Affairs has the worst compensation system in this country and needs thousands and thousands of pages, and it costs the doctor, because they have to spend hours on it. Can you tell me what the average price of those specialist reports is? If you cannot, I will.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:23): This is in relation to supplementary advice, obviously. Medical reports are routinely obtained for these sorts of processes, including, and in particular, through the improved process through the Veterans' Review Board. They are fully covered by the Department of Veterans' Affairs. This is an additional allocation on top of the payments that are made for these sorts of reports by the government itself.

Senator LAMBIE (Tasmania) (23:23): Tell me what happens when a veteran does not show up at the Veterans' Review Board, Minister—if they do not comply with the order.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:24): Obviously, to resolve an issue in one way or another, the issue needs to be represented through this process, but this can happen either in person or, if that is not feasible, by phone, by video link or by representation through an advocate.

Senator LAMBIE (Tasmania) (23:24): So let me get this right: when the veteran has PTSD, they have their up-and-down days—most of the time they are down while they are fighting the Department of Veterans' Affairs, because that compacts their injuries even further—and decisions can be made without them there fighting their own case, can't they?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:25): Overwhelmingly, nearly all veterans in these circumstances are represented in these sorts of processes through relevant veterans' organisations. My advice is that that covers the circumstances that you mention. Let me stress again: the process in this bill is an improvement on the status quo. What we are seeking to do here is to make things better than what they are and improve the experience for veterans.

Senator LAMBIE (Tasmania) (23:25): Let me get this right—I want to make sure, because there are a lot of veterans listening to our discussion here and I can tell you that the texts that I am getting are just amazing. They are absolutely ashamed of you people over there. You need to know that you have Veterans Affairs' executives, the ones who are highly paid, sitting right next to them. Let me get this right: the veteran, because of their physical or mental injuries, does not show up at the VRB. Their advocates, who are probably not trained to be there because they are up against lawyers, are walked all over by those seven or eight lawyers sitting at the other end. And that is it, end of game. Don't you see why they need legal representation, at the very least, in that VRB? Please! What the hell is wrong with you?

The CHAIR: I am going to put both Senator Kakoschke-Moore's and Senator Lambie's amendments together, so the question is that schedule 24 and table item 26 in clause 2 stand as printed.

The committee divided. [23:31]

(The Chair—Senator Lines)

Ayes .....................39
Noes .....................15
Question agreed to.
Bill agreed to.
Bill reported without amendments; report adopted.

Third Reading

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:34): I move:

That this bill be now read a third time.

The DEPUTY PRESIDENT: The question is that the bill be read a third time.

The Senate divided. [23:35]

(The Deputy President—Senator Lines)

Ayes ..................... 40
Noes ..................... 14
Majority ................. 26
AYES
Back, CJ
Brandis, GH
Bushby, DC (teller)
Canavan, MJ
Collins, IM
Dodson, P
Fawcett, DJ
Gallacher, AM
Hinch, D
Ketter, CR
Marshall, GM
McCarthy, M
Moore, CM
O’Sullivan, B
Payne, MA
Pratt, LC
Ruston, A
Seselja, Z
Sterle, G
Williams, JR

Bilyk, CL
Brown, CL
Cameron, DN
Cash, MC
Cormann, M
Duniam, J
Fifield, MP
Gallagher, KR
Hume, J
Lines, S
McAllister, J
McKenzie, B
O’Neill, DM
Paterson, J
Polley, H
Reynolds, L
Scullion, NG
Smith, D
Urquhart, AE
Wong, P

NOES
Culleton, RN
Griff, S
Kakoschke-Moore, S
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

Di Natale, R
Hanson-Young, SC
Lambie, J
McKim, NJ
Rice, J
Waters, LJ
Xenophon, N

Question agreed to.
Bill read a third time.

COMMITTEES
Membership

The DEPUTY PRESIDENT (23:38): Order! The President has received letters from requesting changes in the membership of various committees.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (23:38): by leave—I move:

That senators be discharged from and appointed to committees as follows:

Community Affairs References Committee—

Appointed—
Substitute member: Senator Polley to replace Senator Farrell for the committee's inquiry into the future of Australia's aged care sector workforce

Participating member: Senator Farrell

Electoral Matters—Joint Standing Committee—
Discharged—Senator O’Neill
Appointed—
  Senator Ketter

Participating members [for the committee's inquiry into the 2016 election]: Senators Bilyk, Cameron, Carr, Chisholm, Collins, Conroy, Dastyari, Dodson, Farrell, Gallacher, Gallagher, Lines, Marshall, McAllister, McCarthy, Moore, O’Neill, Polley, Pratt, Singh, Sterle, Urquhart, Watt and Wong

Finance and Public Administration References Committee
  Appointed—Substitute member: Senator Watt to replace Senator Singh till 2 December 2016

Human Rights—Joint Statutory Committee—
  Discharged—Senator Singh
  Appointed—Senator Moore

Law Enforcement—Joint Statutory Committee—
  Discharged—Senator Singh
  Appointed—Senator McCarthy

National Broadband Network—Joint Standing Committee—
  Appointed—Senators Ketter, O’Neill and Urquhart
  Appointed—Participating members: Senators Bilyk, Brown, Cameron, Carr, Chisholm, Collins,
  Conroy, Dastyari, Dodson, Farrell, Gallacher, Gallagher, Lines, Marshall, McAllister, McCarthy,
  Moore, Polley, Pratt, Singh, Sterle, Watt and Wong

National Disability Insurance Scheme—Joint Standing Committee—
  Discharged—Senator Gallacher
  Appointed—Senator Gallacher 236 No. 7—15 September 2016

Public Accounts and Audit—Joint Statutory Committee—
  Appointed—Senators Ketter and McAllister

Public Works—Joint Statutory Committee—
  Appointed—Senator Gallacher

Treaties—Joint Standing Committee—
  Discharged—Senator Singh
  Appointed—Senator McAllister..

Question agreed to.

Senate adjourned at 23:39 until Monday, 10 October 2016 at 10:00

DOCUMENTS
Tabling

The following documents were tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislation (FRL) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Banking, Insurance and Life Insurance (prudential standard) determination No. 1 of 2016—
  Prudential Standard 3PS 001—Definitions [F2016L01428].
Banking, Insurance and Life Insurance (prudential standard) determination No. 2 of 2016—Prudential Standard 3PS 221—Aggregate Risk Exposures [F2016L01429].

*Public Service Act 1999*—Australian Public Service Commissioner's Directions 2016 [F2016L01430].