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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
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
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; 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
# Turnbull Ministry

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<tr>
<td>Prime Minister</td>
<td>Hon Malcolm Turnbull MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<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>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter-Terrorism</td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Minister Assisting the Cabinet Secretary</td>
<td>Senator the Hon Scott Ryan</td>
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<tr>
<td>Minister Assisting the Prime Minister for Cyber Security</td>
<td>Hon Dan Tehan MP</td>
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<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
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<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>Hon Angus Taylor MP</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister for Agriculture and Water Resources</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>
<td>Minister for Foreign Affairs</td>
<td>Hon Julie Bishop MP</td>
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<tr>
<td>Minister for Trade, Tourism and Investment</td>
<td>Hon Steve Ciobo MP</td>
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<tr>
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<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
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<td>Hon Keith Pitt MP</td>
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<tr>
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<td>Senator the Hon George Brandis QC</td>
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<td>(Vice-President of the Executive Council)</td>
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<tr>
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<td>Hon Michael Keenan MP</td>
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<tr>
<td>Treasurer</td>
<td>Hon Scott Morrison MP</td>
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<tr>
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<td>Minister for Small Business</td>
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<tr>
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<td><em>Hon Dr David Gillespie MP</em></td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
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<td><strong>Minister for Regional Communications</strong></td>
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CHAMBER
Wednesday, 14 September 2016

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 9:30, read prayers and made an acknowledgement of country.

DOCUMENTS
Tabling

The Clerk: I table documents pursuant to statute. The list is available from the table office or the chamber attendants.

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

COMMITTEES

The Clerk: Proposals to meet have been lodged as follows:

Economics Legislation Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 10.30 am, for the committee's inquiry into the provisions of the Budget Savings (Omnibus) Bill 2016.

Education and Employment Legislation Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 15 September 2016, from 11 am.

Education and Employment References Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 15 September 2016, from 11 am.

The PRESIDENT (09:31): Does any senator require any of those motions to be put? There being none, we will proceed to business.

BILLS

Excise Tariff Amendment (Tobacco) Bill 2016
Customs Tariff Amendment (Tobacco) Bill 2016

Second Reading

Consideration resumed of the motion:

That these bills be now read a second time.

Senator DUNIAM (Tasmania) (09:32): Last night I was mid-flight, talking about the history of tobacco excise in Australia. Given that I was cut off midstream, I think it is a good opportunity for me to recap some of the statistics that—

Senator Ian Macdonald interjecting—

Senator DUNIAM: Yes, I thought that would be a good idea, Senator Macdonald—to recap on some of the statistics around the importance of dealing with tobacco related and cancer related diseases. I mentioned yesterday the fundamental fact that tobacco was responsible for about 7.8 per cent of the total burden of disease and injury in Australia, as reported in 2003, which I am told is the equivalent of 15,000 deaths per year. And, as was noted by a number of other speakers in the debate, it is responsible for a cost of around $31.5 billion in health, social and economic related costs in the years 2004-05. You have to wonder where that cost is at today. So this merely highlights the importance of this piece of legislation as one of the suite of measures that have been put in place by this government to deal with smoking and smoking related diseases.
Some of the other statistics I went through yesterday related to our home state of Tasmania and where we stand with reference to the rest of the country. Some of those statistics were quite alarming. In terms of my own cohort, younger males in Tasmania between the ages of 25 and 34, about 40 per cent of that demographic are smokers. Then you move up to the 35- to 44-year-olds and it is not much lower—about 38.6 per cent—far too high, as I said yesterday. I think most senators in this chamber would agree.

The one most concerning statistic about the health and wellbeing of younger Tasmanians, as I said yesterday, is that Tasmania continues to have the highest proportion of women who smoke during pregnancy. That is not just impacting the individual smoking, but the unborn child. The prevalence of young women smoking during pregnancy in Tasmania was 35.7 per cent for those under 20, and 30.8 per cent for those aged between 20 and 24. Amongst Indigenous Tasmanians it was found to be almost 50 per cent of the population in 2008—44.5 per cent.

I touched on the problems related to minors smoking tobacco in our state. The 2011 Australian secondary school alcohol and drug survey showed that six per cent of 12- to 15-year-olds were smokers. I certainly was not smoking back then. I did not really even have a good understanding of what these sticks that people were putting in their mouths were. But to learn that five years ago—and I hope that number has gone down—six per cent of people in that age group, 12 to 15 years of age, were smoking is just incredibly alarming. Then you move to the slightly higher age group 16- and 17-year-olds—still under the legal age—16 per cent of them have taken up the habit.

But the best statistic, I think, is in relation to how younger people have become aware over recent years—through various education campaigns, through the packaging legislation and the like, and various community attitudes which seem to be prevailing at the moment—about the impact that smoking has on one's health. The 2011 survey that I mentioned earlier on reported that 96 per cent of students agree that smoking causes lung cancer and harms unborn babies. So, while there are those alarming statistics, which I have recapped on now, I think it is great to know that young people, who have their whole lives ahead of them, are beginning to appreciate the damage they are doing to their bodies, and those around them, with reference to smoking.

I was also speaking about the history of tobacco laws, particularly the excise tax situation in Australia, but one thing I want to touch on in Tasmania are smoke-free zones. Over the years, there have been a number of legislative measures put in place in the state of Tasmania regarding restrictions on smoking in certain areas. We all know you cannot smoke in planes, workplaces and other obvious locations, but in Tasmania in the year 2001 it became illegal to smoke in workplaces and in enclosed public places, such as shopping centres, restaurants, factories, hospitals, corridors and toilets.

Further smoke-free areas were introduced in the state of Tasmania, including three metres outside entrances and exits of aforementioned locations; within 10 metres of ventilation equipment, air conditioning towers and things like that—which I think is a good move, because what is the point of restricting smoking inside if you are just going to blow it in through the air conditioning ducts; inside work vehicles and also in seating at cultural and sporting events and venues.
Then you move through to 2005, where gaming areas and nightclubs were added to that list, and then a 50 per cent portion of outdoor dining areas. In 2006 pubs and clubs and hotels in Tasmania became smoke-free on the inside—completely smoke-free. Then, fast-forwarding to 2012, there were new smoke-free areas introduced, including playgrounds, patrolled beaches, pedestrian and bus malls and bus shelters. Then it was 100 per cent of outdoor dining areas, which is something I recall in the local media in Tasmania caused a great deal of consternation around people wanting to enjoy a cigarette while having their meal or their drink. But I think for the most part people welcomed the right to have a meal without having to inhale their neighbouring table's smoke.

Then it was competition and seating areas at sporting events and other large public events. Later that year, carols by candlelight events were required to be smoke-free. The next year, 2013, selected markets and food and wine festivals and music festivals were added to the list. This was in addition to specific measures by the Hobart City Council and the Launceston City Council. And it is this combination of approaches to restricting where smoking can take place, and indeed measures like this—like the excise tax—which have helped Australia tackle the problem of smoking and the impact on health in our country. Thank you, Mr President.

Senator XENOPHON (South Australia) (09:39): I support the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. This is important legislation, given that each year smoking kills an estimated 15,000 Australians and costs Australians $31.5 billion in social—including health—and economic costs. These are statistics from the Department of Health; they are uncontroverted. We know the damage that smoking does. There are some aspects of this legislation that ought to be ventilated in the context of how it will operate. I also want to raise the issue of the paucity of anti-smoking measures and support for those that want to quit smoking.

Back in 2004, as a member of the South Australian Legislative Council, I moved an amendment to legislation that the South Australian Labor government introduced to ensure there was a trial of at least 1,000 places, 1,000 individuals, to get the benefit of free nicotine replacement therapy. It was something that the Labor government in South Australia inexplicably opposed. It was supported by the opposition and the crossbenchers, and at the end of the day it got up and the trial went ahead, as I understand it.

The issue here is an important one. It is as relevant now as it was back in 2004—that is, governments seem to be willing to rake in massive amounts of revenue from tobacco excise. Let us put this in some perspective. In 2009-10, $5.6 billion was raised; in 2010-11, $6.3 billion; in 2011-12, $5.4 billion; in 2012-13, $5.8 billion; in 2013-14, when there was a jump in the excise, $8.4 billion; and, in 2014-15, the most recent year that I have details for, $8.8 billion. That works out to something like $40 billion over that period. How much did the federal government spend during that period on anti-smoking campaigns? The figure I have for that period is $135 million. When compared to something like $40 billion in revenue, that is a pretty poor effort.

If we are serious about reducing the smoking rate as quickly as possible to reduce the impact of smoking on the community, to ensure that we do not have 15,000 Australians dying each year because of smoking and to ensure that it does not cost our nation $31½ billion a year in social, health and economic costs, then we need to be fair dinkum about providing more resources for anti-smoking campaigns. We need also to make it easier for people
wanting to quit by giving them all the support they need, and we need to ensure that we do not
demonise smokers.

In relation to nicotine replacement therapy, an issue that I raised in the South Australian
parliament back in 2004, the cost to government in repatriation, in PBS benefits for smoking
cessation therapy, for 2014 was $47.8 million. There is a real issue as to whether nicotine
replacement therapy ought be free or ought to be trialled on a free basis, rather than people
having to put their hands in their pockets, to make it much easier for people to kick the habit.
It is a very addictive habit. We need to assist people to kick the habit as soon as possible.

I will be asking the government what commitments they will be making with the additional
excise they will get from this legislation. What commitments will they be making to ensure
that there will be more help for people to quit smoking? I note the objective of these bills is to
improve the health of Australians by reducing their exposure to tobacco products. Under this
legislation, increases in excise ensure that average cigarette prices are more closely aligned
with the World Health Organization recommendation concerning the proportion that excise
and excise-equivalent customs duty should comprise of the price of a cigarette.

I hope this legislation will be examined in a short committee stage. I ask the government
what commitments there are to spend the massive increase in tobacco excise the
Commonwealth has been getting in recent years on nicotine replacement therapy, on Quit
campaigns and on funding organisations such as Action on Smoking and Health, which I
worked with over the years and which did a terrific job of advocacy in the public health space
in relation to this. These are important issues that much must be dealt with, in my view, for
the government to tell us what is happening in relation to this matter.

There is also another issue that concerns me and, whether you support or oppose this
legislation, it ought to concern all of us. It relates to the flaws in the collection of this excise.
An article in The Australian Financial Review on 30 May this year by Joanna Mather and
Fleur Anderson states:

An audit report has identified serious shortcomings in the collection of taxes on imported tobacco
products, which are worth about $8 billion a year.

That report, by the Auditor-General, headed Administration of tobacco excise equivalent
goods, in respect of the Australian Taxation Office and the Department of Immigration and
Border Protection, was transmitted to the Speaker and to you, Mr President, on 5 May this
year and raised some very, very serious concerns.

The ANAO report found that there were few checks and balances in place when it comes to
the administration of tobacco excise equivalent goods and that the collection of customs duty
had fallen far short of effective practice. I repeat that: the Auditor-General, no less, said that
the way we collect tobacco excise in this country has 'fallen far short of effective practice'.
The report says that the risk of noncompliance was assessed by the ATO as ranging from
moderate in 2011 to significant in 2015, when there was:

… an observed increase in the number of entities displaying non-compliant behaviour that are importing
tobacco and/or storing imported tobacco.

The Auditor-General's report goes on to say:
The ATO advised that the reason for the changed risk ratings over the years is largely a consequence of
shifts in focus brought by different ATO managers when scoping risk assessments.
The Auditor-General says that the fact that the risk was raised to 'significant':
… was driven by the reputational risk for the ATO and DIBP—
that is, the Department of Immigration and Border Protection—
as a result of large seizures of illicit tobacco … and a noted increase in the incidence of theft from smaller warehouses (that account for approximately two per cent of the revenue collected).

The government ought to tell us what it is doing in response to an Auditor-General's report of May of this year that was very critical about the lack of checks and balances in place when it comes to the collection of tobacco excise. These are issues that ought to be raised. I again put the government on notice, given that there are a number of other speakers on this debate. What will the government do in terms of increasing the amount available for Quit campaigns to make it easier for those people that want to quit to get the help and support they deserve so that we can make even greater inroads into reducing the awful death rate from tobacco products and the enormous cost—the $31½ billion cost—to our community as a result of the consumption of tobacco in this country?

Senator HUME (Victoria) (09:48): I rise to speak on the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. The coalition is particularly proud of these bills, which will increase tobacco excise charged on domestic production and equivalent customs duties charged on imports by way of four annual increases of 12.5 per cent a year from 2017 to 2020. These increases will replicate the annual increases that were put in place by the former government and continued by this government from 2013 to 2016. In addition, adult average weekly ordinary time earnings based indexation of tobacco excise rates will continue. The next biannual indexation of tobacco excise will occur on 1 March 2017.

From 1 September this year, the excise and excise-equivalent duty rates on tobacco are just over 61c per stick and $763.20 per kilogram of tobacco content. This equates to $15.26 in excise on a packet of 25 cigarettes, which currently retails for approximately $25. Ignoring biannual indexation, the 12.5 per cent increases will increase excise per packet of 25 cigarettes by around $2 each year. This means that, after the final increase in 2020, the excise component of a packet of 25 cigarettes will be around $21.50. The increase in excise and duty will move Australia towards the World Health Organization's recommendation that excise should comprise around 70 per cent of the price of a cigarette. The precise impact on price is uncertain, because tobacco companies may alter their prices beyond that excise change, and that is something which is out of our control.

A number of speakers have already mentioned that each year smoking kills an estimated 15,000 Australians and costs Australia $31.5 billion in social costs, including health costs. This bill particularly aims to reduce the prevalence of smoking in Australia and therefore to minimise the harm of cigarette smoking to the community. The Turnbull government is greatly concerned about the serious health risks of smoking and has continued the efforts of previous governments to support and build on Australia's great success in tobacco control. The excise increases announced in the 2015-16 budget are firmly based on the evidence that they will further help reduce smoking rates in Australia.

To give a brief history of tobacco control in Australia, in 1997 the government implemented a national tobacco campaign. In 2006, graphic health warnings were introduced on most tobacco packaging—and they still scare the bejesus out of most people on a daily
basis. Some of those pictures are just terrifying. In 2010, there was a 25 per cent increase in tobacco excise. In 2011, tobacco plain packaging became law. There was some controversy surrounding that, but we believe that it has certainly had an impact. In 2012, all tobacco products sold in Australia were required to be in plain packaging, with updated and expanded health warnings. In 2013, we started seeing stepped tobacco excise increases, with 12½ per cent increases in 2013, 2014 and 2015. In 2016, a post-implementation review published on the Office of Best Practice Regulation website on 26 February found that tobacco plain packaging had begun to achieve its objectives. The last 12½ per cent increase in excise kicked in very recently in 2016.

Increasing the price of tobacco products through taxes is widely recognised as an effective and cost-effective tobacco control intervention for reducing tobacco use, particularly among youth and people from lower socioeconomic groups—those disadvantaged communities where smoking is most prevalent. Increased prices may cause some financial stress; that is understood. However, we do believe that that is offset in Australia by the provision of accessible and affordable cessation treatment—something that Senator Xenophon recently spoke about—both in services and in therapies. In Australia, the 2010 post-implementation review, PIR, conducted by the Treasury, estimated that, of the 25 per cent tobacco excise increase, there was an 11 per cent decrease in tobacco consumption. That was based on import data. That was just over two years, which is a fairly significant impact.

The guidelines that the World Health Organization issue recommend that excise account for at least 70 per cent of the retail price, and it has been very challenging for Australia to reach those World Health Organization targets. Tobacco manufacturers have taken the opportunity to increase the price of their product at the same time that excise increases, which is sort of muddying the waters. As reported in 2015 in the World Health Organization report on the global tobacco epidemic, as of mid-2014—and since then there have been already two more 12.5 per cent excise increases as well as biannual increases in excise in line with wage inflation—Australia's total taxes applied to cigarettes were the sixth highest among 106 countries who reported to the World Health Organization.

It also accounted for, at this stage, 47.67 per cent of the total retail price of the most popular brand of cigarettes, which was Winfield 20 packs. Goodness me, when did Winfields become the most popular brand? I speak as an ex-smoker. I was actually one of those smokers who gave up when they became pregnant. But I was a passionate smoker. In fact, I think I might have smoked for Australia at one stage; I was very good at it.

Senator Ian Macdonald: A carton of Winfields.

Senator HUME: A carton—that is exactly right. It was not quite a carton of Winfields. I think I smoked something far more glamorous than that. I was one of the few people, I think, that made smoking look attractive and sexy.

Senator Ian Macdonald: And you would have.

Senator HUME: Thank you.

An opposition senator interjecting—

Senator HUME: No, I did not. It is a terrible habit. So, at that stage, those excises accounted for just over 47½ per cent of the total retail price of the most popular brand and gave Australia the seventh highest after-tax cigarette price in the world.
Tobacco is one of the leading causes of preventable disease and premature death in Australia. The ABS data indicates that smoking rates in Australia dropped to 14.5 per cent among adults in 2014 and 2015, compared with 16.1 per cent in 2011 and 2012 and 22.3 per cent in 2001. The ABS data also demonstrated that significant gains have been made in reducing the prevalence of daily smoking in Aboriginal and Torres Strait Islander people aged 15 and over, which is down to 39 per cent in 2014-15 from 45 per cent in 2008 and 49 per cent in 2002. So headway is certainly being made with this particular community where there is entrenched socioeconomic disadvantage.

Australia has a broad range of tobacco control measures in place already and has sustained a multifaceted approach over the past several decades, which has helped to achieve the decline in national smoking prevalence. Interventions include excise increases, very effective education programs and campaigns, plain packaging of tobacco products, large graphic health warnings, prohibiting tobacco advertising and promotion, and providing support for smokers to quit the habit.

Ongoing tobacco interventions, including excise increases, are critical to ensure that the prevalence of smoking in Australia continues to decline. It is incorrect to assume that the rate of reduction of smoking prevalence can be maintained without additional tobacco control efforts. Evidence from Australia and overseas shows that when tobacco control efforts stall so does the decline in smoking prevalence.

Increasing the price of cigarettes via taxation is one of the most effective ways of reducing tobacco consumption and preventing the uptake of smoking. Higher prices encourage smokers to quit or reduce their consumption, while also discouraging potential smokers, including young Australians, from taking up the habit.

The adult daily smoking rate was 14.5 per cent of the population in 2014-15. This measure—increasing the excise on tobacco—will assist the government to make progress on the Council of Australian Governments' target to reduce the adult daily smoking rate to 10 per cent of the population, and to halving the daily rate of smoking among Aboriginal and Torres Strait Islander people by 2018. That is a target of the Council of Australian Governments.

Aboriginal and Torres Strait Islander Australians, people in remote areas and people on the lowest socioeconomic status all have higher rates of smoking compared to the general population. Although these groups will, undoubtedly, experience a decline in purchasing power if they keep smoking, they will also receive the income and health benefits from quitting.

This change sits alongside the numerous interventions that the Commonwealth has taken to reduce the prevalence of smoking, including a comprehensive ban on tobacco advertising and promotion, retail display bans, Pharmaceutical Benefits Scheme subsidies for smoking cessation supports, and extensive and continuing public education campaigns.

These bills will raise $4.59 billion across the forward estimates period. Goods and Services Tax receipts are estimated to increase by $430 million over that same period. The revenue gained from higher tobacco excise will be used by the government to provide a range of services but, importantly, that range includes health services. It is a very important measure. It is an important part of the government's comprehensive tobacco control strategy, which
includes investment in anti-smoking social marketing campaigns, subsidies for nicotine replacement therapies and the introduction of plain packaging for tobacco products.

The government announced in the budget that it will strengthen the penalties for illicit tobacco offences and will provide an additional $7.7 million for the Tobacco Strike Team to combat illicit tobacco activity. The primary responsibility for the illicit trade in tobacco rests with the DIBP and the Australian Taxation Office. The DIBP received funding in the 2016-17 budget to tackle illicit trade in tobacco. Currently, there is no reliable estimate of the size of the illicit tobacco trade in Australia. The DIBP and the ATO are working to develop a reliable estimate.

Some commentators suggest that tobacco control interventions, such as excise increases and tobacco plain packaging, increase this illicit trade. There is, in fact, no reliable evidence that this is the case. However, there is international evidence to suggest that illicit tobacco market size does tend to be driven more by supply factors, including the cost of supply to market, which is very high in Australia, and also the level of law enforcement activity, the presence of corruption, the likelihood of detection, and the scale of penalties.

As such, tackling the illicit trade in tobacco should not involve weakening effective tobacco control measures; rather, it should be addressed by strong enforcement and compliance measures. Australia has a strong and active enforcement regime aimed at combating the illegal trade in tobacco products, and this is made stronger through the most recent budget allocations to Border Force. The trade in illicit tobacco attracts significant penalties under the Customs Act 1901 and the Excise Act 1901. Tobacco smuggling is punishable by fines and up to 10 years imprisonment.

Public health advocates say that the latest tax hike on cigarettes will cut smoking rates even further from the already steep falls that we have seen in recent years and could even lead to Australia becoming practically smoke free. The number of smokers in Australia has dwindled over recent decades. As I said, it was nearly one-quarter in the early 1990s and it is now closer to only 13 per cent. That is due to previous excise increases and public health measures like banning smoking in public areas and plain-packaging laws.

The chief executive of the Cancer Council of Australia, Professor Sanchia Aranda, said that price is an important factor in people's decision to smoke. She said:

Every time you increase the excise consumption goes down. We anticipate if there were four of these recurrent tobacco increases over time, that about 320,000 current smokers would attempt and be likely to quit as a result of all four increases, and about 40,000 teenagers would be deterred from taking up smoking. In the longer term that means tens of thousands of cancer deaths would be prevented.

Professor Aranda also that lung cancer was still the most significant preventable cancer in Australia.

But there is a view that increases in tobacco excise punishes those on low incomes. The reality is that tobacco tax increases are particularly effective in prompting people in those lower socioeconomic groups—those most disadvantaged in our society—to quit smoking. This is very important because disadvantaged groups tend to bear a disproportionately heavy tobacco death and disease burden.

There is also a claim that increasing tobacco excise would be a tax grab. But what does the community think? It is very hard to imagine any blatant tax grab being popular; however, the
Newspoll research shows that 73 per cent of Australians support an increase in tobacco excise. That is not just the nonsmokers talking. Recently, Quit Victoria research showed that 60 per cent of smokers supported a tobacco tax increase—and why wouldn't they, when it can literally save their lives.

The tax grab theory has another major flaw: increasing tobacco excise is the most effective measure available to governments for reducing the social and economic costs of tobacco use. The World Bank and the World Health Organization say so, as do analyses of Australian trends in tobacco consumption done in the 1990s. So the health benefits of the tax are really what matter. The revenue should be seen as a fortuitous by-product, generating funds to reinvest in public health.

Some critics point to the tax increases potentially boosting the tobacco black market—and, yes, illegal tobacco is a very serious issue. But this can be addressed, and is being addressed, in this bill through tighter policing. Ultimately, as policy measures such as increased tobacco excise continue to denormalise smoking in our communities, the market itself will become far less lucrative.

Smoking is the leading cause of death and disability in Australia. If there were any other preventable cause of so many deaths—an infectious disease, terrorism or road trauma—the government would be expected to take action. This government is taking action. Quite frankly, the Australian people should expect nothing less of us.

Senator PATERSO N (Victoria) (10:08): I warmly welcome the opportunity to contribute to this important debate on the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016, which are being put forward by the Turnbull government. After decades of advertising, education and taxes, every Australian now knows that cigarettes are bad for your health. It would be hard not to realise that, given the mountain of effort being put in by governments around the world, particularly in Australia, on educating people about those risks.

Personally, I have never been a fan of smoking, whether it is cigarettes, cigars, cigarillos, or any other smoking products. They just do not agree with me. I have never been able to bear smoking myself, but I do recognise that there are other people who do smoke and enjoy it—and I will come to that later.

My late nan was a very heavy smoker for many years, and late in her life she suffered emphysema as a result of her smoking. I have to say it was not a very pretty thing to watch—it was very sad to see her health decline as a direct result of decisions that she had made during her life.

So I am not sad, and I do not think anyone in Australia would be sad, to see the continuing decline of smoking as a habit. That is something I think we should all welcome. The adult daily smoking rate in 2014-15 was 14½ per cent. While that is still a high figure, it is certainly a dramatic improvement from the figures only a few decades ago. COAG has agreed to a bipartisan intergovernmental target of 10 per cent, and I think that is a reasonable target although I am sure all Australians would hope that in due course no Australians will be choosing to smoke.

The excise on a packet of cigarettes today is about two-thirds of the total value of a packet of cigarettes. Today a packet of 25 cigarettes retails for about $25, and about $15 of that $25
is excise which is collected by the government. This measure proposed by the government will only increase the proportion of a packet of cigarettes that is collected by the government. It is somewhat ironic that in many ways it could be argued that the government profits from the sale of cigarettes more than tobacco companies do. Given this, it is vitally important that the government should take complementary action at the same time to combat illicit tobacco. When we charge an extra dollar of excise we increase the incentive of people to buy, sell and traffic in illicit tobacco, which, by its very nature, avoids excise.

Illicit tobacco is a serious problem around the world and it is a serious problem in Australia. A report by KPMG this year estimated that the revenue lost to government from the illicit trade is more than $1 billion a year. From a public policy standpoint that is obviously a very serious problem, but it is not the only problem from illicit tobacco. Illicit tobacco also fuels criminal behaviour, including organised crime, bikie gangs and international criminal syndicates. It hurts law-abiding small businesses, who find it very difficult to compete with people who are able to charge much lower prices for illegal products because they choose not to pay the excise they should. The quality of the illicit product, such as you can measure the quality of a tobacco product, is vastly inferior to the quality of a legal product and is even worse for human health than legal tobacco products.

Predominantly the illegal tobacco that we have in this country is now imported—it is mostly sourced from overseas and it is mostly smuggled into Australia using various means. However, there is still, as there has been for some time in this country, a domestic illegal tobacco growing industry. As reported by Rob Harris in the Herald Sun in April this year, the Australian Taxation Office conducted a raid and seized a record $15.4 million worth of illegal tobacco growing on a northern Victorian farm. A community tip-off led to the ATO raid on what they described as a large and sophisticated growing and processing operation near Kerang. This tobacco that was seized amounted to about 30 million cigarettes—and this is just from one farm in one area of northern Victoria. It demonstrates the strength of the illegal tobacco industry here in Australia and the importance of cracking down on it.

This government takes the threat of illicit tobacco very seriously. That is why we established the Australian Border Force tobacco strike team—to crack down particularly on that imported tobacco—and that is why the ATO continues to investigate, raid and crack down on the domestic growing of illegal tobacco. In the latest budget, as a complementary measure to the legislation we are discussing today, the government announced that it would provide an extra $7.7 million for the tobacco strike team to help crack down on illicit tobacco.

I want to make two wider points about this debate and policy. Ultimately, tobacco is a legal product in Australia. Although I strongly disapprove of it and strongly encourage people to not start smoking in the first place—and if they are smoking today, I strongly encourage them to quit smoking—ultimately, I think we have to accept that there will be some people who, even understanding the very serious risks of smoking, will still choose to smoke. In a free society, people must be able to make decisions which we disapprove of, as much as we counsel them against it. While ever we decide that tobacco remains a legal product—and I am not aware of any proposals, at least before this chamber, to make it illegal—we have to accept that some people are going to smoke, and that is their choice.

There are people who still do choose to smoke. I have spoken to people who, understanding the risks, still think it is worthwhile and something that they enjoy or because
they are addicted have difficulty giving it up. This ties into my second point: that there are two potential solutions to this problem. The first is the government driven approach. This is something which has been used quite effectively in Australia over the last 30 to 40 years to significantly reduce the rate of smoking. There is no doubt that there has been a great success in this area. We have used quite high levels of taxation, taxpayer funded advertising and education in the community, particularly through our schools, to educate people about the dangers of smoking and to encourage them to quit. The result of that has been a significant reduction in the rate of smoking.

What we have noticed though in recent years, particularly over the last decade, is that the rate of reduction of smoking has begun to plateau as we get down to the more hardcore smokers,—who are committed and understand the risks; who bear the cost and continue to smoke. That is why the government has, in a bipartisan way, considered some other, more exotic measures, to address this, such as plain packaging of tobacco products, as a way of getting through that barrier and further reducing smoking. That is why this government has decided to further increase excise. Excise has certainly been an effective approach and I will be supporting this bill for that reason.

However, I think it is important that, while we support these measures, we acknowledge that there are some drawbacks for these measures. I am concerned, as I know many Australians are generally, about property rights in this country and the need and importance of protecting those property rights. I think that property rights are not just confined to physical land and property and that the seizure of that by government should be protected by our Constitution and our courts; also that intellectual property is property and that it should also be protected. We should be aware that the plain packaging legislation and the High Court decision that followed effectively removed the ability for companies to use a property right which they created. We should be mindful of the limitations of that. We may still decide that it is a worthwhile thing, but we should be aware of the costs of that.

Another thing which I think we have to be particularly aware of in the taxation space is that excise taxes on products like tobacco—but not only tobacco; including alcohol as well—disproportionately affect lower income people. These are taxes which are not levied according to their ability to pay; not levied according to income, wealth or any other measure. They are levied according to a lifestyle choice which people make: to smoke or, in other cases, to drink. The evidence shows that lower income earners disproportionately still choose to smoke. When we increase these taxes, we are, in effect, increasing what is a regressive tax. I know, when we debate other taxation measures in this place, some people who favour an increase in the GST—I am not one of them, but some people do—have come up against resistance that it would be regressive and would impact the poor less. The GST, at least, applies relatively equally to everyone; tobacco excises apply disproportionately to the poor. That is something that I think we need to be very conscious of.

The second thing is that we are running into the limitations of the approach we have taken over the last 30 to 40 years. We have reduced it dramatically, but the rate of reduction has started to slow. I think that means we should start to look at wider measures and other measures to address this. One which I think we should consider is a more free market approach—that is using choices that people are already making in their lives, enabling them to make those choices that are healthier choices than smoking conventional cigarettes. In this
area, we have a range of new products that technology has brought to us, including e-cigarettes and other forms of smoking, sometimes called reduced-risk products, which use technology to reduce the impact of tobacco smoke and particularly the burning of tobacco, which is very toxic to inhale. This is a free market approach because it does not rely on mandates or taxes; it relies on choices.

In Australia right now, it is not lawful to sell e-cigarette products, but there are many people who have chosen to take up these products because they prefer them to cigarettes or as a measure of reducing their reliance on cigarettes, or just as something which is more convenient than cigarettes. That is even with them not being lawful. I think we have to look very seriously at whether or not we should legalise these products, and there is an application, I understand, before the Therapeutic Goods Administration right now to legalise an e-cigarette style product as a tobacco cessation measure—as a measure to get people off tobacco. I think that would be a very good thing.

So I just want to summarise some of the research and views on this issue. It is fair to say that the public health lobby in Australia are not supportive of e-cigarettes. They are very sceptical about them. People such as Emeritus Professor Simon Chapman, a noted sociologist and advocate of tobacco control, have been very much opposed to allowing e-cigarettes to be legalised, as have bodies such as Quit Victoria, who last year called for e-cigarettes to be clarified to be illegal—for their retail sale to be banned in Victoria—and, interesting, for smoke-free laws to be extended to cover all e-cigarette use. That is an interesting one given that what is emitted from an e-cigarette is water vapour. We should be concerned about second-hand smoke. That is an issue. You can get cancer from second-hand smoke; that is what the science suggests. You cannot get cancer from e-cigarette water vapour, though. There is no evidence of that, so it does seem strange to me that we would apply laws designed to limit second-hand smoke cancer from conventional burning of tobacco to a water vapour which carries no tobacco at all. In fact, it only delivers nicotine to the user; it does not even deliver it into the atmosphere around them.

Thirdly, there are calls to ban advertising and promotion of e-cigarettes. Again, I understand what is perhaps the rationale behind this, but one of the limitations of banning advertising is that advertising is information. It allows people to learn about new products, and it would allow, for example, retailers of e-cigarettes to notify current smokers that they may be able to reduce the risk and harm to their health by switching from cigarettes to e-cigarettes. That is Quit Victoria's position.

The Heart Foundation in the ACT are also opposed. They have lobbied to make sure that e-cigarettes are more strictly banned than they are and to prevent them. I think that is broadly representative. The Cancer Council of Australia has issued concerns. Professor Ian Olver, writing for the Cancer Council's website, said that there is not sufficient evidence that electronic cigarettes would help smokers to quit, and there are also concerns that electronic cigarettes could keep smokers addicted to tobacco by providing a nicotine hit in smoke-free places. There are also concerns that e-cigarettes may, in the words of some, 'normalise' the use of cigarettes. I am not sure that there is sufficient evidence to back that up, but that is the view of some in the public health industry.

But I have to say one of the puzzling reasons for opposing the sale of e-cigarettes put forward by Professor Ian Olver is that it might allow tobacco companies to continue to be
profitable and to continue to exist. I think that is a very strange reason when our focus should be on public health. I think, actually, it would be a good thing if cigarette companies got rid of their old products and moved towards newer products which are healthier and safer. They may still have some risk but, I think, certainly pose less of a risk than cigarettes. I think that would be a very welcome development, but some people are opposed to allowing these products to be legal because it would continue cigarette companies' profitability and allow them to continue to exist.

The Australian government, I think it is fair to say, has taken a generally sceptical approach to e-cigarettes. The TGA issued, in March last year, some preliminary commentary on e-cigarettes. They described them in the technical detail of how they work, and they said that at the moment there is not a great deal of evidence to support their use—certainly as a nicotine replacement therapy. But since the government issued that view I think there has been a development of the evidence base in this area, and I am encouraged by the developments. As the National Health and Medical Research Council in Australia has said, there is a widely held belief that e-cigarettes are likely to be less harmful than tobacco cigarettes because they expose users to fewer toxic chemicals. They say that there is some preliminary evidence which supports that view, so I think it would be fair to describe the NHMRC as cautiously open to the potential benefits of e-cigarettes, although, as I said, the Australian government's position is generally sceptical about the construction of e-cigarettes.

I want to refer to an excellent article written by my former colleague at the great organisation the Institute of Public Affairs Simon Breheny. It was in The Daily Telegraph in March last year. He reviewed some of the evidence available on this at that time. He cited one article published in August 2014 in the peer-reviewed Journal of Public Health. What the journal concluded was that the use of e-cigarettes can reduce the number of cigarettes smoked and the withdrawal symptoms. In an article for BMC Medicine last year, Peter Hajek of the Wolfson Institute of Preventive Medicine said:

Although there is no doubt that smokers switching to electronic cigarettes (EC) substantially reduce the risk to their health, some tobacco control activists and health organisations discourage smokers from using EC and lobby policy makers to reduce EC use by draconian regulation.

One thing which I think is becoming increasingly clear is that Australia is getting out of step with the rest of the world on this, and particularly the United Kingdom. The United Kingdom have been quite forward-looking on this issue and have been—and their public health community in particular—much more willing to contemplate this. Public Health England, which is a government body, has said:

In a nutshell, best estimates show e-cigarettes are 95% less harmful to your health than normal cigarettes, and when supported by a smoking cessation service, help most smokers to quit tobacco altogether.

The UK Royal College of Physicians have made a statement on this. They say:

The RCP recognises that electronic cigarettes and other novel nicotine devices can provide an effective, affordable and readily available retail alternative to conventional cigarettes. These innovations could make harm reduction a reality for smokers, as proposed in our 2007 report.

There are other reports on this, a lot of academic reports, that are now suggesting that, in the UK in particular, people have begun to take up e-cigarettes as an alternative to smoking and that they have reduced their reliance on conventional cigarettes, and I think that is a really
good thing. Pleasingly, there is also now evidence in Australia that this may be the case. Even though in Australia it is not currently legal to smoke e-cigarettes, to sell or to buy them, some people have imported them from overseas in a personal capacity and smoked them here. As part of a joint research paper by the Australian Catholic University and the University of Melbourne in 2015, they did a survey of 1,242 smokers. Eighteen per cent of those smokers reported that they had already given up smoking by using e-cigarettes, and the report found that e-cigarettes were also helping those who continued to smoke to cut back on the number of cigarettes they smoked. As Dr Aziz Rahman, the lead researcher, said:

E-cigarettes are becoming an increasingly popular method of giving up smoking, especially for middle-aged smokers. As cigarettes contain more than 4,000 toxic chemicals and cancer causing agents, e-cigarettes are a better choice, in terms of a harm reduction strategy.

If the safety of e-cigarettes is proven in the long run, they may assist healthcare providers to address smoking cessation challenges more effectively.

I think this is a very encouraging area of development. I think we could in our lifetime see the end of conventional cigarette and tobacco smoking, and it could be replaced by a much safer alternative of e-cigarettes. I think that is a really welcome development and I hope that the government in Australia will be welcoming of that development and will help facilitate the development rather than block the development, as some in the public health community have lobbied for them to do.

Senator REYNOLDS (Western Australia) (10:28): I too rise to speak in support of the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. These bills will increase tobacco excise charged on domestic production and customs duties charged on imports with four annual increases of 12.5 per cent a year from 2017 until 2020. There will be no direct impact on tobacco companies from the staged excise and customs duty increases—these will occur on the same day as the usual indexation changes.

In addition, adult average weekly ordinary time earnings based indexation of tobacco excise rates will continue. The next biannual indexation of tobacco excise will occur on 1 March 2017. From 1 September this year, the excise and excise equivalent duty rate on tobacco is around 61c per stick and $763.20 per kilogram of tobacco content. This equates to $15.26 in excise on a packet of 25 cigarettes, which currently retail for approximately $25.

Together, these bills will raise $4.59 billion across the forward estimates period. Goods and services tax receipts are estimated to increase by $430 million over the same period. The excise increase announced in the 2015-16 budget are firmly based on the evidence that this will further help reduce smoking and will replicate the annual increases that were put in place from 2013 through to 2016.

As my colleague Senator Paterson has noted, tobacco is a 'legal product' in Australia and people choose to smoke, noting that there are health consequences for both themselves and others around them. Smoking today is recognised as the largest single preventable cause of death and disease in Australia. It is associated with an increased risk of heart disease, stroke, cancer, emphysema, bronchitis, asthma, renal disease and eye disease. Tobacco contains the powerfully addictive stimulant nicotine, which can make smoking a regular and long-term habit that is pretty hard to quit. Each year in Australia, smoking kills an estimated 15,000
Australians and costs Australia $31.5 billion in social, health and economic costs. In Western Australia alone, own home state, over 1,500 people a year die from smoking-related illnesses.

The Turnbull government is greatly concerned about the serious health risks of smoking and it has continued the efforts of previous governments to support and build on Australia's great success in tobacco control. In recent years, the negative effects of passive smoking have also received considerable attention; demonstrating that the risks of smoking affects more than just the individual smoker. Passive smoking increases the risk of heart disease, asthma and some types of cancers. It may also increase the risk of sudden infant death syndrome and may predispose children to allergic sensitisation.

The increase in excise and duty will move Australia toward the World Health Organization's recommendation that excise should comprise 70 per cent of the price of a cigarette. Increasing the price of tobacco products through taxes is widely recognised as the most effective and the most cost-effective tobacco control intervention for reducing tobacco use, particularly amongst our young and those from lower socioeconomic communities. In Australia, the 2010 post-implementation review, conducted by The Treasury, for the 25 per cent tobacco excise increase estimated that an 11 per cent decrease in tobacco consumption over two years had resulted. The 25 per cent tobacco excise increase had resulted in an 11 per cent decrease in smoking in Australia.

As reported in the *WHO report on the Global tobacco epidemic, 2015*, as of mid-2014 there have been two 12.5 per cent excise increases as well as biannual increases in excise and Australia was ranked sixth highest for total taxes applied to cigarettes amongst 106 countries who reported to the World Health Organization. The taxes also accounted for 47.67 per cent of the total retail price of the most popular brands of cigarettes, which in Australia is a Winfield 20-pack. Also, Australia's taxes applied to cigarettes gave Australia the seventh highest after-tax cigarette price in the world. I think it is clear that it has been proved that higher prices encourage smokers to quit or, at least, reduce their consumption, while also discouraging potential smokers including in particular young Australians from taking up smoking.

These two bills will support Australia's domestic and international commitments to reduce the prevalence of smoking in Australia and thus minimise the harm of smoking to the entire Australian community. These particular changes sit alongside numerous other interventions the Commonwealth has taken to reduce the prevalence of smoking. Firstly, the Commonwealth has adopted a comprehensive ban on tobacco advertising and promotion. They have also legislated for retail display bans, Pharmaceutical Benefits Scheme subsidies for smoking cessation supports and have funded extensive and continuing public education campaigns here in Australia.

In any health-related campaign, it is always helpful to review and understand the statistics, the context and the trends that they highlight. In Australia, the facts are as follows: in 2011-2012, the Australian Health Survey reported that approximately eight million Australian adults aged 18 years and over had smoked at least some time in their life. In 2011-2012, 3.1 million people were still current smokers, with the vast majority—90 per cent of that 3.1 million people—smoking daily. Between 2001 and 2011-12, the overall rates of smoking had decreased for both males and females. The age-standardised rate of current smokers for males aged 18 and over fell from 27 per cent in 2001 to 20 per cent in 2011-12.
For women, it declined 21 per cent to 16 per cent. Those figures, over the course of a decade, are very significant decreases. During 2007-2008, 3.5 per cent of people who were not current smokers aged 15 years and over and 7.2 per cent of children aged under 15 years lived in a household where a daily smoker was reported to have smoked indoors. This exposes environmental tobacco smoke and passive smoking to a significant percentage of young Australians.

The Australian government's tobacco control strategies, such as mass media public education campaigns, high tobacco taxes, advertising bans and smoke-free environment legislation have helped with the steady decline in smoking rates over decades. I think the statistics on that are very clear. Between 1991 and 2010, the proportion of daily smokers aged 14 years and over decreased by almost 40 per cent. I will say that again, because that is a really significant statistic: between 1991 and 2010, the proportion of daily smokers aged 14 and over decreased by almost 40 per cent. In 2011 and 2012, five per cent of males and nine per cent of females aged 15 to 17 were current smokers. After 18 years, the legal age for purchasing tobacco products in Australia, the rate rose significantly for both men and women, reaching 22 per cent for men and 17 per cent for women aged 18 to 24 in 2011 and 2012.

Rates then remained steady for men up to around the age of 55 and for women up to 65; whereupon after those ages for both men and women the rates significantly declined. So eight per cent of men and seven per cent of women aged 65 years and over were smokers in that same period, 2011-12. There was little change in smoking rates for men and women aged 45 to 54 years and women aged over 55 years during this period. However, interestingly, for men, there were significant declines over this period in the 55- to 64- and 65 years and over age groups respectively. Between 2007 and 2011, the rate of smoking among men, or boys, aged 15 to 17 decreased from nine per cent to five per cent, while the rate for females did the complete opposite; they increased from five per cent to nine per cent for young girls between 15 and 17.

For Indigenous Australians the smoking rate has consistently been higher than for the rest of the Australian population. In 2008, 49 per cent of Aboriginal and Torres Strait Islander Australian men aged 18 years and over were current smokers. So 49 per cent of men over 18 in Indigenous population were smokers. This was, for the time, significantly higher than the number of Aboriginal and Torres Strait Islander women of the same age who were current smokers, which was 44 per cent—but still much higher than the national average. Between 2002 and 2008, the rate really had not changed at all. For both men and women, the proportion of Aboriginal and Torres Strait Islanders who were current smokers between 2002 and 2008 was lowest in the 15- to 17-year age group. That is again very interesting. It was actually lowest in the 15- to 17-year age group, but it was still much higher than the national average. In the 15- to 17-year age group it had decreased from 33 per cent to 21 per cent—a very significant decrease.

While, as I said, tobacco is legal in Australia, it is important that the government continues to aid the reduction in smoking rates and it is equally important to ensure that we support and explore alternatives for smokers, and I believe today that includes looking much more closely at e-cigarettes. In April last year, on behalf of the Intergovernmental Committee on Drugs, the Australian government Department of Health engaged the University of Sydney, in partnership with the Cancer Council of New South Wales, to conduct a longitudinal project to
explore options to minimise the risks associated with the marketing and use of electronic nicotine delivery systems, with or without nicotine, here in Australia. This project is due to culminate in the preparation of a national discussion paper this month. Public dissemination of this discussion paper will be a matter for federal, state and territory governments. I very much look forward to the release of that document and engaging in the debate and discussion on safer alternatives to smoking. I commend the government for taking steps to explore the use and safety of e-cigarettes. The Australian government Department of Health review will inform the development of regulatory and non-regulatory policy options for consideration by Commonwealth, state and territory governments in this nation.

To me, there is absolutely no doubt that the use of e-cigarettes is a healthier option for people looking to stop smoking, with nearly three million people in the UK alone now using e-cigarettes today. I think it is very instructive for us here, as we have a look at alternatives to cigarettes, to look at the experiences of other countries with alternatives such as e-cigarettes. A recent note by the UK parliament observed that there is evidence showing that the use of e-cigarettes can assist people to quit tobacco smoking. The first generation of e-cigarettes, which were called cig-a-likes, resembled tobacco cigarettes. They became widely available in the UK in the mid-2000s and were usually disposable. The second-generation products typically resemble fountain pens, and are rechargeable, with a replaceable cartridge or refillable tank. The most recent third-generation products are typically much more diverse in look and feel. These are also rechargeable and have a refillable tank. Users can modify power and resistance to adjust nicotine delivery and vapour density. Users can also download software to monitor their own personal usage patterns and can tailor the devices aesthetically for their own personal style and comfort. Later e-cigarette products offer more efficient nicotine delivery than first-generation products. Some are comparable to tobacco cigarettes in terms of the blood nicotine concentration that they deliver. However, nicotine delivery remains much, much slower than traditional tobacco cigarettes.

Public health concerns here and overseas around e-cigarettes have focused on vapers and the inhalation of vapour and bystanders' passive exposure to the vapours from e-cigarettes. The inhaled and exhaled vapour varies depending on device characteristics and user behaviour. But, again, as Senator Paterson has noted, the health impact is much less for people in the vicinity of those using e-cigarettes than for people in the vicinity of those using traditional cigarettes. There have also been concerns about possible adverse health effects for the user from inhaling vapour that can contain propylene glycol, glycerine, nicotine, flavourings, metallic elements and carcinogenic substances. Since 2014, there has been a great deal of research into vapour content. The amount of chemicals inhaled, rather than their presence alone, is an important determinant of toxicity, and current data suggests that the levels of toxins and contaminants in inhaled vapour do not pose significant health risks. The consensus is that long-term health risks to vapers require monitoring but are 'unlikely to exceed five per cent of the harm from smoking tobacco'. Passive smoking health risks to bystanders are much smaller again with the use of e-cigarettes, as current evidence shows that the levels of nicotine and contaminants released via exhaled vapour are negligible.

So I commend the Turnbull government for continuing to support the reduction measures for smoking. But it is also important that we continue to provide smokers with the support and motivation they need to kick the habit when they are ready to do so. I am pleased that the
revenue gained from higher tobacco excise will be put to good use by the government to continue to fund and provide a range of services, including health and other support measures.

These measures support the national approach through the Council of Australian Governments to reduce the prevalence of smoking in Australia. The adult daily smoking rate was 14.5 per cent of the population in 2014-2015. I have gone through some of the statistics, and that is a very significant decrease over the last decade. In 2008, all states and territories, through COAG, committed to reducing the adult daily smoking rate to 10 per cent of our national population and to halving the daily rate of smoking amongst Aboriginaals and Torres Strait Islanders by 2018.

Ongoing tobacco interventions, including these excise increases, are critical to ensuring that the prevalence of smoking in Australia continues to decline. It is incorrect to assume that the rate of reduction of smoking prevalence can be maintained without additional tobacco control efforts. Evidence from Australia and overseas shows that, when tobacco control efforts stall, so does the decline in smoking prevalence and there is an increase in health consequences.

So, for all of those reasons, I commend these bills to the Senate today.

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (10:47): I also rise to speak this morning about the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016, but I want to take a slightly different perspective—a slightly different angle.

Senator Jacinta Collins interjecting—

Senator SMITH: Just yesterday, Senator Collins would have seen on the Notice Paper that in the Senate was tabled the most recent report of the Australian Institute of Health and Welfare, Australia's health 2016. It was quite a revealing report on a number of levels—not least because it did point to the facts that Australians are getting healthier and living longer but that there still exist, for some Australians in our community, significant risks to their enjoyment of that health, and it pointed to what that path to longer living might look like for them.

There were a number of interesting things in that report that I would just like to share with the Senate this morning before turning briefly to the contents of these bills, because senators would know that other government senators have illuminated the motivation—illuminated the positive benefits for smokers from reducing their smoking and the positive benefits for the economy from this particular legislative initiative. But there are a number of things in the Australia's health 2016 report that are worth sharing with the Senate this morning. One is—and I will come to it in a brief moment—what is happening around death rates in our country. There is also what is happening as to the increasing numbers of risk factors for healthy Australians; and there is important information about the incidence of smoking amongst Australians generally but also across core communities.

Importantly, in the report at chapter 4 people will see a specific discussion about tobacco smoking trends in our country—information that fewer Australians are smoking, and information about the positive changes that are happening to smoking patterns across the Australian community—and then, immediately following that, some revealing or even alarming information about the health behaviours and biomedical risks for Indigenous
Australians which focuses very heavily on the issue of the incidence of smoking across Indigenous communities. That is especially alarming for a regional senator like myself from Western Australia who spends a considerable amount of time in the Kimberley region of Western Australia, which has a very high proportion of Indigenous Australians who live in very remote communities, as the incidence of smoking is a significant impairment to the benefits that they can enjoy from a healthy lifestyle and the benefits that they should be able to enjoy through greater longevity.

The institute's report, not surprisingly, starts by sharing with us this very important fact: that good health, of course, is important. It is important to each of us. It influences not just how we feel but how we go about our everyday lives and how we might be able to utilise those rich opportunities that come to us as Australians. The report says that the vast majority of Australians aged 15 and over report that their health is 'good' or better, and that this can mean different things to different people. Of course, the starting position of your health is a key determinant in whether or not you can expect to enjoy much greater improvements in your health or marginal improvements. The report goes on to say:

It is now widely accepted that health is much more than the presence or absence of disease. Importantly, 'good' or better health:

… reflects genetic, lifestyle and environmental factors; cultural influences; socioeconomic conditions; and the availability and quality of health care programs and services.

I think that what makes the tabling yesterday in the Senate of the Australia's health 2016 report important is the fact that it provides a very timely examination of the health of Australians from a variety of perspectives, including the leading types of ill health that affect us as a nation, the specific risks and health inequalities that are faced by different types of communities across our vast and varied nation, and of course what level of services are currently being provided and what level of services it is necessary to provide to prevent illness.

What is revealing in this report, perhaps even refreshing—it is quite illuminating, because the report is quite honest and transparent—comes at the end of each chapter, where the report points to future work that needs to be done if this picture of Australia's health is to be accurate and if Australia's health is to continue to be well serviced and provided for. The report also provides a refreshing account of some of the topical issues that face Australians when discussing the healthiness of their current and future lives—importantly, a discussion around chronic disease, the very important issue of mental health, the use and abuse of illicit drugs in our community, health spending across various health services, end-of-life care and trends in hospital care. So it is quite an important and revealing report.

But I want to turn in the first instance to what the report has to say about the experiences of Australians when it comes to death. In 2013 nearly 147,700 deaths were registered in Australia—about 600 more than in 2012 and nearly 15,400 more than in 2003. Since 2003 the number has risen by an average of one per cent per year for males and 1.2 per cent for females. Despite an increase in the absolute number of deaths, there has been a long and continuing fall in death rates per 100,000 population. From 1907 to 2013 the age-standardised death rate for males and females fell by a staggering 71 per cent and 76 per cent, respectively.

This is an important point, because when we talk about the tremendous amount of public money and the tremendous amount of energy that goes into our health programs, our health
services and our hospitals, we are fundamentally seeking to do two things: to give the living a better quality of life and to ensure that people live longer, and that much of our energy, much of our innovation and much of our public spending go into the very important task of keeping people alive. When we look at those results from 1907 to 2013 that reveal that the age-standardised death rate for males and females fell by 71 per cent and 76 per cent, respectively, we get a very powerful and positive sign of the success of everything this country does—and not just what the public health system does, with public health programs, but also what the voluntary system does and what the private sector does to ensure that Australians live longer and enjoy all the benefits bestowed on them.

Before coming to the specific issue of tobacco smoking, let me reflect briefly on what the report had to say about other death rates in our country. In 2013 children aged five to nine years and 10 to 14 years had the lowest rates of death, at nine and 10 per cent, respectively, per 100,000 population. The rate gradually increased from the ages of 15 to 19 years, to 32 per 100,000 population. By the age of 60 to 64 the rate was 613 per 100,000 population. The highest death rate was for people aged 85 and over—not surprising. Death rates have remained higher for males than for females in all age groups.

So I thought this was a very important starting point for discussion not just about increasing taxes on tobacco but also about what we are doing to discourage people from smoking. We know about the side effects of smoking, the cumulative effects and its cost, not just to our healthcare system but also in terms of the distress it causes to families as a result of the illnesses arising from tobacco use.

Moving through the report, its second most revealing aspect—and I mean revealing in a constructive sense—is what it has to say about risk factors and about what we as a community are doing to reduce those risk factors. The report says that many chronic diseases share common lifestyle risk factors that are largely preventable—for example, tobacco smoking, excessive alcohol consumption and excessive body weight. According to the results of the Australian Burden of Disease Study in 2011, a large proportion of the burden of disease experienced by the population—31 per cent, or almost a third of the community—could be prevented by reducing exposure to modifiable risk factors. The five risk factors that caused the most burden were tobacco use, high body mass, high alcohol use, physical inactivity and high blood pressure.

Importantly, the report goes on to talk specifically about smoking rates in Australia and whether or not we have had a positive or a negative experience regarding smoking rates. I am pleased to share with the Senate that on page 16 of the report it says that smoking rates in our country are continuing to fall. It says that smoking rates in Australia are still falling, continuing a long-term downward trend over the past 50 years that the OECD has described as 'remarkable progress'. The OECD has described the downward fall in smoking rates in our country as a remarkable success.

In 2013, 13 per cent of people aged 14 or older smoked daily, compared with 15 per cent in 2010 and 24 per cent in 1991. That is worth reflecting on: in 1991, 24 per cent of people aged 14 or over smoked daily, and in 2013 just 13 per cent of people smoked daily. This was one of the lowest smoking rates in the world. The OECD average daily smoking rate for people aged 15 and older was 20 per cent.
We can be confident that those legislative and other measures that governments—this government, previous governments—have been putting in place to reduce the incidence of smoking in our community have been successful. I think it is important to note that that success has come by not infringing on people's absolute liberty to smoke. If people want to smoke, that is their business. I am not a smoker; people in my family have previously been smokers. I think it is a powerful endorsement of the sorts of things that the community, supported by government, are doing that are leading to very tangible benefits in reducing the incidence of smoking in our community.

I could go on to talk about the positive benefits that are being achieved as a result of reductions in drinking levels et cetera, but that is not the purpose of my contribution today. I want to turn specifically to the issue of tobacco smoking and what the Australian Institute of Health and Welfare report had to say in regard to that. It has some positive news for those of us who care about the public health impost that happens as a result of an increase in smoking rates. Refreshingly, the report talks about the fact that fewer Australians are now smoking. It says:

Fewer people, both proportionally and absolutely, are smoking daily and more people have never smoked, compared with 20 years ago.

The report says:

- In 2013, the proportion of people aged 14 and over smoking daily (13%) was lower than in 2010 (15%) ... As I have shared with you previously, in 1991 it was a staggering 21 per cent. Importantly, when we think about the impact of smoking on young people in our community, the report was positive. It says:

- In 2014, the proportions of secondary school students aged 12-17 smoking in their lifetime, in the past 4 weeks, past week or on 3 days of the last 7, were significantly lower than in 2008 and 2011 ... That is a very positive outcome. It goes on to say:

Fewer people are being exposed to tobacco smoking, more people are delaying the uptake of smoking and smokers are smoking fewer cigarettes.

- Dependent children were far less likely to be exposed to tobacco smoke inside the home in 2013 (3.7%) than in 1995 (31%).

Children being exposed to tobacco smoke in their home in 1995 was 31 per cent. Now, it is staggeringly low at 3.7 per cent. It goes on to say:

- The average age at which young people aged 14-24 smoked their first cigarette has steadily risen since 2001 (15.9 years in 2013 compared with 14.3 in 2001), indicating a delay in uptake of smoking.

That has to be a positive outcome. Smokers smoked fewer cigarettes per week in 2013 than in 2001. In 2013, smokers smoked up to 96 cigarettes per week; in 2001, it was 113. The report goes on to say:

- The proportion of women smoking at any time during pregnancy has steadily declined over time— I am sure we are all pleased to hear that—from 15% in 2009 to 12% in 2013.
So there is still some work to be done in regard to the incidence of smoking by pregnant women in our community.

I think it is also interesting to be reminded that, for different parts of our population, the incidence of smoking is very variant. It is valuable to look at these statistics before I move to the detail of the bill. The likelihood of being a daily smoker is two times as high in remote or very remote areas; three times as high in the lowest socio-economic areas compared with the highest socio-economic areas; 1.7 times as high for unemployed people compared with people who are employed; 1.9 times as high for homosexual or bisexual people compared with heterosexual people—I did not know that; it is rather revealing; 2.7 times as high for single people with dependent children compared with couples with dependent children; and, finally, 5.7 times as high for prison entrants compared with the general population. People may not be surprised to hear that the likelihood of a being a daily smoker is 2.6 times as high for Aboriginal and Torres Strait Islander Australians compared with non-Indigenous Australians.

As we have heard from previous coalition senators, the merits of the government's proposed reforms to the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016 stand undisputed. They are positive and necessary reforms, from both a budget repair perspective and a public health perspective. I think the contributions of Senator Reynolds, Senator Paterson and Senator Hume were particularly revealing about the merits of the government's legislative initiative.

Senator Fawcett is now in the chamber and about to make a contribution, so I might draw my contribution to an end now.

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (11:05):
I too rise to make some contributions to this debate on the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. I wish to talk briefly about what the bills will do and, possibly more importantly, why the government is taking these steps. I would identify and congratulate the opposition: some of their policy positions have been very similar to this. Clearly, there is a bipartisan interest in supporting the health of Australians. I would like also to talk a little bit about what potential unintended consequences there could be and what measures the government is taking to make sure that they do not come into effect. They are things like the potential for increasing demand for and, therefore, trade in illicit tobacco and whether there are socio-economic impacts that are unfair or vary across our community.

I will start with what the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016 will actually do. These bills, as previous speakers have highlighted, will increase the tobacco excise which is charged on domestic production and the equivalent customs duties charged on imports by way of four annual increases of 12.5 per cent a year from 2017 until 2020. It is not the first time this has happened; this legislation replicates the annual increases that were put in place from 2013 to 2016. In addition, the increases which were indexed to changes in the adult weekly average ordinary time earnings will continue, and the next increase under that scheme occurs in March of 2017. What that means is that from September this year, the excise and excise equivalent duty rates on tobacco are around $763 per kilogram of tobacco content. This equates to around $15 in excise on a pack of 25 cigarettes, which currently retails for approximately $25. Ignoring the biannual
indexation, the 12 per cent increases will increase excise per pack of cigarettes by around $2 each year.

So that is broadly what the bill is seeking to do. Why? There are a number of reasons. Partly that Australia is linked in with what people like the World Health Organization are doing. As they look at the damage that tobacco causes to individuals and communities around the nation, they have set a target recommending that excise should account for nearly 70 per cent of the retail price of a packet of cigarettes. Achieving that has been somewhat problematic for Australia because, in the past, when excise has increased the facts indicate that companies tend to also increase their prices at the same time—I am assuming in an attempt to shift the blame for that price increase onto the government's increase in excise as opposed to onto the fact that they are putting in an additional profit margin on top of that. So, because the price keeps going up in absolute terms, with retailers putting in extra margin, it is harder for us to reach that excise level of 70 per cent. But the target is there because of the damage that is done to health as a result of tobacco use.

The use of tobacco is one of the leading causes of preventable death and disease here in Australia. When I think back to when I first enlisted in the Army in the early 1980s, we were in an environment where it was accepted that the use of alcohol and tobacco was a commonplace part of work. That was common in the military college. But even when I first qualified as a military pilot, aircraft were still provided with ashtrays. In fact, I do recall flying once in an aircraft with another crew member who was a heavy smoker. We have two sets of rules in flying. One is visual flight rules, where you can see. One is called instrument flight rules, which is when you use your instruments because you are in cloud and when you look out the windscreen and all you can see is grey and cloud. On that particular flight I basically had to revert to instrument flight rules techniques even though it was a blue sky day, because the smoke was so thick in the cockpit that it was actually difficult to see outside and see the horizon. I recall that because of its impact on my flying, but as I look back now I wonder what the impact was on my health, as studies have shown the impact of passive smoking. So in my own professional career I have seen the dramatic change that tobacco control measures have made in terms of curtailing the acceptance of the use of tobacco in the workplace because of the damaging effect that it has.

Now ABS data indicates that daily smoking rates in 2014-15 have dropped to 14½ per cent amongst adults, compared to 16 per cent in 2011-12 and 22 per cent back in 2001. As I say, anecdotally, from my own experience, the numbers are far higher than that as you go back further in our history. I am very pleased to report now that not only is smoking banned in the back end of the Qantas planes and Virgin aircraft that we fly in regularly, but the crew also, even in military aircraft, no longer have the opportunity to smoke in that very confined workspace.

So these tobacco control measures that Australia has brought in over several decades now have a multifaceted approach, but they have been broadly effective in seeing that decline in the prevalence of national smoking rates. Those interventions have included things like the increases in excise, the education programs and the campaigns, and most recently—again, credit to the opposition—plain packaging, which has enabled the prevalence of the fairly graphic health warnings, as opposed to the slick marketing, to be the thing that people see when they look at cigarettes. Those measures and the prohibition on tobacco advertising and
promotion, particularly around sports and things, all work together to see smoking reduce. This is because reducing that preventable disease and preventable early death is important. So that is why we have brought in this legislation, and we have talked about the controls.

The other thing that I think is important to consider with each piece of legislation is the unintended consequences that could occur. One of the objections that has been raised around this whole topic of indexation is the impact on people in lower socioeconomic groupings. There is data to indicate that many of them smoke. Therefore, the argument goes that the burden of these measures will fall more harshly on people in lower socioeconomic groupings.

I accept the fact that not everyone who smokes is necessarily going to be damaged by it. I have great memories as a young lad of being out in Kapunda, where my family were farmers, and sitting outside the kitchen window in the morning. The sun would come up, my grandfather would smoke his pipe and the magpies would be in the trees. They are really nice memories. He never suffered from cancer or any ill effects, but I have to say that, statistically, he is in the minority, as the vast majority of people do. And it has an impact not just on the individual—it has an impact on their family and on our society in terms of the cost burden of providing healthcare services to people who are struggling with cancer and the other problems that occur from smoking.

If we accept the fact that, as a society, these intervention measures are valid, warranted and desirable, then the impact on people in a lower socioeconomic grouping, in net terms, is positive. If something provides incentive for all of society to either not take up smoking or, indeed, to quit, then it will actually support people to make that decision earlier if their income is more limited. I do not say that from a position of being here in the parliament; I am referring here to studies, to journal articles from, for example, the Medical Journal of Australia. Dr Nathan Grills of the Nossal Institute for Global Health, based out of the University of Melbourne, has looked at excise and this aspect of the multifaceted intervention approach from a medical perspective. He specifically addresses the issue of people in lower income brackets, and the argument he puts forward is that tobacco excise is actually a pro-poor policy. Those are his words—that is the title of his article in the Medical Journal of Australia.

His reasoning goes that, because more poor people smoke, the 'tax increase targets the poor, as they end up paying more tax'. He is saying that is a short-sighted analysis because it does not demonstrate a good understanding of tobacco control intervention based on strong evidence. He argues that, in reality, the policy actually benefits the poor far more than the rich because it is a progressive tax in terms of public health and long-term economic benefit. He says:

This tax will reduce the long-term financial losses and payments more in lower than in higher socioeconomic groups, by reducing medical expenses and protecting livelihoods especially in poorer groups. Ultimately it saves more lives in lower SES groups than in higher SES groups.

Professor Ian Olver, the CEO of the Cancer Council, also addresses this point. He makes the argument that, whilst there is a view that increased tobacco excise punishes those on lower incomes, tobacco taxes are particularly effective in prompting people in lower socioeconomic groups to quit smoking. He says that this is very important, because disadvantaged groups bear a disproportionately heavy tobacco death and disease burden.
The argument that both of these groups put forward is that if we, as a society, accept that intervention is warranted because of the effect on health of the individual and the family, and the cost to community, then if we have a system whereby people on higher incomes can choose to pay if they want to and suffer those consequences, but people on a lower income have a greater incentive to not start or to give up smoking and therefore will receive the greater health benefits for them and the family benefits of retaining that person as a productive and healthy member of the workforce, then in net terms this is a policy that is slanted towards advantaging those in lower socioeconomic groups. Whilst I understand the argument that is put forward, I think it is fair to say that there is an equally strong argument that this does actually work to the benefit of people who currently suffer the greatest burden of health disease from tobacco.

The other unintended consequence that is raised by people who are concerned about the increase in excise is whether or not there will be more illicit tobacco coming into the country because of the high prices. There will be more reward and, therefore, incentive and opportunity. The primary responsibility for dealing with the illicit trade in tobacco rests with Border Protection and the Australian Taxation Office. What this government has done to try and make sure that we have the resources that are required at our borders in a range of areas, but particularly here in tobacco, is provide additional funding in the 2016-17 budget to deal with tobacco. So $7.7 million over two years, the 2016-17 and 2017-18 period, has been specifically provided to expand the department's tobacco strike team. That will effectively triple the size of its workforce, allowing for three specialised investigative teams to work to detect, to disrupt and to deter the illicit trade in tobacco.

In this financial year to date the Australian Border Force has detected almost 30 tonnes in the equivalent weight of tobacco—tobacco leaf or cigarette sticks—and this equates to an evaded duty of nearly $20 million. Clearly there is already an illicit trade in existence, and we are putting resources in to make sure that we have effective measures to not allow that trade to increase but in fact to detect, to deter, to interrupt it and to close the trade down. But I would make the argument that, just because there is potential illegal activity, that should not deter us from taking steps that have the primary purpose of protecting people's health.

Just as we have border control methods for other prohibited imports, whether they be weapons, narcotics or in this case tobacco, the fact that criminal elements may wish to seek to profit from people in Australia should not sway us from putting in place policies that achieve the long-term health benefits that we are looking towards. We will take the steps necessary, and the government has made the investments necessary, to combat things such as illicit tobacco imports. We will continue to do that with not only tobacco but other areas with border control. I think one of the strong achievements of this government since 2013—and it will continue under the government recently elected—is that we will continue to make the investments and have the strength of our policy positions and convictions so that the men and women who serve in our Border Force units, as well as the Defence Force, AFP and other police units who support them, can make sure that our borders are secure.

I have outlined what this bill will do in terms of the excise and imports. I have outlined why, and it is predominantly around health. These measures have proven, as I have seen in my own life experience from those early days in the military through to now, the significant impact they have had in Australia in terms of the prevalence of smoking. Given the impact on
individuals, their families and the broader productive community, I support these measures. I believe we have taken the appropriate steps to make sure that any unintended consequences like illicit trade are dealt with. I do not support the argument that the burden falls unfairly on people in lower socioeconomic groups; in fact, as articles from the Medical Journal and the Cancer Council show, that group in our society in the medium to long term are actually the greatest beneficiaries of measures like this. I commend these measures to the Senate.

Senator O'SULLIVAN (Queensland) (11:24): I too rise to make a contribution to the debate on the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. Let me open my contribution with a story—I know Senator Sterle will enjoy this story, being a man of the fifties. I recall, as a youngster aged 13, convalescing at the Rockhampton Base Hospital men's ward after some surgery. For those of us listening who sadly can remember the sixties, I found myself in a men's ward with the traditional old lime-green floors and walls. That seemed to be the colour of choice for hospitals back then. There were about 40 or 50 men, if my memory serves me correctly, who were convalescing in the ward with various injuries or recovering from surgeries, and the majority of them were lying there smoking with ashtrays on their chests. I can remember my physician—I cannot remember his name but I can remember quite distinctly him coming in with a very large bendy pipe in his mouth. I can remember the nurses—part of their duties was to come around and empty the ashtrays into old powdered milk tins then.

I have often wondered since that time—these issues did not strike me at the time—what would have happened, if I had stood up on my bed and announced to those men in that ward that it would not be long before they would not be able to smoke in the hospital, on the verandah of the hospital, down in the car park, over at the racecourse, at railway workshops, in a car with their children, within 100 metres of a government building, in an aeroplane or at any of the other places that other people have reflected on in their contributions.

I can say to you—more particularly, as I got involved in politics and now as a member of the Senate and a legislator—that it has always remained with me that the power of public policy and shifts in the culture of societies can over time make some very, very positive contributions to our amenity of life. Indeed we have seen a reduction in the use of tobacco and tobacco products—except for some age cohorts within society—and have also seen, I think, a much more responsible approach to the consumption of alcohol over that time. I think that that has come about through a range of initiatives, including public initiatives, but also through changes in culture in our society, as people become more aware of the potential negative impacts in certain circumstances of the consumption of the topic of choice today of tobacco—and indeed not just with tobacco but with alcohol and even the consumption of illicit drugs. It remains a challenge most certainly in this country, but I think a more educated society in part is what contributes to changes in cultural attitude to these things; however, as with everything in life, as our society goes forward, it can be given assistance in other forms. In this case, the introduction of this bill is a decision of the government of the day to use some fiscal measures to make a contribution to the ongoing battle—it is a long way from being completed—regarding the consumption of tobacco products.

It would surprise me, if any senators making a contribution to this bill were to rail against the bill. In fact, the methodology of increasing the excise on tobacco is almost a bipartisan measure, because many of these measures were introduced of course under the Labor
administration of Prime Minister Gillard. I have to say—and I do not do this very frequently—that the Labor Party need to be congratulated on leading in this way, because the reforms introduced under Labor—

Senator Jacinta Collins interjecting—

Senator O'SULLIVAN: Make note of it, Senator. I will send a highlighter pen around. You can highlight the Hansard and frame it. I am paying great tribute to the Australian Labor Party for their leadership in this space. The initiatives that they undertook—

Senator Whish-Wilson interjecting—

Senator O'SULLIVAN: All right, and the Greens perhaps may have been involved somewhere on the early initiatives. We will recognise them as well.

This introduction of an increase in the excise is not a new measure. This is a measure and a model that was adopted by the Australian Labor Party—and they provided leadership in this space—back when they reviewed the excise and increased it, from memory, by about 25 per cent. We need to look at, along with all of the other measures that exist in society to inhibit the consumption of tobacco products, the efficacy of measures such as increases in the excise. I heard the very valuable contribution by the previous speaker, reflecting on resistance to such measures as it heavily impacts on the lower socioeconomic strata within our society. That is following on from the evidence that people in lower socioeconomic stratas—in fact, people who live in my beloved regional and rural Australia—are more inclined to consume tobacco products per capita on average than others who live in more metropolitan and urban areas. There are any number of reasons for this. But going to the heart of the question of whether an increase in the excise impacting on them is a right and proper thing to do, I think one needs to consider the flip side of the coin and the impact it will have on their life for any person who consumes tobacco products.

I think that anything that government does with a pure heart is a good thing. I know there will be those who will suggest that this is simply a revenue grab and that it is not designed to do anything but increase the income in the coffers of the nation. I would say to them that I think it is a very genuine measure. I think it is a legitimate measure. In fact, there is evidence to suggest that this works.

What we have seen after a range of measures—including that one-off 25 per cent increase to the excise that I have attributed to the Australian Labor Party and, indeed, which I support conceptually—is a significant reduction in the consumption of tobacco products of some 11 per cent. Anything that we can do through a policy measure that increases, if that is the intention, or decreases a number into double digits falls into the success basket. It is not to be sneezed at that an 11 per cent reduction occurred as a result of the last increase in excise. I know this is not what will happen this time but, with these increases from 2017 onwards, if we are able to achieve double-digit decreases in the consumption of tobacco then we will be heading towards very, very acceptable rates of consumption. That is not to say that any consumption is supported, but it will get us down to much more manageable rates.

Initiatives such as the increase in the excise will not work simply in and of themselves. I think some of the credit for that decrease in consumption has to go to other initiatives that have taken place. Governments have played a part in some of them. These things help mould and shape people's culture and attitudes to these things. There have been measures such as the
reduction in tobacco advertising. In fact, I do not think I can think of a circumstance now where tobacco can be advertised. But most of us are of an age that we will remember the advertisement of tobacco. As a young man I used to pretend I had a cigarette hanging out of my mouth when I pretended to be John Wayne while playing cowboys and Indians. You might remember that very prominent people in our communities—

Senator Whish-Wilson: Marlon Brando.

Senator O'SULLIVAN: Yes, Marlon Brando. I can remember the announcement of the assassination of John F Kennedy. Walter Cronkite paused before he came to the punchline to take a draw on his cigarette as he announced that that prominent American president had been assassinated.

But this 11 per cent reduction is not just due to excise increases, although evidence was given on this to public hearings held here in August 2011 by our House of Representatives Standing Committee on Health and Ageing as part of its inquiry into the plain packaging legislation. The then Chief Executive Officer of British American Tobacco Australia, a very, very large player in the field of tobacco products, gave evidence where—and I will quote him so that there is no chance of confusion—he said:

We understand that the price going up when the excise goes up reduces consumption.

That is worth repeating because you would think that the CEO of British American Tobacco Australia may well have been more inclined to try to diminish the impact of such a policy measure and, in fact, try to indicate to the government that it was not working so that it did not impact on them and their market share of tobacco. But he said:

We understand that the price going up when the excise goes up reduces consumption.

He went on to say—and this refers to the efficacy of the increase that occurred in 2010:

We saw that last year very effectively with the increase in excise.

So he attributed the double-digit reduction in consumption specifically to the introduction of the excise. He said:

There was a 25 per cent increase in the excise and we saw the volumes go down …

In his view, there was a 10.2 per cent reduction in the industry. That is not that inconsistent with the figures of the review that was eventually conducted consequent to that inquiry to determine just what impact the increase in excise had had.

The excise bill is quite specific. It is continuing a trend of governments and it does not matter what the persuasion of the governments are. What it has done is look back and seen a measure—in this case, a fiscal measure by a Labor government—that was successful. So the introduction of these increases, particularly after 2017 and onwards, I think, is based on sound thinking. As I said earlier in my contribution, I imagine that this measure will be supported by everyone here in the Senate because the results are in. The evidence that this works is in.

But, again, the measure needs to go hand-in-hand with an increase in advertising efforts to not only reduce tobacco consumption but create within society arrangements where people do not start smoking in the first place. They have to go to the key element, to the root source of this terrible addiction to try and help young people as they come through to avoid the pitfalls.

We all need to recognise that this is a very significant addiction in society. Those who have smoked and who have been able to give smoking away will tell you it is a lifelong addiction.
We have to increase measures by government in advertising and education not only to increase the awareness of the impacts the abuse of tobacco products have on individuals but also to try and prevent or dissuade young people from taking up the habit in the first instance.

Support services require funding, and I can say our government proudly continues in our tradition as set by former governments and Labor governments in making sure that we fund all sorts of support services in our community, where people can readily access information to help them to determine what potential impacts their behaviour may have, not just with tobacco but across the abuse of both legal and illicit products, including alcohol and drugs. The increase in support services has been on an appropriate trajectory for governments. That needs to remain on the current trajectory so that we can increase the places people can go to gather the awareness they need.

The previous speaker spoke about making sure that we clamp down on illicit tobacco trade. Up until the end of the last parliament, I was a member of the Senate Legal and Constitutional Affairs Committee that visited on this issue on a number of occasions. I think there were inquiries conducted but I did not participate in them. And I know there was a lot of time and energy expended on Border Force during estimates for us to track just what efforts they were putting in place to see that we do not have illicit, cheaper tobacco in Australia that would offset, I suppose, the benefits that we are seeing from measures such as these increases in excises.

Plain packaging had another impact. You could take the plain packaging and put it in the same category as a reduction in advertising. I think that took away a bit of a trendy attraction to cigarettes. For those who smoked in earlier days, you will remember you may have been Craven A man or a Rothmans man or a Camel-without-a-filter man. I still have not got over the first Camel I had without a filter—I think I am still suffering from that 30 years on. I thank the plain packaging initiative. Again, I want to pay credit to the Australian Labor Party, who led the way on this. It was a great initiative and there is evidence that it had a significant impact on the trade also.

Society is playing its bit, playing a very important role. I remember as a young fellow that if you wanted a breath of fresh air, you went outside and everyone stayed inside smoking but of course that is now reversed. Smokers are often very socially conscious, I am told, and will find themselves trying to find a quiet spot in the car park behind a bush to have a cigarette rather than be seen. Most people now accept it is not a very socially acceptable practice to smoke in or about someone's home or at sporting events, particularly the school sporting events that I often go to with my grandchildren. At a stadium or some other sporting event, there is nobody lighting up in the vicinity of thousands of people.

Socially smoking has become a less accepted practice to the point that where anyone can regulate where you can smoke, they have done that. I remember travelling a lot internationally some years ago with work and probably still within a decade of today—may be a little bit longer—if you were travelling particularly on an Asian airline, the practice was still available. Then they started to shift the smokers down the back—I do not know what they thought that was going to achieve. Indeed, socially, communities and societies have taken whatever steps they can to reduce the consumption of tobacco.

I want to commend this measure to the Senate. I think it is a good measure. I think it is a measure that can be supported by all sides of politics. I think it is important to remind people
that when it was introduced by the Labor government, it had an immediate, within 12 months, reduction in the consumption of tobacco products by double digits. If we can achieve that sort of result from each of these excise increases, we will have done our duty for our society.

(Time expired)

Senator BACK (Western Australia) (11:44): Today we are privileged to have, in the student galleries on three sides of this chamber, students who have the opportunity to witness what goes on in this chamber and in the parliament. Deputy President, through you I direct an urgent plea, a request, to each of the three groups of students: do not take up smoking. Do not smoke. During my contribution to the debate on the Excise Tariff Amendment (Tobacco) Bill 2016 and Customs Tariff Amendment (Tobacco) Bill 2016, I will give you a couple of reasons why you should not. I promise you that, by the time you are adults, either you will have saved sufficient money for a deposit on your own home or apartment, to get you started in real estate, or you will have saved enough to be able to go around the world every year on a holiday during your leave. As you become parents, you will have sufficient money to be able to put funds aside for the education of your children. How good is that? If you go away from this place this week with one lesson, with one thing to remember, I urge you: do not take up smoking.

We all know that cancer is a scourge and a curse that affects every family. I had my experience in the last period of the 44th Parliament. It was just before two o'clock when my mobile phone rang. I realised it was my doctor and I stepped out. I had the first question for the government that day, and my doctor was telling me the bad news that a salivary gland problem I had was malignant. I did not really like that very much, and I said to him, 'Dale, I'm sorry I can't talk to you right now, because I have a question in question time.' He said to me, 'Chris, you're not taking this seriously. That huge growth on your thyroid is malignant.' I had had a chat with the surgeon. I am a veterinarian and I had seen the results. I was not quite as pessimistic as he was. Some people had noticed that I had lost weight, and I would very quietly say, 'Yes, I've been on an exercise program. I lost 14 kilos in about five weeks.' It was not an exercise program; it was this jolly cancer. Fortunately, I could hide it by wearing a suit and tie—nobody knew. Even more fortunately, when it was removed it was not malignant. I had that great news: no malignancy.

The message I want to give you is this: that was something over which I could have had no control, yet smoking is a practice that puts cancer-producing elements, called carcinogens, into your lungs, and that may well lead to you getting lung cancer, throat cancer or any of those cancers associated with your respiratory system, and then you will accelerate towards an early death. I say this to you whether you are a parent, a kid or—as is the case for some of us in this chamber—a grandparent. I have to say, when you become a grandparent, you have a really important cause to want to keep living for.

A member of my family is also a veterinarian. He is eight years older than me. My earliest memories of him were as a smoker. And he fits the bill, as read out previously by Senator Smith: a remote area person who worked all his life in stockyards in the bush. Members of our profession saw the pathology in animals that is equivalent to the human pathology—in other words, the disease in the lungs in humans. I used to often say, 'For someone with his knowledge, why the billyo is he smoking?' He turned up to visit his young grandchild in a Western Australian town. They all got crook about three years ago—he did, the child did and
the parents did. He came home and he has not smoked since. I see his improvement in health every day and I see the fact that we are going to have him for the next few years, whereas, five years ago, I feared he was not going to see his grandchildren grow up.

The stats you have seen here today say it all. Low socioeconomic groups—in other words, people who cannot afford it—are three times more likely to smoke. If you come from a remote area, you have double the likelihood of smoking. Single parents—usually mums—with dependent children are nearly three times more likely to smoke, and are more likely to smoke than parents in homes where there are two parents. These are the stats. I ask the teachers to ask the children, 'Get your pens out.' And, if you do not, here is a bit of an exercise for when you are back at school. If you are able, have a look at the Hansard of speeches. It does not matter who is giving this one. Next week, go back and have a look at these figures.

The price today of cigarettes is about $25 per packet. If you smoke a packet a day, that is going to cost you $9,000 a year. And to those of us who pay tax—because all of this is what is called after-tax money—if you apply 30 per cent tax, the real cost of that $9,000 is $12,000 a year. That is $1,000 a month. Many of you are probably 12, 13, 14 years of age, so by 24 years of age that 12 grand a year is the $120,000 I was telling you about that you will have as a deposit on a home. But it will not be $120,000. If you have your pens out: within four years the cost of a packet of smokes will go to about $40. At $40 a packet, if you have a packet a day, that is $15,000 a year. And, again, if you apply the 30 per cent tax rate—because all of this is after-tax money; you do not get a tax deduction for helping yourself die early—the actual cost is over $20,000 a year. If you multiply that by the 10 or 12 years, by the time you are young adults there you have $200,000 in the bank earning interest, probably up to about $240,000 or $250,000—if I had the financial capacity of the finance minister, he could probably tell me what the compound interest rate would be. There is the money you have, and you have your health.

The question is often asked: to what extent are we interfering in the privacy of people by imposing taxes that make smoking more difficult? Of itself, if somebody decides to smoke, you would say, 'Well, that's their business; let them do it; let them take on the financial burden,' as I have just suggested. But there is an analogy that has been mentioned by Senator Fawcett, in his experience, of being in the cockpit of an aircraft where he could not see because of his copilot, and so he had to go onto instrument rating. It is a question of the effect on other people, of course. It is the effect of passive smoking. It is the effect on children in a car. It is the effect on other people in a room. When it goes from being something to do with the person to others around that person who can have no influence on the behaviour of that person, it changes dramatically.

I want to give you an example away from smoking. I want to direct this to the experience recently we had as a result of Senator Whish-Wilson, who asked us to participate in a Senate inquiry into marine plastics. I was involved in the committee—not that I necessarily wanted to be, but I thought, 'That's fair enough.' I knew little about this. Probably one of the joys of our work in the Senate is that we are drawn into areas that we normally would not have the opportunity or excuse to examine. I was not aware that all plastics will eventually reduce to microplastics. I was not aware, particularly, that we already had microplastics in things like toothpaste and various other items.

Senator BACK: Thank you for that, Senator Whish-Wilson. I probably do not use too many beauty products, as is evident. But, nevertheless, I should have known that. We learned in that inquiry, as Senator Whish-Wilson probably already knew, that plastics break down in the environment. They do not disappear; they do not dissipate; they become microplastics. Plankton take up the microplastics, little fish eat the plankton, big fish eat the little fish and we eat the big fish.

What really drew my attention particularly to this exercise, and why it is relevant to this discussion, is the fact that there is a growing body of evidence that those microplastics are getting into the cells of human beings. Of itself, that is important enough to protect the oceans from plastics. I accept that. But when we cross that boundary to the realisation that we may well be looking at a circumstance of adverse human health as a result of this, you can bet your life—through you, Madam Deputy President, to Senator Whish-Wilson—that my focus of attention elevated.

I come back now to that comment associated with privacy. Yes, it is an invasion of privacy to tax something to the level where it probably becomes unattainable for a lot of people. Again, if that is the decision of an adult—to place themselves at risk from a health point of view—one could say that the role of government and others is to warn them of that and to let them make their own decision. That is probably right. But when it comes to the health of other people, it is not right.

The statistic that Senator Fawcett gave to us in his contribution was interesting—that is, in 2001, 22 per cent of adults in Australia smoked. That had gone down to 16 per cent by 2010. It is now 14 per cent. I actually want to give credit to the then health minister, Mr Tony Abbott. If you look at that dramatic decline—of 22 per cent at the beginning of the decade, down to 16 per cent by the end of the decade—it was in his capacity as health minister that the placing of those offensive warnings on packets had the biggest effect on young people not smoking. Again, I do give credit, as others have done, to Ms Roxon in her move towards plain packaging. I did not like it very much, but, nevertheless, it is apparent that we have seen a further reduction in adult smoking levels. So I give her credit for that fact.

I also make mention of the illicit trade in cigarettes. I note that there are funds intended to be directed for border protection to control further this issue. I also do understand, through sources, that the import illegally of cigarettes into this country is so lucrative that, if a consignment is intercepted by border protection and is, therefore, removed, the suppliers will actually supply the illegal importer, free of charge, with replacements of that number of cigarettes. So it really does become an issue of enormous importance to us. Others have mentioned the loss of excise by illegal imports of tobacco and cigarettes. But I also say that it must be so lucrative and so pervasive if the suppliers of those illegal cigarettes are willing to actually replace the products free of charge.

I am also aware that there is technology available here in Australia which, I understand, electronically identifies and marks packets and individual sticks so that government regulators can actually identify whether a packet or a cigarette has been legally or illegally obtained prior to its purchase. I would urge government—the relevant ministers—to pursue this technology further. I know that in the last couple of years I have actually recommended that those who supply such products and services meet with relevant ministers. Anything that can
be done to wipe out, diminish or minimise this illegal trade, in my view, should be undertaken.

I want to turn to the impact in financial terms. My understanding is that over the forward estimates this legislation will deliver some $4.6 billion to the overall revenue base. As I understand it, all sides in this chamber support the legislation—certainly, the Labor Party, the coalition and the Greens support the legislation.

I was loud in my praise of Ms Roxon a few minutes ago with regard to her move for plain packaging of cigarettes. On the other hand, I now want to draw the attention of the chamber to something that I think was a mistake Ms Roxon made in her earlier capacity. That was when she introduced the alcopops legislation, which was always about raising tax. The coalition had no difficulty with a proposition that was going to raise tax. She should have said that it was a tax measure and she would have received little if any criticism. The mistake actually was to try to tie it up not in terms of it being a tax measure but in terms of it being a health measure, because by increasing the tax significantly on alcopops young people would in some way stop consuming them. Well, they stopped consuming them all right. As we all said would happen, instead of buying a can of mixed drink that had vodka, whiskey, brandy or whatever it was in with a mixing soft drink—of course, that was taxed out of existence—the kids then all went and bought 750 millimetre bottles of the spirits and bought the mixes separately, whether it was Coke or dry ginger ale or whatever. So, instead of just drinking the smaller quantity of alcopops they ended up drinking a larger quantity, because, as we know, no-one of that age is likely to stop drinking until the bottle is empty.

So I applaud the government and everyone in the chamber for the decision to explain very bluntly what this is. And it is two-fold. First, it is to improve directly the health of the community itself and the health of those affected by smoking, whether they smoke or they are in a smoky environment. Second, it is a measure to make sure that we can repair some of the budget.

In support of those comments I want to applaud the finance minister, the Treasurer and the shadow financial portfolio of personnel for what I understand is a measure and a move to pass the omnibus bill, which will achieve some $6 billion in savings. There has never been a more important time in the modern history of this country for us to get our debt and our deficit under control. There are black clouds over the entire world economy, and we are not immune. The best way that we can guarantee to the Australian people that there is sufficient funding for education, for health, for the legendary NDIS program, for welfare generally, for pensions, for defence and for border protection—for all of those purposes that we, and the community, regard government as having a primary role in—is to have a strong budget and move towards a surplus. So, instead of wasting $12-$15 billion a year paying interest on our debt, the Treasurer and the finance minister can turn that $12-$15 billion into savings and into supporting the lifestyle that this country has come to expect.

For those who do not think there are black clouds hanging over the world economy, you need look no further than Western Europe, Eastern Europe, the Middle East, the United States and Asia. So I commend the legislation and I commend the chamber for its support.

Senator SESELJA (Australian Capital Territory—Assistant Minister for Social Services and Multicultural Affairs) (12:04): It is good to follow my good friend Senator Back in
contributing to this debate. I might just pick up a little bit where Senator Back left off in terms of budget repair. I will go into some of the details on smoking rates and the like in a moment.

There is no doubt that budget repair is absolutely critically important. We have seen the announcement yesterday of over $6 billion in savings. That is very important. I commend Scott Morrison and Mathias Cormann for their work in continuing that work to find savings, because that is the main task. There is no doubt about it. When it comes to taxation, which I will move onto in a moment, we have rejected the Labor Party's approach in broad, which is to have a whole range of tax increases in a range of areas. If Labor had come into government they would have taxed a whole host of things more. One of those is, of course, investment in housing. The reason I make that point is that if you want people to do less of something you tax it more. That is what I am going to get into when discussing this bill. If you want people to invest less you tax it more. The Labor Party had that approach when it came to investment in housing and we see that as a shocking idea.

When it comes to taxing things like smoking, obviously there is a slightly different imperative, because we do actually want to see people smoking less—we do. We can put that into stark contrast with when there are tax grabs by the Labor Party on things like negative gearing and capital gains tax, because that is taxing investment and discouraging it. The government and I certainly want to see more investment in housing and in a whole range of other areas.

It is pleasing to be speaking to these bills, the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. As a senator for the ACT, I want to note the low rates of smoking we have here in the ACT—the lowest in the country. Figures from the Australian Institute of Health and Welfare show that in 2013 in the ACT we had a daily smoking rate of 10 per cent—which, as I will discuss in due course, is the target for smoking rates Australia-wide. Furthermore, in the ACT, we had the highest rate of people who had never smoked—with 65 per cent of Canberrans having not taken up the habit. I can certainly attest—as many others can—that this has all sorts of benefits for individuals, but there are also benefits from living in a relatively smoke-free city. Despite the fact that we have the lowest rates in the country, we would of course like to see those rates continue to decline, as they have in recent years.

The sad reality is that each year smoking kills an estimated 15,000 Australians and costs Australia $31.5 billion in social—including health—and economic costs. Governments of both parties have long fought to decrease smoking rates and the various health impacts that come from smoking. A range of methods have been used over the years to get these rates down. We have seen awareness campaigns, with organisations such as Quit working hard to help people stop smoking. We have also used various economic mechanisms to get smoking rates down by helping people stop and discouraging smokers from taking up the habit in the first place. These bills are another element of ensuring our success in getting smoking rates down continues.

There has been a sustained, concerted effort by all levels of government since the 1970s to improve health outcomes when it comes to smoking. Since the first health warnings were mandated on cigarette packs in 1973, it has been a long road to get where we are today. Long gone are the days of smoking indoors, on planes, in workplaces and in restaurants. Particularly since the turn of the century, we have a good story to tell with getting smoking
rates down. In 2001, 22.3 per cent of the population were smokers. In 2004-05 that had dropped by one per cent to 21.3 per cent. In 2007-08 we saw a further drop to 19.1 per cent. In 2011-12 we saw it drop to 16.3 per cent. And, most recently, in 2014-15 it has dropped even further to 14.7 per cent. So there has been great success here in getting good outcomes for smokers, with all of the flow-on health benefits for hundreds of thousands of people in our community.

Perhaps most impressively, amongst the most recent ABS figures there is a statistic that is very encouraging, which is that 52.6 per cent of Australians have never smoked. That means that we have a whole cohort of young people who have listened to the educational and awareness campaigns out there, know the health problems associated with smoking and are making the choice to not even try smoking in the first place. We know how addictive smoking can be. I have never been a smoker myself, but a number of family members have been and I have watched them try to quit, quit, take it up again and quit again. It is a very challenging addiction for many people to get over. So, of course, it is much better if our kids do not try it in the first place. I would emphasise that to young people. It is certainly a message I give my kids, and I hope that they take that advice. So far, so good—as far as I know. You never quite know what your kids are up to all the time, but I am pretty confident that none of them are smokers and I am very hopeful that none of them will be smokers. Certainly the message to them is not to engage in that habit.

A 2014 study on school students' use of tobacco found that smoking among 12- to 15-year-olds is at its lowest since 1984 when studies of this type began. Even more encouraging, the study found that 94 per cent of 12-year-olds have never smoked and 61 per cent of 17-year-olds have not had a cigarette either. So I think we can say that what was once one of our greatest health challenges is becoming less of a challenge, though of course we know that there is more that needs to be done.

Through COAG, all Australian governments have committed to getting the smoking rate down to 10 per cent. As I noted earlier, that is the rate here in the ACT—and of course we would like to get it lower than that. We have still got some way to go and I think it would be a significant achievement to get the rate to 10 per cent nationally. With that in mind, these bills will increase tobacco excise charged on domestic production and equivalent customs duties charged on imports by way of four annual increases of 12.5 per cent a year from 2017 until 2020. This will replicate the annual increases that were put in place from 2013 to 2016. In addition, adult average weekly ordinary time earnings based indexation of tobacco excise rates will continue. The next biannual indexation of tobacco excise will occur on 1 March 2017.

From 1 September 2016 the excise and excise equivalent duty rates on tobacco is approximately 61c per stick and $763.20 per kilogram of tobacco content. This equates to $15.26 in excise on a packet of 25 cigarettes, which retails currently for approximately $25.00. Ignoring biannual indexation, the 12.5 per cent increases will increase excise per pack of 25 cigarettes by around $2 each year. This means that, after the final increase in 2020, the excise component of a pack of 25 cigarettes will be $21.50. The increase in excise and duty will move Australia towards the World Health Organization's recommendation that excise should comprise 70 per cent of the price of a cigarette. All that said, it is difficult to say how this will precisely affect prices as cigarette companies may change their prices in other ways.
But the central point remains that these bills aim to reduce the prevalence of smoking in Australia and thus minimise the harm of cigarette smoking to the community.

It has been very clear for some time, as we have been on this journey to reduce smoking rates, that increasing the price of cigarettes via taxation is one of the most effective ways of reducing tobacco consumption and preventing the uptake of smoking. Higher prices encourage smokers to quit or reduce their consumption and discourage potential smokers, particularly young Australians, from taking up the habit. There have been a number of significant increases in the tobacco excise, particularly since 2010, and the lowering of smoking rates over that time clearly demonstrates how this has worked.

As I have mentioned, the Council of Australian Governments have set a target of reducing the daily adult smoking rate to 10 per cent of the population. This commitment sits alongside a similar commitment to halve the daily rate of smoking among Aboriginal and Torres Strait Islander people by 2018. This measure will also assist the government to make further progress on these goals. It is one of the most unfortunate and troubling aspects of this discussion that Aboriginal and Torres Strait Islander Australians, people in remote areas and people of the lowest socioeconomic status all have higher rates of smoking than the general population. Certainly I understand, as does the government, that this means that there are challenges when we increase the excise. We understand that, for those who feel unable to quit, this does create a financial burden. It can be very tough; I acknowledge that. And that is one of the challenging parts of dealing with this issue. Obviously, the hope is that people will not end up spending so much money on smoking. The hope is that they will spend, in future, no money on smoking, as it encourages them to quit. So they will not only save the money they are currently spending on cigarettes but also gain all of the health benefits that flow from quitting smoking. They will have more money in their pockets and, hopefully, a much healthier lifestyle and a longer life. Hopefully, they will avoid some of the worst things that come from long-term smoking and that are linked to long-term smoking—particularly things like lung cancer, which of course has such a devastating impact on those who suffer from it.

As has always been the case in our efforts to reduce smoking, this change sits alongside the numerous interventions the Commonwealth has made to reduce the prevalence of smoking, including a comprehensive ban on tobacco advertising and promotion, retail display bans, Pharmaceutical Benefits Scheme subsidies for smoking-cessation supports, and extensive and continuing public education campaigns. As we have clearly established in this place during this debate, these efforts are working, so it is vital that we continue to make the changes we need to continue these great outcomes.

I note that of course these bills also play a broader role in this government's efforts to get the budget under control and to build a strong economic platform into the future. These bills will raise $4.59 billion across the forward estimates period. In comparison, goods and services tax receipts are estimated to increase by $430 million over the same period. The revenue gained from higher tobacco excise will be used by the government to provide a range of services, including health services. I know that in the other place they have been working through the Budget Savings (Omnibus) Bill 2016, and no doubt we will soon be debating it here. I particularly look forward to that debate. As I mentioned earlier, broadly, when it comes to issues around budget repair, our view in the coalition is that the primary way of getting the budget under control is to control spending—to limit spending growth and to find
reasonable savings where we can find them. That is the best way to bring the budget back under control. As I also mentioned earlier, the exceptions to that are things like the tobacco tax, where we are taxing something that we would like to see less of, not taxing things like investment and economic growth and jobs, which, of course, we want to see more of. So there is a significantly different approach between the coalition and our opposition when it comes to taxation.

But, when it comes to these bills, of course, we are looking to see less tobacco consumed in this country. We are looking to see rates of smoking going down rather than coming back up again. These bills are an important part of that. This measure is an important part of the government's comprehensive tobacco control strategy, which includes investment in antismoking social marketing campaigns, subsidies for nicotine replacement therapies and the introduction of plain packaging for tobacco products.

The government also announced in the budget that it will strengthen the penalties for illicit tobacco offences and provide an additional $7.7 million for the tobacco strike team to combat illicit tobacco activity. This is a particularly important measure to ensure the effectiveness of the tobacco excise increase. I have heard from many here in my community in Canberra about the illegal importing of tobacco and the black market for cigarettes. Australia has a strong legislative and regulatory framework to control illicit trade in tobacco products. The Australian Taxation Office and the Australian Border Force will continue to have a strong ongoing role in monitoring and enforcement activity against illicit tobacco. This is an important fight, and we are going to continue to keep our borders secure and work against this illicit trade.

So it is clear that these bills are important for Australia's health and, of course, for our budget. The fact is that 15,000 people dying from smoking related illnesses is too many. Even though we have made great progress over the last few decades in getting smoking rates down, we certainly cannot be complacent. With a goal of reducing smoking to 10 per cent across all states and territories by 2018, we have a clear target to hit, and the entire suite of government efforts will continue.

History has shown that we need a range of policies to combat smoking. We need advertising campaigns and health awareness campaigns. We need to be in schools talking to young people and out in the community encouraging people to quit. But we also do need to combine these efforts with other measures, including the price signals contained in these bills. So that is what these bills do. Regular increases in the tobacco excise over the next four years will bring our policies into line with international standards. They will lift the price of cigarettes, which has been a proven way to get smoking rates down. Once again, I note that there are, obviously, impacts on those who struggle to quit smoking, and we will do what we can to encourage people and to assist people so that not only can their health improve as a result of quitting smoking but their bank balance can improve as well.

I would once again, in closing, that I think we should be proud of the fact that here in the ACT we see the lowest rates of smoking in the country. We want to continue to bring those rates down, particularly for our young people, because it is such an addictive thing. Smoking is addictive. Nicotine is addictive. To avoid smoking in the first place, as a young person—to avoid being drawn into that—is a much better path than having the great challenges of quitting. We see it with family and friends; it is a tough habit to break. We
commend those who do manage to do so. But I would advise people not to start smoking in
the first place. That figure of 52 per cent of Australians now who have never smoked is good.
We want to see that figure continue to go up, as we hopefully see a generation of young
Australians for whom this is really not something that they do. I commend these bills to the
Senate and look forward to their passage.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of
The Nationals in the Senate) (12:22): I rise in support of the Excise Tariff Amendment
(Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016, and I have to
say that this legislation is of special interest to me and to my portfolio of Indigenous Affairs. I
have personally seen, as I am sure have many in the chamber, the devastating impact of
smoking on far too many Aboriginal and Torres Strait Islander communities. So, through my
portfolio we have three priorities: getting kids to school, getting adults to work and ensuring
that communities are safer. But we are not going to achieve this when our First Australians
die 10.6 years earlier, for males—9.5 years earlier for females—and, generally speaking,
enjoy far poorer health outcomes.

That is why the coalition government is committed to closing the gap between Indigenous
and non-Indigenous Australians across a whole range of measures. Madam Deputy President,
I know you would be aware that the Closing the Gap measures started as a suite of health
measures and have grown over time. Part of the motivation for those fundamental measures
initially was to address the health gap. If you are not healthy it is very difficult to engage in
education. If you are not healthy it is very difficult to engage in employment. If you are not
healthy it is very difficult to engage in the sorts of opportunities that other Australians take for
granted. So one of those Closing the Gap targets is to close the gap in life expectancy between
Indigenous and non-Indigenous Australians by 2031.

Closing the gap is particularly challenging because it is not only about ensuring that
Aboriginal and Torres Strait Islander people live longer; it is also a matter of ensuring that
they catch up with the remainder of the medical miracles that constantly make those in the
mainstream live longer. So it is a very challenging gap but obviously one that is absolutely
fundamental to the Closing the Gap process. If we are going to achieve this, then if there is
any lever that is available to us we need to ensure that we can pull that lever. This legislation
is one of those levers.

The Australian Institute of Health and Welfare report titled Australia's health 2016, which
was released just this week, reinforces why we need to tackle smoking rates. Let me share
with the Senate some of the report's key findings. Between one-third and one-half of the
health gap between Indigenous and non-Indigenous Australians is associated with differences
in socioeconomic position. Only 39 per cent of Indigenous Australians rated their health as
'excellent' or 'very good' in 2012-13, a decrease from 44 per cent in 2008 and 43 per cent in
2004 and 2005. A further 37 per cent of Indigenous Australians reported their health as 'good',
17 per cent as 'fair' and seven per cent as 'poor' in 2012-13. By comparison, more than half of
Australians more generally—56 per cent—rated their health as 'excellent' or 'very good', only
10.4 per cent as 'fair' and 4.4 per cent as 'poor'. There is a stark contrast.

Chronic diseases, such as cardiovascular disease and cancer, are responsible for a majority
of the life expectancy gap. Certainly it has been my observation that, particularly in very
remote areas and very remote communities, the nature of the environment is a factor in
chronic disease. Whilst smoking is a part of that, if a person has rheumatic heart disease, which is one of the largest killers in our communities—and I have to commend those who are working very stridently at the moment, particularly Menzies, to try to provide some respite via a vaccination or other processes in that regard—it is like an accumulation of things that can go wrong in that person's life, an accumulation of things that are negatively affecting their body and how it works.

Rheumatic heart disease, congestive heart failure, various types of lung disease—a lot of them are caused by the circumstances in the community. There may be a house that people do not themselves own, so it is very difficult to know who is responsible for it. People are coming and going, visiting the house, and it is not the normal circumstance of a house that someone is actually responsible for; it is a circumstance where a lot of people are responsible. I suppose it is a little like the 'tragedy of the commons': you cannot identify someone who is particularly responsible for this house in the way that you can in many normal households.

So the circumstance is that some of these houses are, as we would say, a bit dirty. Having many fingers at child level moving around the place makes it a bit grubby. But we are now starting to understand that such an environment has a direct impact on health. And when we see that some of these chronic disease presentations—cardiovascular diseases particularly—are being impacted by that, we have to ensure that we start to look after that environment, and that goes to how we can better manage some of our tenancies in this area and how we can assist those families, because it just gets on top of them. They have lots of visitors, lots of people going through, and they just do not have the capacity to ensure that the house does not have such a negative impact on people's health.

As I said, chronic diseases such as cardiovascular disease and cancer are responsible for a majority of the life expectancy gap. We in this place would all know about the strong association between cancer and smoking. I have to confess that I have been a smoker during my life, and if I have one or two beers there is certainly that tendency to want to go and, in the vernacular, 'bot a durry' from someone. I think even the most chronic smokers—speaking of which, good to see you, Senator O'Sullivan!—know themselves that they would like to not be smokers. And it is really interesting in communities: it is not as though communities are not absolutely aware that smoking is bad for you. If I am in a community in north-east Arnhem Land and I see someone light up in a tree, people will yell out—it is a wonderful way that they have got in north-east Arnhem Land—'Quit smoking!' They will say, 'No durries.' They will do it in a likely place, but each time, as they would say, it provides a little shame for someone who is lighting up. The whole community give a bit of a yell out in that regard.

So it is not as if people are not aware that smoking is bad for them. As I have heard from some other speakers this morning, it is, of course, the nature of addiction. The evidence is that nicotine is one of the most difficult drugs in your system to get rid of. It not only provides the circumstances where you are in a much more vulnerable demographic; also you are much more likely to develop cancer if you are a smoker. Obviously, there are a whole range of other issues. We still need to work very hard on exactly how we try to ensure that this is no longer cool in the community. There are demographics within a community that we can ensure are made aware in a way that appeals to them. It is that which this bill addresses. Whilst the smoking rate—that is, the daily and less-than-daily rate—for Indigenous Australians has
declined somewhat, Indigenous Australians are still 2.6 times as likely to smoke daily as non-Indigenous Australians, whose rate is around 15 per cent.

In 2013, Indigenous mothers were 3.6 times as likely to smoke during pregnancy as non-Indigenous women. I have to say I despair sometimes because there are groups—sometimes very vulnerable groups—who do not have access to the same sort of constant education. If you go into any of the medical centres, for sure the walls are festooned with warnings about smoking during pregnancy and the negative effects it can have on your unborn child. But, given the numbers of people who still smoke when they are pregnant, clearly the message is not getting through to them. We need to do our very best to ensure that that is no longer the case.

We are not going to close the gap in life expectancy if we do not lower the rates of smoking among Aboriginal and Torres Strait Islander Australians. Of course, the smoking rates are on top of a number of other startling facts in terms of that difference. For example, in 2015, the immunisation rate for one- and two-year-old Indigenous children was much lower than the rate of all children. It was 89 per cent compared with 92 per cent for one-year-olds and 86 per cent compared with 89 per cent for two-year-olds. The immunisation rate for Indigenous five-year-olds was higher than the rate for all children—that is, 94 per cent compared with 93 per cent. This is a startling difference.

All of these statistics have a parallel. They are all connected and they are all contextualised around the actual gap that they create. If you cannot get immunisation processes right and if you cannot reduce the rates of smoking then life expectancy for our First Australians and the gap between the mainstream and our First Australians is going to close very slowly, if at all.

In 2012-13, after adjusting for the differences in the age structure, Indigenous adults living in non-remote areas were still more likely than non-Indigenous adults to not have undertaken the recommended level of physical activity in the past week. That is another 10 per cent difference.

Whether it is smoking or whether it is immunisation, all of these matters need to be dealt with to ensure that that headline of life expectancy is actually dealt with. That is why it has been so important to ensure that we have a whole-of-government approach. I have to say it is so much easier, now that my portfolio is under Prime Minister and Cabinet, to deal with some of the structural matters that we have done. We now have a cabinet subcommittee with all the other ministers who are responsible. In this case, it is the minister for health, but it is the same with Employment, Environment or whatever the area is. For the very first time, we can have a far more structured approach to those matters.

Obesity was also more common amongst Indigenous Australian adults aged 18 and over. Between 2012 and 2013, after adjusting for differences in age structure, Indigenous adults were 1.6 times more likely to be obese than non-Indigenous—that is, 43 per cent compared with only 27 per cent for non-Indigenous adults.

In 2012-13, a high proportion—26 per cent—of Indigenous Australians aged 15 and over reported that they had not drunk any alcohol in the previous 12 months. After adjusting for age differences, this was 1.6 times the non-Indigenous rate. In some areas, quite clearly there is no grey area of every now and again. Those people who are prepared to go down the road of abstinence do so quite proudly and often as a family. It sometimes cannot be done
community by community or area by area. But this indicates that, to be absolutely successful at this and to ensure that we can be successful at this, we need to recognise that a family group and the peers within that family group can lead a better behaviour, a different behaviour and, in this case, a healthier behaviour than any other process might actually deliver.

In 2012–13, Indigenous Australians aged 15 and over were 1.1 times as likely as non-Indigenous Australians to exceed the national alcohol guidelines for single-occasion risk—that is, 50 per cent and 44 per cent respectively. Amongst prison entrants, the use of methamphetamine was more common amongst non-Indigenous entrants than Indigenous entrants—54 per cent and 38 per cent respectively. Whilst we have a scourge that you would expect for those populations that have had difficulty in dealing with some other health issues that I have outlined, quite clearly there are some exceptions to that, and we need to drill into those demographics to find out why they have been more resilient. I have to say, though, that I have been nothing short of petrified when I have seen the scourge of ice and the vulnerability of my community, particularly in remote communities. Yet there seems to have been a line put down that, while there are some substances that are semitolerated in the community, methamphetamine and its associated drugs are not. They have put a hard line down. People are as frightened as I am. I am delighted that these substances have not simply raged through these communities like a bushfire, as we were all so worried they would. Again, we need to tap into the leadership that can provide that sort of inoculation against those sorts of scourges. We need to ask the advice of that leadership about how we may improve the messaging, whether it is around obesity, whether it is around levels of exercise or whether it is around levels of smoking. They have shown leadership in a way that works, and we need to look very carefully at that leadership and how we might apply that particularly to smoking.

I was just an hour ago at a meeting with Julie Tongs from Winnunga Nimmityjah Aboriginal Health Service here in Canberra. We were talking about a number of these issues. When talking to Aboriginal health services, it seems if someone is smoking it is generally an indicator—there are obviously other indicators—that they are suffering other poor health symptoms. I have yet to understand a little more about that, but it is still an issue to be highlighted. If you can get people into an Aboriginal medical service, invariably as part of a health check, whatever the presentation is, someone will ask you if you are a smoker. If you are, someone will invariably say to you, 'This is having an impact on your life, it is having an impact on your family and it is having an impact on your capacity to help your family out by providing leadership by being a nonsmoker yourself.' I would like to commend the AMSs not only for the education systems that they run but also for the very strong message that they provide.

Wherever I go around the country, and I have been to over 150 communities on over 200 occasions, I always see there is a culture of smoking in communities. These bills will increase tobacco excise, which is charged on domestic production, and equivalent customs duty, which is charged on imports, by way of four annual increases of 12.5 per cent a year from 2017 to 2020. In addition, the AWOTE—average weekly ordinary time earnings—based indexation of tobacco excise rates will continue. The next biannual indexation of tobacco excise will occur on 1 March 2017.
The increase in excise and duty will move Australia towards the World Health Organization's recommendation that excise should comprise 70 per cent of the price of a cigarette. The World Health Organization have been around a very long time, and they understand that the price of cigarettes has a direct correlation to your capacity to make a decision to no longer be a smoker. It also has a direct correlation to how many cigarettes you get access to at any particular time. We have not reached a 70 per cent excise level, but I think we have certainly made a very serious move towards it. Each year smoking kills an estimated 15,000 Australians and costs Australia $31.5 billion in social costs—including health and economic costs. Increasing the price of cigarettes via taxation is one of the most effective ways of reducing tobacco consumption and preventing the uptake of smoking.

The government announced in the budget that it will strengthen the penalties for illicit tobacco offences and provide an additional $7.7 million for the tobacco strike team to combat illicit tobacco activity. This is in recognition of the fact that there is no point saying, 'We are going to put an excise on it and we are going to make it more expensive,' without recognising it increases the attractiveness of criminal behaviour. We acknowledge that whatever you do there is a consequence. When you have a consequence, you have to be a sophisticated enough government to react to that. Australia has a strong legislative and regulatory framework to control illicit trade in tobacco products. The Australian Taxation Office and the Australian Border Force will continue to have a strong ongoing role in monitoring and enforcement activity against illicit tobacco. Again, that is a sophisticated approach, and it has to be. Every time we introduce legislation we know there is going to be a consequence and we have to be across that.

These bills are an important plank in helping to turn that culture and lower smoking rates, particularly in communities. We need to pull every lever against smoking, which is at 2.6 times the non-Indigenous rates. I commend these bills to the Senate.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:42): I too rise to make a contribution to the debate on the Excise Tariff Amendment (Tobacco) Bill 2016 and the Customs Tariff Amendment (Tobacco) Bill 2016. These will increase tobacco excise charged on domestic production and equivalent customs duties, which are of course charged on imports, by way of four annual increases of 12.5 per cent a year from 2017 through to 2020. Certainly, in listening to the address that was just given by my colleague Senator Scullion, the Minister for Indigenous Affairs, I think one begins to understand very much the purpose and the reasons behind the government proceeding with these bills.

The increase in excise and duty will move Australia towards the World Health Organization's recommendation that excise should comprise 70 per cent of the price of a cigarette. There are very, very good evidentiary reasons for this. You see this in advertising and you see it on the cigarette packets themselves, but it is a fact that each year smoking kills an estimated 15,000 Australians. If that was not bad enough, you also have the cost to the Australian economy. Each year smoking costs the Australian economy approximately $31.5 billion in social costs, and economic costs. Those costs include the huge impact of smoking on our health system. So these bills are very much aimed at reducing the prevalence of smoking in society and thus, of course, minimising the harm to the Australian community of
cigarette smoking. It is a fact that increasing the price of cigarettes via taxation is one of the most effective ways of reducing tobacco consumption.

Debate interrupted.

**STATEMENTS BY SENATORS**

The ACTING DEPUTY PRESIDENT (Senator O'Sullivan): Order! It being 12.45 pm, the Senate will now proceed to senators' statements.

**Foreign Investment**

Senator BACK (Western Australia) (12:45): In five weeks time, on 23 October, a group of us will meet at Denham, near Shark Bay, in Western Australia to celebrate the 400th anniversary of the first known European landing on Australian soil—that being Dirk Hartog in 1616. We do not know whether Hartog made an investment, but we do know that he left a pewter plate that is now in the museum in Amsterdam. I have just learnt from my good colleague Senator Scullion that the Macassar community of Indonesia are known to have traded with our Arnhem Land Aboriginals well back into history. Again, we do not really know whether they made a foreign investment, but we do know that 172 years after Hartog, in 1788, Governor Phillip, on board the HMS *Sirius*, came into Port Botany and then Sydney Cove, and from there commenced foreign investment in Australian agricultural land. And what a wonderful investment it has been and continues to be. Much of the wealth and wellbeing of our country today has been dependent on agricultural investment. For how long did Australia live and grow on the sheep's back, from the wool industry?

It was in 2010-11 that then senators Heffernan, Mary Jo Fisher and I, in a rural and regional affairs committee, urged the then government for the first time ever to start recording foreign investment in Australian agricultural land. That led, by 2012, to the Gillard government trying to commence that process. I remember initially having Foreign Investment Review Board personnel—I think Treasury personnel, tax office personnel—come to visit us, and we needed to define what agricultural land is. For example, I remember asking them, 'Have you included leased land?' and they looked at me blankly and said, 'Why would we include leased land in agricultural land?' I have a couple of statistics that will interest you: in Western Australia there is about 80 million hectares of freehold land and 800 million hectares of leasehold land. As we know—and as you, as a Queenslander, well know, Mr Acting Deputy President O'Sullivan—right across the north of the country, most of the land is leasehold. In the Northern Territory only 46,000 hectares is freehold, whereas 15 million hectares is leasehold. That was the first issue they had to deal with.

The second was that we asked them, 'What if land now used for agriculture was purchased by an overseas buyer for the purpose of something other than agriculture—for example, mining?' That had not been addressed either. The last one was: 'What would happen if, let's say, a Chinese sovereign wealth fund operating through a Hong Kong bank engaged the services of two fine Australians, Cash and Back, and Cash-Back Enterprises was the Australian entity? How would you then establish any foreign ownership? I just use those two names hypothetically, of course. I am very pleased to say that, as we all now know, there was an overhaul of the Foreign Acquisitions and Takeovers Act 1975 in 2015, and we now have an accurate set of figures based on hectares rather than on value of land, which gives us an idea of who owns land in this country.
I want to put into perspective, for anyone who might be interested, what the proportion of overall overseas investment into Australia is in agriculture. In 2011-12 it represented only 2.1 per cent—$3.6 billion of the $170 billion was in agriculture. I am indebted to the library, who, in only the last few minutes, have given me the figure for 2014-15, and that figure has only jumped up from 2.1 per cent to 2.7 per cent, being $5.3 billion of $194 billion. You would be interested to know that, in fact, that most significant investors in this recent time in agricultural land in Australia have been the Canadians, including the Canadian teachers' superannuation funds. It remains a mystery and a disappointment to me that most of our superannuation funds—which are moving now to $2 trillion of funds—have not seen their way clear to invest in Australian agricultural land. We know that the UK and the US are not all that far behind them.

So who has got what in this country? We have this xenophobic view about the Chinese, but I can tell you that, of the top 10 foreign countries that invest in agricultural land in this country, first is Britain at 60 per cent and second is the United States at 16½ per cent. The Netherlands—maybe somebody listened to Dirk Hartog back in 1616!—are third at 6½ per cent. They are followed by Singapore. Fifth of the top 10 overseas investment countries is China at 1.46 thousand hectares, or 3.25 per cent. I want to put those figures, if I may, into perspective.

Do we have a concern? We have relied on foreign investment in agriculture in this country for an aeon. I am going to conclude with the experience in Esperance, where the Esperance Land and Development Company, amongst others, were the significant American investors in opening up what has become probably one of our most successful agricultural areas. I want to make this point, and I want to make a recommendation to this parliament and to government: in the past all of the investors—the British, American, whoever—have only ever wanted to invest in our supply chain and for the product to remain within the Australian supply chain, whether it has been grain or milk, or wool or horticultural products. There is a risk. What happens if a sovereign wealth fund from overseas—China is an inclusion; Qatar is another; the Qatars own more land in Western Australia than they own in Qatar—own Australian agricultural land, they grow grain, they take the grain offshore and they do not sell it? What if they actually philanthropically put it through the mills and produce flour, which they give to their poor citizens? There is no price so therefore there is no transfer price and therefore there is no tax payable back to the Australian government.

My plea is this: it is well within the right of a sovereign wealth fund from overseas to grow produce in our country, use our land, use our water, use our expertise and our supply chain logistics. I also have to say that, in that case, the Australian taxpayer does have a right to a return. My solution simply is up-front in advance to say to other countries: 'If you engage in that activity, which is fine, we will impose the equivalent of a royalty'—which, as Senator Cash and I know only too well, is what we do in the minerals industry—so that the day that grain goes across the wharf onto a ship and on its way to that country, a royalty equivalent to the value of grain in the market that day is payable back to Australia. I think that would satisfy a lot of people who have concerns.

Let me finish with Esperance, because it gives you a fine example of the capacity of overseas investors, technological expertise and money. The Americans came into Esperance—light country, trace element deficiencies et cetera—in the early 1950s and they
brought their own expertise and they failed. They came back in the sixties through the agency of Chase Manhattan Bank. Their entity was American factors, Amfac, and they established Esperance Land and Development Company. In an agreement with the Western Australian government, they would develop 100,000 acres a year of which 50,000 remained with ELD and 50,000 were broken up into 2,000-acre, what were called, conditional purchase blocks. An enormous number of young eastern and Western Australian farmers got their start in agriculture in Esperance as a result of that. ELD, because of the company philosophy, gave a lot of the work—the fencing, the dam construction, the original early clearing work—to the CP block owners, who were living in machinery sheds on the property, and in fact it was the work they did for ELD that gave them the cash flow very often to continue.

ELD became an outstanding success—eight stations, a flock of 250,000 sheep and 50,000 Hereford cattle, the biggest Hereford herd in the world. Over time they sold out, they left and what did they take with them? Did they take the soil? Did they take the fence lines? Did they take the water points? In fact, Benno Schmidt, the chairman of the company, left probably the finest Aboriginal art collection ever assembled as a gift to the people of Australia. I have got to say to you: foreign investment, the value of it—Esperance would have to be its finest example.

Dementia

Senator POLLEY (Tasmania) (12:55): I rise to speak about the Turnbull government's continued failure to put dementia at the forefront of the government's thinking and to treat it as a national health priority. Our calls over the last three years for this government to refocus its resources to tackle dementia as an immediate priority have fallen on deaf ears, as evidenced during the 2016 federal election campaign.

Today is one year since 'the Malcolm Turnbull experiment began.' Whilst the general feeling within our community is one of disappointment, I am personally not surprised. I think the fact that the Prime Minister is seen as a mediocre leader was borne out during his experience in his previous term as leader of the then opposition. Even Mr Turnbull's hunt for any achievement that he can celebrate over the first year of his leadership delivers absolutely no joy for any older Australians.

I stood here 12 months ago in this place and said the only difference between Mr Turnbull and Tony Abbott was a top hat and a different tie—and I wish I had a top hat so I could demonstrate this more clearly. Since the Prime Minister took the leadership and knifed Tony Abbott, what he has done is hold older Australians in contempt. His failures when it comes to the portfolio of Aged Care have only served to fuel uncertainty—

Senator Williams: Mr Acting Deputy President O'Sullivan, on a point of order: last night in the adjournment debate, I had to take a point of order on Senator Polley not referring to those in the other place by their correct titles but as Tony Abbott, Malcolm Turnbull et cetera. Mr Acting Deputy President, I ask that the senator show respect to those others by using their proper titles. I do not know how we can get Senator Polley to actually do this and remember to do it in future. Will you bring it to her attention, please.

The ACTING DEPUTY PRESIDENT (Senator O'Sullivan): Thank you, Senator Williams. Senator Polley, the matter has been raised before. I just bring it to your attention and ask you to have regard to it while you make your contribution.
Senator POLLEY: As I was saying, it is quite obvious that this government has failed the test. Mr Turnbull would not even get a D-plus when it comes to the way he has treated older Australians; he would get a minus-F. He has failed on every account. His treatment of the issue of dementia has been an absolutely dismal response to what is the second-leading cause of deaths in this country.

We know that this government under Mr Turnbull has slashed over $2 billion. He has used the aged-care sector as an ATM. We know that they have no real interest. We know that they have done nothing. They have put some money into dementia research but what they really need to do is support so that we can support those people living with dementia on a daily basis and we can support the carers. What we need in this country is age-friendly and dementia-friendly communities. There is in excess of 350,000 Australians who are currently living with dementia. They need more support. Their carers need more support.

This month is Dementia Awareness Month, and we know how devastating it can be for families and those who are diagnosed with dementia. The theme for Dementia Awareness Month this year is: You are not alone. It is time this government demonstrated this by putting more money into supporting those people who are taking this journey. It is so important that people who are living with dementia and their carers do not feel any less engaged, because being disengaged and not being part of the community leads to further health complications.

The diagnosis that somebody is living with dementia takes longer than it should. We need that research. But there is still stigma, social isolation and exclusion—and this has to change. If this government were to do one thing for ageing people, I think this would be a very good start. We all either have a family member with dementia or know someone who does. Dementia is not just a disease of those who are ageing. There is also early onset dementia. People in their early 30s have been diagnosed with dementia.

Quite frankly, I sincerely believe that this government can do more. They can do more in the way of putting money into research, but they also need to do more about making the public aware of dementia. You do not have to be put away somewhere in a residential facility just because you have been diagnosed with dementia. There are many things that we can do that can help those living with dementia to keep that journey at bay. We know there is some great research being done and, from the time I have spent visiting people who are running facilities and doing research, I know that what they are doing is going to have fantastic benefits for those who are living with dementia.

We are not alone here. This is a global epidemic that is happening. We have got to a critical point where we need to ensure for those people living with dementia, their families, our communities and the aged-care sector that we have adequately funded policies that respond to the complexity of dementia care. We need dementia-friendly communities. That is something that the shadow minister for ageing, Shayne Neumann, and I have worked tirelessly to get support and funding for. We want dementia-friendly communities established and supported going forward.

I recently visited Alzheimer's Australia VIC to see yet again the innovative ways that they are thinking about how they can help those people living with dementia in our community. They do a wonderful job. Those people are so committed to improving the lives of those living with dementia and also their carers. There are some great, innovative things that will be released later this year. There is some really exciting use of technology and there are projects
that I am sure will be so welcomed by those people living with dementia and their carers. But this work has to continue, and this Liberal government have a responsibility to get behind Alzheimer's Australia and to do more.

As I have said, we have now had one year—one very long year—of Mr Malcolm Turnbull being Prime Minister of this country. When he took over, he said he would not be using three-word slogans. But what did we have through the federal election campaign? We had the former member for Bass using the chant every morning to get himself and his staff motivated, 'Jobs and growth. Jobs and growth.' That is a slogan. So we have seen nothing different from this Prime Minister.

He said that he would have an economic plan for the future of this country. What have we seen? We have seen nothing except a thought bubble passing over him that said, 'Let's increase the GST to 15 per cent on everything.' That was his economic plan. But not even the Department of Finance would support that, because they knew that was not going to make the necessary changes that we need in our economy without compensating a lot of our community members, which would have made it impossible to see any real benefit from the increase.

But he did not stop there. He went over to Western Australia. I like that state, but he went to Western Australia and said to the Western Australian people, 'Your government needs more money. It needs a bigger share of the GST.' I have said in here time and time again, the reason we have a Federation and a Commonwealth is to ensure that the smaller states such as Tasmania, my home state—it is also that of Senator Brown and Senator Urquhart, who are here and who I know would support me on this—have our fair share of the GST funding.

There are so many issues when it comes to the disappointment that the community feels about Mr Turnbull being the Prime Minister of this country. We know that he is already punishing Tasmania for not supporting his members. We got rid of the three amigos in Tasmania by winning back those seats with fantastic candidates who are now excellent members—the Hon. Justine Keay, Ross Hart in Bass and Brian Mitchell in Lyons—who will be responsive to their communities and their electorates, unlike the former members.

This government have learnt nothing. The Prime Minister himself has learnt nothing from that election campaign. On election night he was a man who was looking to blame everyone else for their election result rather than looking in the mirror at himself. He lost 17 members from the government benches. But who did he blame? He blamed what he said was a Medicare scare campaign. Our money was right on the nozzle when it came to what this government planned for Medicare. They are about privatisation. *(Time expired)*

**Oil Exploration**

**Senator HANSON-YOUNG** (South Australia) (13:06): I rise today to speak about a very special and precious place in my home state of South Australia. Last week, I was lucky enough to spend two days on the west coast in my home state, from Ceduna to the beginning of the Nullarbor region—a very, very precious and special spot, indeed. I was on a fact-finding mission, talking to local environment groups, traditional owners and industry representatives about the very real threat of BP's plans to drill for oil in the Great Australian Bight.
The concerns of the community that I heard were serious and widespread. The people and organisations I spoke to charged me with the job to come back here to Canberra and make sure people know just what is at risk if BP get the opportunity to drill for oil in what has already been earmarked, agreed and legislated to be a marine park, a protected area.

From primary industry groups to ecotourism operators, traditional owners and environmental activists, there was one clear message coming from all of them: the Great Australian Bight is a national environmental treasure that is too precious to put at risk. The parliament has to step up here because at the moment there is no opportunity for the people of South Australia or indeed for the rest of the Australian community to stop this devastating project from going ahead. The parliament must step up and step in to make sure that this national treasure is protected for generations to come.

I will be introducing a bill later this week to ensure that we have the laws to ban this type of operation from happening, to protect this very special and spectacular marine park that BP wants to put at risk. If BP is given approval, it will not just be BP—and I think this is really important to understand—but it will be Chevron and it will be Santos. There will be a long line of oil-drilling companies that want to get into that marine park and drill for profit, putting at risk the local fishing industries, putting at risk the protected marine life and indeed putting at risk the very important tourism industry which is a key aspect of South Australia’s economy. Seriously, what is the point of having a marine park if it is not actually protected? What is the point of it? We have a marine park where we have a whale calving sanctuary, with whales that were endangered finally starting to reproduce in numbers that can be sustained, and we could have an oil company able to just go in and start drilling for oil.

Of course BP has not a very good record on keeping things like this safe. This is the very same company that is responsible for the Gulf of Mexico spill which, billions and billions of dollars and many years later, still has not been cleaned up. An entire fishing industry and the marine life in the Gulf of Mexico have been decimated because of the inability of BP to keep its drilling safe. Now we hear that BP wants to put at risk the Great Australian Bight, including the whales, the dolphins, the fishing industry, the oyster growers, the tuna industry. All of those will be put at risk if this company gets a foothold inside the Great Australian Bight.

The regulating body, NOPSEMA, is due to report back on one of BP's applications on Monday, 19 September. That is less than a week away yet still in this place we have not heard enough. We have not seen enough of a fight from either my fellow South Australians senators or indeed from the Minister for the Environment and Energy or from the shadow minister for the environment to make sure that this operation is put to a halt. The Greens are calling for the decision to be delayed because it is important that everybody understands what is really being put at risk and for there to be greater scrutiny on the proposal.

This precious marine ecosystem and the numerous local industries, including fisheries and ecotourism operators, deserve the right to know what is going on, what is at risk. They deserve the right to protect their precious environment and to keep their own industries afloat. The bight is an essential sanctuary for the southern right whales. It is a feeding ground for threatened sea lions, sharks, tuna and migratory sperm whales. We cannot afford to put any of that at risk yet here we have BP knocking at the door, demanding that it gets its slippery
operations, its oily operations right in the middle of what is already meant to be a protected marine park.

It was said recently that oil rigs poised to be used in BP’s operations in the bight could potentially use faulty equipment that even the US regulators say is very likely to cause yet another catastrophic incident. This revelation in itself should be enough to put the brakes on approving this disastrous project from going ahead. NOPSEMA must delay its decision. We must know exactly what is going on with the use of these dodgy bolts. You would not get on a roller-coaster if you knew the bolts were dodgy yet that is what BP is asking us to do.

I tell you what, South Australians are not going to stand for it. South Australians right across our state are terrified of the idea of our fishing industries being destroyed if indeed there is a catastrophic incident. Our tourism industry is terrified of what will happen if BP and the rest of the oil companies get approval to start drilling in this very precious area.

The Greens, along with Senator Xenophon and some others, are trying to re-establish a Senate inquiry which would be able to get some of this information out into the public arena. But actually it is essential that NOPSEMA delays its decision this coming Monday before it risks the environment, our marine life, the fisheries and our tourism industry by just ticking off on this approval without giving South Australians and the rest of the country all of the facts and information.

This essential ecosystem must be protected. The extremely vulnerable southern right whale population is only just starting to rebuild. While I was on the Nullarbor last week, I was lucky enough to see the whales with their babies in the calving sanctuary, a very special place on the head of the bight where you can see from land many of these whales playing and swimming in the water. This is an incredibly special place. There is nowhere else in the world where from land you can count 98 of these magnificent creatures with the naked eye and be proud of our country’s environment. Our state should not be exposed to a Gulf of Mexico style disaster, and the Greens will continue to stand with environmental groups, local communities and industry organisations and groups to stand up against BP drilling in the bight and in our state.

A lot of the locals in this area are frustrated that they have not been consulted or given all the information. I met a lot of great people in Ceduna and along the west coast. I want to make special mention, though, of Deb and Leon Kloock, who operate Coorabie Farm Stay. It is a sheep farm, but they have now had to diversify and they allow tourists to stay on the farm with them. It is a wonderful initiative and a gorgeous place in South Australia. They are both fourth-generation farmers, and they are worried that they do not have all the information and that people have not been totally up-front about the risk that BP wants to put their community and their environment under. It is important that these local communities and all other South Australians are not left in the dark. That is why I call on NOPSEMA today to delay the decision and start being straight with the South Australian community.

Middle East

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (13:16): I am grateful for the opportunity today to make a contribution on a subject that is important to me but I think also important to the friends of freedom and democracy in this Senate chamber, in our country and around the world. That, of course, is the issue of safety and security for the state of Israel.
As a patron of the Friends of Israel in Western Australia, it was my distinct pleasure recently to host a small gathering which included a fascinating presentation by Mr Simon Henderson, who is a Baker fellow at the Washington Institute. Simon Henderson is considered one of the world's foremost experts on Middle East issues, particularly on the conservative states of the Persian Gulf and on energy matters. He has garnered significant on-the-ground experience dealing with those matters, not just in his present post but also as a journalist with the Financial Times and the BBC in London.

Simon's presentation to those of us fortunate enough to meet him during his recent visit to Western Australia focused on Israel's relationship with the Sunni Arab world. The insights he shared were fascinating, because I think for most Australians, to the extent that we pay attention to the Middle East as a region, that term has become a byword for the Israeli-Palestinian question. But as Simon's presentation showed, there are many, many moving parts to this sensitive global issue, and those moving parts are changing the nature of the region and will have a significant impact on the Israeli-Palestinian question over time.

Of particular note in this regard is the noticeable thawing that is taking place in connection with Israel's relations with Saudi Arabia. There is now considerable evidence that those two nations are taking positive steps towards friendlier relations in politics, economics and security. Recent developments have included a Saudi delegation that visited Israel in July this year to explore matters of mutual interest, and very high-level discussions between members of the Saudi royal family and officials close to Israel's Prime Minister, Benjamin Netanyahu. This is particularly driven by commercial considerations, to be sure. But, equally, the changing nature of the relationship is being driven by security considerations, in particular in relation to Iran, and a shared concern—unfortunate as it is—that the United States may not be able to be relied upon to act in the region as it has done so competently in the past. These are early steps, and they are very tentative, but we must be realistic about the capacity for change after so many decades of open hostility. But, as we consider our own attitudes to the Middle East, they are developments we should keep in mind.

When we are in the midst of continuing debates about freedom of speech and participatory democracy here in our own country, where I think we can sometimes be a little too blasé about these things and take them too easily for granted, it is important to hear about those parts of the world where those rights and freedoms are perhaps a little more fragile. The links between Australia and Israel are fundamental and enduring. All Australians need to recognise and understand that, despite our geographical distance from these places and these events, what is occurring in the Middle East is very, very relevant to our own experience, especially in a world that is increasingly connected and which faces new and complex security challenges.

It is very tempting to think of these things as being a long way removed from us in our comfortable Australia. But that distance exists only in a geographical sense; it does not necessarily apply in a cultural sense. Those values for which Israel stands—personal freedoms and democracy above all else—are also the values for which Australia stands and which Australians have fought and died to protect for generations. If we want to preserve the values that underpin our open, democratic societies, we will have to work resolutely with each other to defend and protect the freedoms we hold dear. And we need to understand the threat that exists to those values not only in our own region within the world but also in a global
sense. That is why the continuing attacks we see on Israel and on Israeli citizens on an all-too-
regular basis are unacceptable.

Even more unacceptable are the continuing attitudes that exist in some quarters that seek to
glorify such hostility and attacks. We have seen it again in just the past couple of days, with
the Fatah organisation, headed by Mahmoud Abbas, using its Facebook page to celebrate—
using social media to celebrate—the anniversary of the terrorist attack on the 1972 Munich
Olympics, when terrorists took Israeli hostages and demanded the release of 236 prisoners
from Israeli prisons. In the end, 11 Israeli athletes were murdered by the terrorists. This week,
using the anniversary of those killings, Fatah called these events a 'heroic operation' and
sought to glorify the event by publishing photos of the terrorists carrying out the attacks and
praising 'the courage of the Palestinian resistance fighter', whilst leaving the Israeli victims
unnamed. This sort of thing, sadly, is not atypical. No Australian could possibly hold
sympathy with, or defend, the outrageous behaviour of some Palestinian clerics who actively
encourage their followers to murder Jews at random on the streets of Afula, Tel Aviv and
Jerusalem. No Australian could possibly support the words of Palestinian President Abbas—a
self-proclaimed moderate, we are told—who has told his people, 'Every drop of blood spilled
in Jerusalem is pure,' and said that murderers will be 'rewarded by God'. These are not the
words of a moderate, I would argue. No Australian should be unconcerned by a situation
where new generations of Palestinians are having their minds poisoned through disgusting
anti-Semitic propaganda campaigns that only serve to make the already difficult goal of peace
even more difficult—more difficult for this generation; more difficult for future generations.

This is why I am particularly proud and honoured to be a patron of the Friends of Israel in
my home state of Western Australia. It is why I was pleased to attend the organisation's recent
annual general meeting, at which the long-serving chairperson, Bob Kucera, handed over after
six years in the role. Bob Kucera, for those who do not know, was a state Labor minister in a
former state Labor government in Western Australia and was a very distinguished policeman
in the Western Australian police force before entering politics.

As Bob Kucera noted in his address that day, Israel is not what is wrong with the Middle
East; Israel is what is right with the Middle East. He went on to note—and I am quoting now
from Bob's address:

Israel celebrates life and fiercely protects those basic human rights that are now reviled and used as a
weapon against some of the most vulnerable nations in their region, and now across the world. That is
why as Australians we must support the only nation in their region that stands as a bastion against the
assaults on our values, our freedoms and the democratic principles that serve us all so well.

I think it is worth acknowledging some of those who work as part of the Friends of Israel WA
committee because their contributions have been crucial in getting this message out to
Western Australians. In his last address as the chairman—remembering, of course, that he had
been the founding chairman and chairman for six years before giving up the role recently—
Bob went on to say:

It is always dangerous to acknowledge individuals because often you leave out someone that has
contributed so much, but can I thank all of my outgoing committee members and committee friends—
Deputy Chair Graham Lienert, Steve Lieblich, the irrepressible JJ Jermalinski, our wonderful newsletter
and web editor, Judith Lewis, Lauren Cayoun, Melanie Jones, membership officer and pamphleteer
extraordinaire, Joanna Fox, Feamma Brass, Paul Mortley and many others—
who support the cause of Israel in Western Australia. He goes on to say a very special thanks to the committee's treasurer, Ian Klevanski, and his lovely wife, Illana, who ensure the viability of such an important organisation. He went on to thank Ruth Marion from Bridges for Peace, whose 'boundless enthusiasm is infectious' and who 'epitomises the Christian support' that Israel continues to enjoy.

May I congratulate Bob Kucera and all of the Friends of Israel committee for the outstanding work that they have done over the last year, and for Bob's contribution, in particular, over the last six years in reminding us in my home state of Western Australia how important it is to maintain a strong relationship with Israel.

**Indigenous Affairs**

**Senator LINES** (Western Australia—Deputy President and Chair of Committees) (13:26):

Recently, I had the privilege of visiting two of the 11 community partners in a program called the National Empowerment Project. I visited the Queensland communities of Cherbourg and Kuranda. I thank Bronwyn Murray at Cherbourg, and Glenis Grogan, Denise Tranby and Barbara Riley at Kuranda for their warm welcome, their frankness and their willingness to share to enable me to learn more about the National Empowerment Project.

One of the very noticeable and standout features of the NEP, as it is known locally, is the involvement of strong powerful women at all levels of the partnership. I thank our University of Western Australia team in Professor Pat Dudgeon and Adele Cox—two more strong, powerful women—for taking the time to explain the program to me and for organising the Queensland visit.

The National Empowerment Project is a universal strategy which promotes social and emotional wellbeing and works to reduce community distress and suicide in Aboriginal and Torres Strait Islander communities. The University of Western Australia project and its partner organisations took their learning from the Kimberley Empowerment Project, which was in response to a rise in the suicide rate within that region. Sadly, and profoundly, the Kimberley region has the highest level of suicide in the country—and, worse still, the highest rate for first-nation peoples in the world.

The National Empowerment Project receives funding from a range of sources, including the Commonwealth government. But the problem, particularly with the federal funding associated with this program, is that it is grant based, and that it has to compete with other requests for funding. The program, unlike many in the Aboriginal and Torres Strait Islander community, is developed, managed and led by Aboriginal and Torres Strait Islander people. At its genesis is cultural identity, colonisation, dispossession and dislocation. Many of the trial sites were former reserves or church-run institutions, some the subject of the royal commission into institutionalised abuse of children. The sites were identified through local community consultation—absolutely with Aboriginal and Torres Strait Islander people. These consultations explored each community's readiness to engage as part of the project and its ability to develop and deliver local empowerment, local healing and local leadership programs. Consultation is a fundamental part of the project. Each community has unique challenges and issues, although early evaluation identifies universal themes.

One of the reasons I went to Queensland to look at the Cherbourg and Kuranda communities was that the Queensland Labor government had put additional funding into the
project through its Mental Health Commission. I applaud the Queensland government for having the confidence to invest in this truly outstanding project. Cherbourg and Kuranda are both former missions, where many different groups with different languages and cultures were brought together. Both communities are acknowledging these different historical identities. Cherbourg has plans to host a ceremonial corroboree to acknowledge its past and the make-up of its communities, which comprise traditional owners and those who were forced there during the mission days, brought from elsewhere—families fragmented. The idea of the ceremonial corroboree to welcome everyone to the community originated from some of the community consultations.

The National Empowerment Project has six guiding principles. It was principle 2 in particular that we saw in action in the communities of Cherbourg and Kuranda. Principle 2 states:

Our work must be grounded in community, that is, owned and guided by community. Our work needs to be sustainable; strength based and needs to build capacity around local Aboriginal and Torres Strait Islander cultures. Our work should be a process that involves: acknowledging what the people of local communities are saying; and acknowledging community values and beliefs. All mobs in a 'community' need to have leadership to control their lives and have pride over what belongs to them. Our work will share learnings with all those involved and these should be promoted in other communities. Our Projects should be sustainable both in terms of building community capacity and in terms of not being 'one off' …

Which is the problem with granted based funding. I will finish the quote by saying:

… they must endure until the community is empowered. Part of our mandate is to provide Aboriginal and Torres Strait Islander workforce and community members with tools to develop their own programs.

In Cherbourg we saw the program in action and got to speak firsthand to participants like Bronwyn, who is leading the program in Cherbourg, who were very willing to be open and honest with us. One of the participants told us that she suffered from depression and her husband had recently been diagnosed as bipolar. She told us the program had enabled her to understand her depression and understand her motivations and her life. This comment by that woman in Cherbourg is echoed by many participants across all 11 sites. Bronwyn described to us that during the program participants had a light-bulb moment. Women in Cherbourg who had done the program were also coming back with their husbands and partners and talking to others in the community about the benefits they felt the program offered and were encouraging others to do the program.

In Cherbourg, Glenis Grogan, a long-term campaigner, and someone who worked at Curtin, in Western Australia, very many years ago, told us about a woman who had lost her children. They had been taken and were being cared for by her mum. The woman's goal was to regain the custody of her children, in and of itself a big step. In order to achieve this, the woman set goals: she would need to get a job and a house—again, very big steps. But through the program, and ongoing support in her community, this woman now has a job, a house and, most importantly, her children.

If we stop and think about it, this single achievement by this woman has a ripple effect through the community: her children returned to her; her personal wellbeing as a mother absolutely improved and enhanced; the children's lives back on track with their mother; having a job means she spends money in the community, and having a job builds her self-
esteem; and having a house provides a stable environment for the future. This story is a strong embodiment of principle 2, strength based and building capacity.

I turn to some of the other themes that came out. What the participants start with, in a very challenging environment, is being asked to tell their story, and their story starts from whenever they choose it to start. Some of the emerging themes across all of the 11 projects are: people talking about the opportunity to learn about their culture; learning patience; working to be happy; moving forward; looking after themselves; and learning more about their family. Some have said it is a second chance in life—a chance to finally be who they really are, to turn their lives around. Others put family and community first—they learnt to put their families first: finding myself again; looking after my family; and 'come heal, come rest, come home'.

But, not to gloss over it, there are problems in those communities. But when we give Aboriginal and Torres Strait Islander people the opportunity to lead, to develop and to manage these programs we see the results, and the results are there to be seen at Cherbourg and Kuranda. I urge the federal government to stop the grant based funding to these programs and get on board and, through COAG, urge our states to get on board. Suicide is an absolute crisis in these communities and this project is a step along the way to giving people a sense of themselves, therefore stopping suicides. I urge the government to get on board.

**Aged Care Funding Instrument**

Senator GRIFF (South Australia) (13:36): Firstly, I would like to state that this is absolutely not my first speech. However, I am certain that what I rise to speak on today will very much feature in that first speech in the coming weeks. I rise today to speak on the state of the aged-care sector and the impact the cutbacks will have on millions of our senior citizens. In particular, I wish to highlight the impact of proposed changes, and the coalition and the opposition's stonewalling of an inquiry into changes to the Aged Care Funding Instrument.

Yesterday, I co-sponsored a motion moved by Senator Siewert to refer changes to the Aged Care Funding Instrument, announced in the 2015-16 Mid-Year Economic and Fiscal Outlook and the 2016-17 budget, to the Community Affairs References Committee for inquiry. The terms of reference were not partisan; they were based on genuine and widespread concerns in the sector about the impact of those changes to the Aged Care Funding Instrument. The inquiry sought to examine a number of key and critical issues, including the impact of $1.6 billion in cuts on service delivery and the level of care that older Australians receive, including in regional and remote communities. The inquiry also sought to look at the impact of these deep cuts on the sector, including the sector's capacity to deliver complex health care and the ongoing viability of the sector.

The proposed inquiry's terms of reference also sought to examine the impact of these cuts on state and territory governments, if health systems are required to provide more complex care as a result—in other words, the classic cost shifting and the handballing that occurs between state and federal governments all too often in our federation. The terms of reference also, very reasonably, sought to examine the assumptions and data underlying the projections by the government—essentially, asking for transparency in the process of decision making that very much has been lacking to date. The last, but certainly not least, term of reference
sought to inquire into the consultation process with consumers, with community groups and with aged-care service providers in relation to these changes.

Inexplicably, that motion, based on genuine concerns for our senior citizens, with terms of reference that could not in any way be described as being partisan, was opposed by both the coalition and the opposition. I, together with my colleagues Senators Xenophon and Kakoschke-Moore voted for the motion, but the sheer weight of numbers from the coalition and the opposition defeated it. If the Senate is meant to be a genuine house of review, as it has been intended under our Constitution, then not having this inquiry goes against what the Senate is meant to be about.

The government did not even have the courtesy to provide an explanation for obstructing this inquiry. The opposition did, and Senator Gallagher stated:

This proposed inquiry, rather than addressing concerns with aged-care funding, would just give the government an excuse to delay engaging on the issue.

I am sorry, but that has to be an incredibly lame excuse to walk away from such an issue that will literally affect, in coming years, over millions of elderly, frail and vulnerable Australians. The real reason, it seems, is that the opposition has made a commitment to go ahead with these massive cuts to the aged-care sector. Despite the noise that the opposition have made over aged-care funding cuts and the state of our aged-care sector, why do they think it is still okay to cut funding from aged care? And why are they too frightened to agree to a Senate inquiry for proper scrutiny of these savage cuts?

What these cuts will do to aged-care sector residents is vicious and cruel. Despite the numbers of senior citizens being affected by these cuts, the federal government and the opposition have joined forces to agree to cuts of $1.6 billion—and that is only scratching the surface. Modelling undertaken on behalf of key stakeholder groups, Leading Age Services Australia, UnitingCare Australia, Aged & Community Services Australia and Catholic Health Australia, suggests that these cuts may actually result in the average resident having their funding cut by $6,650 a year and the frailest as much as $18,000 a year. In a report prepared on behalf of these peak bodies, it was suggested that the government has significantly underestimated the amount and the impact of the proposed funding cuts, with the cost expected to be in excess of $2.5 billion over the next four years—nearly $840 million more than the government's forward estimates.

Yesterday's motion presented an opportunity for a sensible, considered review into these cuts. What we ended up with instead was a tit for tat between the major parties. On the one hand, we had the government trying to justify the cuts by saying that some aged-care providers are abusing the system. On the other hand, we had the opposition slamming the government for refusing to release their modelling but not doing anything about it. So not only do we have funding cuts to the aged-care sector but now we also have both major parties joining forces to stonewall a much-needed inquiry into the cuts. An inquiry could address the government's concerns surrounding abuse of the system by, I believe, a small minority of aged-care providers as well as provide the modelling that these cuts are based on. An inquiry would also serve as a useful platform and a critical voice for those suffering from the funding cuts. It would place some much-needed pressure on the government to shine light in the dark corner that is our aged-care sector.
Ultimately, the changes to the aged-care sector will mean people with complex health needs will miss out on funding. These changes are an act of recklessness. These changes are an act of great foolishness. But those who will suffer are not the bureaucrats and politicians but those most vulnerable, who often have no voice. These changes will not save money; they will simply result in a cost-shifting exercise from the Commonwealth to the states, as more aged-care facilities will be unable to treat complex health-care patients because payments have been slashed. Those in the aged-care sector will be relegated to the state hospital system, where costs are about five times as high. Considering the differences of Commonwealth funding of about $165 a day compared to $1,000 a day in a hospital, it is the worst sort of false economy. It is inevitable that, when this comes into force on 1 January 2017, we will have state and territory health ministers, premiers and chief ministers squealing about the amount that they will have to pay for complex health-care patients in their public hospital system.

Given that the changes are permanent, there will be long-term ramifications for the most vulnerable residents and the providers that care for them, including those in regional and remote communities. My state of South Australia, with the oldest demographics on the mainland, has, proportionately, a significant number of people requiring aged-care assistance in Australia. I have received countless inquiries from concerned constituents—from senior citizens themselves to their children and grandchildren—deeply concerned about the impact of these cuts.

Yesterday was my first attempt at addressing this most important issue, and I, along with my Senate colleagues and Rebekha Sharkie, the member for Mayo, will continue to fight against these cuts. We will fight for fairness in the Aged Care Funding Instrument and to ensure our senior citizens are treated with dignity and respect. The decision of the major parties to kill off the inquiry yesterday was undignified and disrespectful to our senior citizens. But I assure you that that will only strengthen our resolve to support our frailest and most vulnerable Australians.

**Curtain, Sir Michael, KBE**

**Jones, Mr Ewen**

**Senator IAN MACDONALD** (Queensland) (13:45): There is not often, in this place, a lot of opportunity available to senators to place on record, in a timely fashion, tributes such as those that I want to make to two men who, apart from both being from Townsville, do not have a lot in common. One, sadly, passed away just last weekend, and the other is very much alive.

Last weekend the north lost one of its visionaries with the passing of the late Sir Mick Curtain. Sir Mick was an innovative, forward-looking and courageous entrepreneur whose business empire extended from North Queensland to our nearest neighbour in the north, Papua New Guinea. Sir Mick and his brothers established themselves out of Townsville but into PNG in 1966, starting out as civil engineers and construction operators. Today their operations extend to mining, bridge and dam construction, shipping and wharf construction, major infrastructure and property development and building construction. Sir Mick's work created new businesses in both North Queensland and PNG and provided many with work opportunities, for people of the north and for Papua New Guinean locals alike. Much of the activity in the Townsville port area is the responsibility of, or as a result of the good work of,
Sir Mick Curtain and his company, Curtain Bros, and their shipping line, which operated regularly between Townsville and PNG. The other major involvement of Sir Mick in business was the quite significant work that he did in Port Moresby, particularly with the establishment of the new port area at Motukea. These two activities of Sir Mick are lasting testaments to his vision and energy.

Sir Mick was a guy who did not like publicity. He did not like the limelight. But I do know that he was a person from whom prime ministers and senior ministers in both Australia and PNG often sought counsel. Over the years I have had the privilege of visiting Port Moresby and seeing at first hand the impact of the development and investment in that city that Sir Mick originated and the impact that that has had on the PNG economy. Such was the effect of Sir Mick’s contributions that in 2005 he was knighted by the Papua New Guinean government for his efforts—an accolade that was so richly deserved for his help in developing that nation's economy.

I am not sure if too many senators have been to Port Moresby. It is a place where we, as Australians, perhaps should be more involved—as we should be in the whole of the country of Papua New Guinea, our nearest neighbour. But Sir Mick's work at Motukea and in the main township area of Port Moresby was really quite outstanding. He converted what was a remote little island in the Port Moresby harbour area into a modern, efficient working port that recently the PNG government has bought into and moved the main shipping areas of Port Moresby down to Motukea. It is a testament and a memorial that will live long after Sir Mick.

I particularly remember, on one of my visits there, how proud Sir Mick was to introduce me to a group of young people. And I have to say: most of them were women. These local women and men were being trained in the trades, as boilermakers, plumbers and mechanics—in all the engineering skills that Sir Mick was involved in in his establishment at Motukea. He was very proud of the fact that he was teaching these young PNG locals—and, particularly, a lot of women—these trades and skills that would do them well during the rest of their lives.

I extend to Lady Jennifer Curtain and her family my condolences on their loss. As a nation, we have lost a great innovator and visionary. Rest in peace, Sir Mick.

The other person I want to pay tribute to, who also hails from the Townsville area, is Ewen Jones. Unfortunately, from my perspective, we heard yesterday that my political party, the Liberal National Party of Queensland, would not be taking to the Court of Disputed Returns the result in the electorate of Herbert. That was a decision made by the lawyers, on the evidence that they had before them and, no doubt, on the very best legal understanding of the situation.

I was disappointed, and I had hoped that there would be a reference to the Court of Disputed Returns because there were simply so many irregularities in that poll that I thought the matter deserved closer scrutiny by a court. I do not have time and do not want today to go into the irregularities, but I intend to raise them during the course of the Joint Standing Committee on Electoral Matters' inquiry into the 2016 election.

There was clear evidence of hospital patients being told by the AEC that they would be around to collect their votes during polling day and that they waited all day and the AEC simply did not turn up. There were other reports of people wanting absentee votes in other
parts of Australia and simply not being able to vote because there were not any envelopes to put the absentee votes in. They are just a couple in a long list of irregularities.

But today I just want to pay tribute to Ewen Jones, who was the member for Herbert for six years. Ewen, as I say, is very much alive, and I certainly hope we will see him back in public life at some time in the future. He had a difficult job in the last election. There were nine candidates, and all of the other eight candidates did not preference him, which was unusual, with a couple of the parties—parties like Family First and even One Nation and even perhaps Mr Katter, who we would normally expect would preference us over Labor—having open tickets, which resulted in a very poor preference flow. But that is the past. I just want to pay tribute to what Ewen Jones has done in the six years that he has been the member for Herbert. There have been enormous advances in the community based in Townsville, and I know that a lot of those advances result from Ewen Jones’s own enthusiasm, his telling way of putting the argument and the way that he was able to get things done where perhaps others would not have achieved that.

Time does not permit me to mention all of Ewen’s successes, but I do particularly want to mention the eastern rail corridor, which will mean so much to Townsville and its advancement; the stadium and the City Deals program, which Ewen was very much involved in devising; and the Singapore defence deal, which will mean $1.2 billion worth of Singapore money coming into Townsville with Singapore’s defence forces as they train there, thanks to work that the coalition government has done with the Singaporean and their defence forces. These are just a few of the many things Ewen Jones was involved in, and certainly the roadworks that you see everywhere around Townsville are a tribute and a monument to the work he has done.

Ewen was a great guy. He was very helpful. His life was devoted to helping other people in the Townsville region. As I said earlier, I certainly look forward to the day when Ewen will be back in public life, continuing his contribution to Townsville and the North and to all of those people he has helped and will help in the future. Thanks, Ewen, for everything you have done.

**Government Procurement**

**Senator McALLISTER** (New South Wales—Deputy Opposition Whip in the Senate) (13:55): Earlier this year the New South Wales Liberal government faced a choice. It needed to purchase new trains, a contract that would be worth billions of dollars and hundreds of jobs. The Baird government had the option in that process to choose a consortium that promised to manufacture the cars in a new facility in the Illawarra—a region that I think we could all agree deserves a break—or to pay slightly less to have the trains constructed in Korea. The Liberals chose Korea.

We have limited information about the basis for that decision, and that is part of the problem. The New South Wales government, in this and in so many other things, has kept the contract a secret. What we do know is that this contract is worth over $2.3 billion, and that is money that could have been invested in Australia. It is a contract that will involve hundreds of well-paid skilled manufacturing jobs, and it would have provided the opportunity for hundreds of new apprenticeships that could have assisted us in tackling very high rates of youth unemployment in our regions. We have some fantastic advanced manufacturing businesses in Australia, and we have highly trained and capable workers who staff them. Both
EDI and UGL in the Hunter are more than capable of building this rolling stock. If we want to keep building things in Australia then we need to keep giving these businesses work.

I am not saying we should rebuild tariff walls, and I am not saying we should contract only with government owned firms or only with Australian firms. Sometimes sending work to the cheapest provider will be the right decision, but it should not be an automatic and reflexive decision. It is time to explore the possibility that we can have something more thoughtful than a doctrinaire approach to government procurement. I want to put two propositions.

The first is that we should think about coordinating our procurement in the rail transport sector. As we have seen with submarine procurement, the valley of death between contracts is a very significant issue for advanced manufacturers. Having a system for staggering orders for rolling stock across state governments, all of which need to procure significant volumes in the coming decades, has the potential to create significant economies of scale and drive down the costs of building in Australia.

The second is that we need to move beyond just comparing price tags as though we are shopping for a toaster. Government must take into account the economy-wide impacts of big procurements, and they should make it public when they do so. The Baird government justified their decision by saying that buying from overseas was better for taxpayers because it was 25 per cent cheaper than building here. There was not much public data available to support that, but that was their assertion. The Australia Institute has done some preliminary analysis. They acknowledge that their analysis is limited by that lack of data. Nonetheless, they found that building in New South Wales could have created thousands of jobs in the supply chain and in support industries. They found that the tax revenue to the New South Wales government from this economic boost could under some circumstances be more than the savings that would be achieved by sending the work overseas.

It is not just the question of tax revenue. The government sector is economically important in a way that the Liberal Party does not seem to appreciate. There has been a lot of celebration of the fact that we have had 25 years of continuous economic growth. However, we would not have had 25 years of continuous economic growth without government spending. In fact, last quarter our economy would have shrunk if not for a surge in public investment and public spending. Australia has a mixed economy in which government plays a role, and Labor is not ashamed of that fact. We recognise the important role of government in our economy. That is why in Victoria the Andrews government has stipulated a local build for its train contract, with at least 50 per cent local content required. That is why, federally, Labor were committed, when we were in government, to helping the steelworks in Whyalla and helping the steelworks in the Hunter, leading by example and working with Australian steel producers and their supply chains to maximise the use of Australian steel in government funded infrastructure projects.

The Baird government may say that we cannot afford to build these trains locally. Well, we just cannot agree. Labor say that we cannot afford to ignore our local businesses, to ignore our local workers and to ignore the benefits of building in Australia for our economy.

The PRESIDENT: Order! It being 2 pm, we will proceed to questions without notice.
MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): I advise the Senate that Senator Fierravanti-Wells will be absent from question time today and tomorrow due to ministerial business overseas. In Senator Fierravanti-Wells's absence, I will represent the international development and the Pacific portfolio.

SHADOW MINISTERIAL ARRANGEMENTS

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): by leave—I advise that Senator O'Neill has been appointed to serve as shadow assistant minister for innovation and shadow assistant minister for mental health, and I congratulate her on that appointment. With this appointment and the appointment of Senator Gallagher as Manager of Opposition Business, there are some changes to the shadow ministerial representation in the Senate. I seek leave to have an updated shadow ministry list incorporated into Hansard.

Leave granted.

The document read as follows—

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QUESTIONS WITHOUT NOTICE

Turnbull Government

Senator KETTER (Queensland) (14:01): My question is to Senator Brandis, the Minister representing the Prime Minister. I refer to the Prime Minister, who, on deposing former Prime Minister Tony Abbott 12 months ago, said, ‘Ultimately, the Prime Minister has not been capable of providing the economic leadership our nation needs.’ The Australian Bureau of Statistics most recent Wage Price Index shows the total hourly rates of pay, excluding bonuses, grew by only 2.1 per cent in the year to June. Can the minister confirm that this is the slowest rate of wages growth in the 20 years the ABS has been tracking this measure?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:01): Senator Ketter, thank you very much indeed for that question, because it gives me the opportunity to acquaint the Senate with the good economic news and the very strong economic performance—

Senator Kim Carr interjecting—

Senator BRANDIS: The question, Senator Carr, was about the government's economic performance, so let me tell you, Senator—

The PRESIDENT: Pause the clock. Senator Wong, a point of order?

Senator Wong: I rise on a point of order going to relevance. The question was one question: is this the slowest rate of wages growth in the 20 years the ABS has been tracking the measure? That is the only question that was asked.

The PRESIDENT: That is correct. That is the question. The minister had only just commenced his answer.

Senator BRANDIS: I am going to address your question, Senator Ketter, but I think I am at liberty, Mr President, to give some context to my answer. Senator Ketter, we learned recently that economic growth in this country has risen to 3.3 per cent—one of the strongest economic growth figures this country has enjoyed for years and an exceptionally strong figure by international comparisons. Senator Ketter, during the last year of the government of which you were a member, economic growth languished at 1.9 per cent. Exports today are 9.6 per cent higher than they were 12 months ago—the strongest growth of exports in 16 years. Jobs growth in the last year of the government of which you were a member, Senator Ketter, was 86,000 additional jobs in that year. In the past year, it was nearly 220,000—2½ times the rate of growth in the last year of the government of which you were a member. Senator Ketter, you asked me—

Senator Gallagher interjecting—
The PRESIDENT: I think, Senator Gallagher, the minister was coming to the question.

Honourable senators interjecting—

The PRESIDENT: Order! Could I just indicate, both to people asking questions and to people responding to questions, the chair does need some comfort to know the question will be addressed. That comfort was given after the first point of order. I am taking the Attorney-General at his word. It would assist if the question was addressed early on in the answer, but the Attorney-General was right; he has the right to have context around the question.

Senator BRANDIS: Thank you very much, Mr President. You have the wisdom of Solomon, as always.

The PRESIDENT: Senator Farrell, a point of order?

Senator Farrell: Senator Brandis is misleading the Senate. Senator Ketter was not a member of the former parliament—

The PRESIDENT: That is not a point of order. That is a debating point. There are other opportunities to raise those matters, Senator Farrell.

Senator BRANDIS: Senator Farrell, you rightly chastise me. I should not blame poor Senator Ketter for the performance of the previous government. The ABS Wage Price Index tells us that wages growth was 2.1 per cent over the year to June 2016. That is more than twice the rate of inflation and faster than the wages growth— (Time expired)

The PRESIDENT: Senator Ketter, a supplementary question?

Senator KETTER (Queensland) (14:05): Given that these figures show that ordinary Australians' living standards are being squeezed under this Prime Minister, can the minister advise whether this is the kind of economic leadership the Prime Minister was referring to when he deposed Mr Abbott?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:05): Senator Ketter, your premise is entirely wrong. That is why, to give the context to this answer, I began with economic growth at 3.3 per cent at a time of low inflation and low interest rates, with standards of living and growing business confidence. We had the ANZ measure yesterday and we had the Westpac measure this morning. What they both show is an increase in consumer confidence and an increase in business confidence at a time of high economic growth, low inflation, low unemployment—in comparative terms—and low interest rates. Senator Ketter, the wages growth as reported by the latest ABS Wage Price Index shows that Australia has experienced higher wages growth during the period of this government than the United States, most European countries— (Time expired)

The PRESIDENT: Senator Ketter, a final supplementary question?

Senator KETTER (Queensland) (14:06): Does the minister agree with Mr Piers Akerman, who says that Mr Turnbull 'may well be the most over-qualified underachiever ever to occupy the Lodge'?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:07): Let me just finish the point I was making in answer to your first supplementary question, Senator Ketter. That is also a higher rate of wages growth than the OECD average. Now in relation to Mr Akerman's
observations, I have not read Mr Akerman's observations, but I am sure as an honest person and as a good Villanova man, Senator Ketter, you would not misrepresent the position. I disagree entirely, if Mr Akerman had that to say.

Now this evening there is a great event in this Parliament House—a great event. It is the launch of John Howard's series on the great Robert Menzies. I believe, Senator Ketter, that history will show that Mr Turnbull will rank with Sir Robert Menzies and the great John Howard as one of the great Australian prime ministers.

Higher Education

Senator McKENZIE (Victoria) (14:08): My question is to the Minister for Education and Training, Minister Birmingham. Can the minister inform the Senate what action the Turnbull government has taken to improve the benefits Australians will derive from university research in the years ahead?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:08): I thank Senator McKenzie—one of this chamber's pre-eminent advocates for education, research and innovation—for her question. Central to the Turnbull government's plan for enhanced investment, innovation, growth and jobs is, absolutely, innovation and science as part of our National Innovation and Science Agenda. It has been a year of awesome outcomes for the innovation and science agenda. A year of awesome outcomes! We have delivered over the past year some $10.7 billion in funding to secure higher education research over the forward estimates. We have provided certainty—not just for a couple of years but 10 years of certainty of funding for Australia's critical research infrastructure—including through $1.5 billion of support for the National Collaborative Research Infrastructure Strategy, which provides job certainty and security for 1,700 researchers and technical experts and provides benefits for around 35,000 Australian and international researchers who use these critical facilities.

On top of this, we have Alan Finkel, the Chief Scientist, developing a road map of critical national scale research infrastructure, so that we can set the long-term direction for what is required to invest in and develop our research capabilities, supporting innovation into the future. This is complemented by: an additional $16 million for 10 NCRIS projects across urban infrastructure, bioscience, telecommunications and health; new streamlined arrangements for university research block grants coming into effect from 1 January next year; an additional $180 million for incentives for engagement with industry and end users by our universities; and new arrangements for the ARC linkage grants for continuous application to make it easier for engagement between universities and businesses in the future.

The PRESIDENT: Senator McKenzie, a supplementary question.

Senator McKENZIE (Victoria) (14:11): Can the minister outline how these measures are complemented by other measures within the education portfolio to encourage innovation?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:11): It is not just in the university research space that we are supporting capability building in innovation and science. It, of course, is comprehensive across areas of STEM development, led by our National STEM School Education Strategy, which is actually driving and enhancing take-up, supported by a $112 million boost to STEM skills, particularly focused on the early years—how it is we get that engagement from those very youngest and
earliest learners, through programs like Little Scientists and Let's Count, which are reaching around 350,000 children across Australia. They are supported by Cracking the Code and computer challenges in years 5 and 7; new STEM summer schools; MOOCs such as the University of Adelaide's new MOOC providing greater support for teachers of science students in years 6, 7 and 8; as well as our investment in new PhD internships with the Australian Mathematical Sciences Institute, to give greater capacity for 1,400 industry PhD internships to skill more Australians. *(Time expired)*

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

**Senator McKENZIE** (Victoria) *(14:12)*: Can the minister describe how these actions compare with any alternative policies?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) *(14:12)*: They compare quite starkly with the absence of any vision, any focus or any long-term certainty, which the previous government provided for science and innovation in Australia. If you look at the National Collaborative Research Infrastructure Strategy, the previous government left a funding cliff in place for that, and it took the Turnbull government to ultimately give that long-term certainty to those thousands of researchers around Australia that their research infrastructure would be funded and give that certainty well into the future. Of course, it was a Labor government that rolled out some $6 billion worth of cuts to higher education between 2011 and 2013, with little regard for the impact that would have on research and innovation. But overall it is those opposite who seem to show complete disregard for the importance of building and strengthening ties between research institutions and business to get that collaboration that drives innovation and ultimately drives more growth and jobs in the Australian economy.

**Superannuation**

**Senator GALLAGHER** (Australian Capital Territory) *(14:13)*: My question is to the Minister representing the Prime Minister, Senator Brandis. On 10 September the Prime Minister listed superannuation reform as an area of achievement during his first year of office. Over the past four months, backbencher after backbencher has campaigned against these reforms, and they are currently being held hostage in the coalition party room. How can the Prime Minister list superannuation reform as an achievement when he cannot even get it through his own party room?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) *(14:14)*: Well, Senator Gallagher, you seem to claim an acquaintance with what occurs in the coalition party room that is not the reality. That is not the reality. The proposition, Senator Gallagher, that you have put in your question is simply not the reality. This government understands that there is a need to deal with the issue of superannuation reform. We have taken this issue to an election, and at that election we put to the Australian people a series of reforms—many of them, I might say, Senator Gallagher, supported by your side of politics—which was more adventurous and more comprehensive than any reform of that sector that we had during the six years during which your side of politics was in power and your leader, Senator Wong, was, at least for part of that period, Australia's most unsuccessful finance minister. Senator Gallagher, do you want to have a grown-up debate about reform of superannuation, because that is an important part of the tax system, or do you simply want to do what Labor—
**Senator Cameron:** Mr President, a point of order on relevance. The question goes to the issue of listing superannuation reform as an achievement, and the question was: how can this be an achievement when it cannot even get through the party room? The minister has not gone near that question.

**The President:** The minister did address the key element of the question. The minister is in order.

**Senator BRANDIS:** But you see, Senator Gallagher, we are on for a debate about public policy, but you never engage. You never engage. Every question that we had from the opposition yesterday—and, it seems, every question that we are going to get from the opposition today—was about playing trivial political games. Unlike our side of politics, which does come to terms with the serious business of economic reform, the serious business of budget repair, the serious business of structural reform to the economy, we cannot get a discussion from the Labor Party, because you do not have an idea.

**The President:** Senator Gallagher, a supplementary question.

**Senator GALLAGHER** (Australian Capital Territory) (14:16): Last week the division within the government forced the Treasurer to release draft superannuation legislation that contained only part of the government's plans, and these resulted in a net cost to the budget. What is the government's current superannuation policy?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:17): I have got a minute, Senator Gallagher. The government has released the first instalment of its superannuation proposals, which was, as you say in your question, released by the Treasurer last week.

**Senator Gallagher:** Half!

**Senator BRANDIS:** I will take the interjection. Senator Gallagher says, 'Half'. We have announced a series of superannuation measures, and there will be more. It may be, Senator Gallagher, that in the ACT assembly it was unknown to introduce large areas of legislation in a single block, but in this parliament it is the most commonplace thing in the world for legislation to be introduced in tranches, and that is what we have done. We will be bringing that legislation to the chamber, and—(Time expired)

**The President:** Final supplementary question, Senator Gallagher.

**Senator GALLAGHER** (Australian Capital Territory) (14:18): When will Tony Abbott and the right wing of the coalition finalise the government's superannuation policy?

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:18): Senator Gallagher, I thought you were a bit better than that, frankly. Seriously, I did. Why is it that every single question is about insider political games and the Labor Party's obsession with political game playing? Whether it be on the question of the plebiscite to give Australians marriage equality, whether it be on the question of superannuation or whether it be any other area of policy, we have not had a question from the Labor Party this week about policy. Every single question we have had—

**The President:** Order! Pause the clock. Senator Wong, a point of order?
Senator Wong: Mr President, a point of order: the minister just asserted that he had not had a question about policy. We asked him one. He did not answer it.

The PRESIDENT: That is a debating point. There is no point of order. Senator Macdonald?

Senator Ian Macdonald: Can I just speak on the same point of order, Mr President?

The PRESIDENT: There was no point of order.

Senator Ian Macdonald: Well, I will raise my own. I am having trouble in hearing the leader give a response because the Leader of the Opposition in the Senate, Senator Wong, continues to shout all the way through the answer. I would ask you to bring her into line.

The PRESIDENT: Order on both sides! Senator Macdonald has raised a very important point of order. I remind all senators from both sides that interjections are disorderly, and I am struggling to hear parts of the answer, as well as parts of the question. Attorney-General, you have the call.

Senator BRANDIS: Mr President, through you—Senator Gallagher, we are up for a serious debate about superannuation policy, but we cannot engage you on it because all you want to do is play political games on this and on every other issue. Ask us some policy questions. (Time expired)

Marriage

Senator RICE (Victoria) (14:20): My question is to the Attorney-General, Senator Brandis. Yesterday a group of ‘rainbow families’ came to parliament from around the country to talk to the parliament about the impact the plebiscite on marriage equality would have on them. One child told The Guardian that they were worried it would encourage posters saying, ‘Children deserve a mother and a father’ or ‘Two mums are weird.’

Government senators interjecting—

The PRESIDENT: Order on my right!

Senator RICE: Can you detail any discussions that you have had with members of the lesbian, gay, bisexual, transgender and intersex community about the potential impact of the plebiscite, and have there been discussions with the LGBTI community in other countries who have experienced similar experiences?

The PRESIDENT: Attorney-General, did you hear the entirety of the question?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:21): I think I heard the gravamen. Senator Rice, yes, I have and, yes, I can. I have had very lengthy discussions with members of the LGBTI community and I have had lengthy discussions as well with people who take a conservative, traditional view of marriage. Among the discussions I have had with members of the LGBTI community are discussions with Australian Marriage Equality and discussions with Australians for Equality, the two principal bodies promoting the marriage equality cause. I have had several discussions with those people, as recently as yesterday, and they are not the only ones of the LGBTI community I have spoken to, but I mention them in particular because, as you would be aware, Senator Rice, as somebody who follows this issue closely, they are the two peak bodies campaigning for marriage equality.
Now, Senator Rice, we have discussed the issue to which you have referred. We have discussed all the issues relating to marriage equality and the plebiscite. One of the things I said to those spokespeople, as I say to you, is that there is now a clear and immediate path to marriage equality in Australia, and that is to submit to the judgement of the Australian people on 11 February next year a plebiscite so that they can have their say. You read the opinion polls just as closely as I do, Senator Rice, and you know—

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

Senator Rice: Mr President, my question asked about the details of those discussions, not just if the Attorney had had the discussions, and whether he had had any discussions with members of the LGBTI community from other countries who had been through similar experiences.

The PRESIDENT: Thank you, Senator Rice. They were elements of your question, but I do believe the Attorney-General is being directly relevant throughout his answer.

Senator BRANDIS: I am sorry, Senator Rice; I forgot that last bit, and the answer to that question is yes, too. I have in particular had several discussions with Mr Tiernan Brady, who ran the 'yes' campaign during the Irish referendum. It is not my practice to detail confidential conversations, because people are entitled to speak to ministers, and indeed shadow ministers, in confidence. I hope I might be able to elaborate a little in answer to your— (Time expired)

The PRESIDENT: Senator Rice, a supplementary question.

Senator RICE (Victoria) (14:23): Attorney-General, you mention the Irish example. I refer to a letter from the co-director of the 'yes' campaign for the Irish referendum, Dr Grainne Healy, which was sent to every member and senator, that urges us not to have a plebiscite if we can avoid it, describing it as a 'brutal affair'. The letter reports that posters which declared that every child needs a mother and a father were deeply hurtful and upsetting for LGBTI-headed families. Do you expect we would see similar material here under your plebiscite?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:24): I am not familiar with the particular material to which that letter refers. However, the short answer to your question, Senator, is no, I do not, because, unlike you, evidently, I have a much more optimistic view of the Australian people than you seem to have or that Mr Bill Shorten or Senator Wong seem to have. I believe that this is a country of decent and tolerant people. I believe this is a country in which we can have a civilized and respectful debate about a vexed social issue. I believe this is a country in which we do not merely accept dictation from the political class; that on certain core issues about the nature and structure of our society, of which marriage is one, there is no greater wisdom in this chamber than there is on the streets of any city or town in this country; and that every Australian, every single Australian, has a right to have their say.

The PRESIDENT: Senator Rice, a final supplementary question.

Senator RICE (Victoria) (14:25): The government wants to give $7½ million to fund the 'no' campaign, most of which, one expects, will be spent on advertising of one sort or another, including the type similar to what we saw in the Irish referendum, described as a 'brutal affair'. Can the Attorney-General confirm that messages from the 'no' campaign will be classed as political advertising and therefore will not be monitored by the Advertising Standards Bureau and not be required to be factually correct?
Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:25): Senator Rice, before coming to that, I should add a little more information to the answer to your primary question. As well as Australian Marriage Equality and Australians for Marriage Equality, I have also had meetings with the New South Wales Gay and Lesbian Rights Lobby, with Ms Shelley Argent at PFLAG, with Victorian gay and lesbian community advocates and others.

Senator Wong: They oppose it!

Senator BRANDIS: That is not correct, Senator Wong. The principal advocates—

The PRESIDENT: Order! Pause the clock. Senator Rice, a point of order?

Senator Rice: My point of order is on relevance. My question was about whether the advertising would be covered by the Advertising Standards Bureau or classed as political advertising.

The PRESIDENT: I will remind the Attorney-General—although he did indicate up-front that he was going to address some other remarks before he got to the substance.

Senator BRANDIS: Senator Rice, I accept your good faith on this issue, so I just wanted to give you more information in relation to your primary question. In relation to the subject of the supplementary question, as the Prime Minister, Senator Ryan and I outlined yesterday, the plebiscite will be conducted as closely as possible under the Referendum (Machinery Provisions) Act, which governs issues including the authorisation of advertising. (Time expired)

Telecommunications

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:27): My question is to the Minister for Communications, Senator Fifield. Can the minister advise the Senate how the government is delivering on its plans for communications in Australia?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:27): Thank you, Senator Bushby, for your question. I might start with the NBN. I am very pleased to report that in the last 12 months NBN has continued its run of success. It is fair to say that this government inherited what was a failed project, and that was salvaged by Mr Turnbull. A little more than a year ago, Mr Turnbull and Mr Morrow outlined an ambitious plan based on a three-step scale-up which would see three-quarters of the nation able to access the NBN by 2018. A year on, I can advise that NBN has more than doubled its footprint, its revenue and its connections.

Coverage is now expanding at the rate of 30,000 premises each and every week. That is more than 120,000 premises each month. Part of the reason for this success is that, unlike the theological approach of those opposite, we have taken a technology-agnostic approach and used the technology that sees the NBN get to people the fastest and at the lowest cost. So, over the last year, we have released three new products: fibre to the node, the long-term satellite service known as Sky Muster, and HFC—an unadulterated story of good news with the NBN.

I should also mention that we are cracking on with our $220 million mobile phone black spot program. Round 1 will see 499 new and upgraded base stations—great news for regional Australia. I should not forget: we have also provided a 25 per cent cut in licence fees for
broadcast media and we are endeavouring to abolish the 75 per cent audience reach rule and the two-out-of-three rule, with the support of the other side, I hope. *(Time expired)*

**The PRESIDENT:** Senator Bushby, a supplementary question?

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (14:29): Can the minister outline how the coalition's reforms to the communications and broadcasting sectors will benefit consumers?

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:29): What we are doing ultimately is always about consumers. If I take the Mobile Black Spot Program's rounds 1, 2 and 3, that is $220 million. That is about making sure that Australians in regional areas get the connectivity that they need. It is important to stay in touch with family and friends. It is important for businesses to stay in touch with their customers. But it is also incredibly important to stay in touch in times of emergency and disaster, particularly when you have bushfires. So we want to do what we can to expand that coverage for Australians in regional areas.

It is also important to acknowledge the work that we are seeking to do with Australia's media organisations through our media reforms. We want to help those organisations be strong and competitive, because having strong and vibrant Australian media organisations is one of the great underpinnings of diversity in the media.

**The PRESIDENT:** Senator Bushby, a final supplementary question?

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (14:30): Can the minister inform the Senate how the Turnbull government's faster rollout of the NBN will benefit all Australians?

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:30): As I say, using our technology-agnostic multitechnology mix allows us to give fast broadband to Australians sooner by utilising existing and emerging technologies. Our approach also allows NBN Co to refresh and augment the network and also to be in a position where it can change and upgrade the network as it needs to instead of being shackled by one technology. That is why we now have nearly two-thirds of the country with the NBN in design or construction or able to order an NBN service.

Under the approach of our predecessors, Australians would have been waiting a lot longer for the NBN and paying a lot more for it. Under this government, they will get it sooner and at a lower cost. You only really get the full economic benefit if the whole nation has the NBN. We want the whole nation to have the NBN as soon as possible. Under us, they will.

**Child Sexual Abuse**

**Senator KAKOSCHKE-MOORE** (South Australia) (14:32): My question is to the Minister for Defence, representing the Minister for Veterans' Affairs. On 24 June 2016 at a hearing of the Royal Commission into Institutional Responses to Child Sexual Abuse, the chair of the commission, Justice McClellan, asked a Department of Veterans' Affairs witness to convey to the department his advice that was most critical of some decision guidelines. Justice McClellan advised that the guidelines which DVA is using to reject claims of abuse are 'not in accordance with the law' because the DVA guidelines require the existence of corroborative evidence of the alleged abuse. Will the minister ensure that DVA's decision
guidelines on abuse are brought into accordance with the law as per Justice McClellan’s advice as a matter of urgency? Further, will the minister direct DVA to review claims which have been previously rejected under these unlawful guidelines?

Senator PAYNE (New South Wales—Minister for Defence) (14:32): I thank Senator Kakoschke-Moore for her question, which I understand is her first question in this place. I also acknowledge that the senator provided me with some notice of the question, and I have sought advice from the Minister for Veterans’ Affairs to enable me to provide a little more detail.

I understand that Justice McClellan certainly raised a number of issues relating to DVA during a public hearing by the Royal Commission into Institutional Responses to Child Sexual Abuse in June of this year. These issues are very complex and they relate to liability and evidentiary requirements under the Safety, Rehabilitation and Compensation Act. I am advised that DVA have been considering these issues and that they are also examining options to address the issues raised by Justice McClellan to implement improvements for survivors of child sexual abuse. It is expected that any policy changes to be made in response to these issues will enable and assist survivors of child sexual abuse in the pursuit of their claims for compensation, and I understand that examination is actively underway. I am also advised that DVA will revisit rejected claims for compensation arising out of child sexual abuse where those can be identified.

The PRESIDENT: Senator Kakoschke-Moore, a supplementary question?

Senator KAKOSCHKE-MOORE (South Australia) (14:34): It is now almost two years since the Senate Foreign Affairs, Defence and Trade References Committee delivered its Processes to support victims of abuse in Defence report. Apart from the important and welcome decision to remove the three-year minimum service requirement for access to non-liability health care, the government has still not made a substantive response to the report. How much longer will the government keep victims of abuse waiting for a substantive response to the report?

Senator PAYNE (New South Wales—Minister for Defence) (14:34): I am advised that the government response to the Processes to support victims of abuse in Defence report was tabled in the Senate on 16 June 2015. Parts of this report related to issues such as expanding eligibility for non-liability health care, as the senator has referred to. In the 2016-17 budget, the government did provide additional funding of $37.9 million to extend that eligibility for non-liability health care for certain mental health conditions to all past and present permanent members of the ADF, regardless of the period or nature of their service. They are important changes.

In relation to the evidentiary difficulties faced by DVA claimants who claim that they have a condition stemming from the abuse they experienced while in Defence service, I am advised that urgent action is being undertaken by DVA to address those evidentiary difficulties in line with its response to the royal commission.

Further, in relation to provision of financial support to organisations assisting victims of abuse, the government are examining those options as we speak. (Time expired)

The PRESIDENT: Senator Kakoschke-Moore, a final supplementary question?
Senator KAKOSCHKE-MOORE (South Australia) (14:35): The DVA has stated in Senate estimates that it will not search any of its own files for information which could assist victims of abuse to establish their entitlement to benefits because it would be onerous for the department to search all of its files. The department does not deny that there is likely to be relevant information in its files. Will the government direct DVA to carry out a targeted analysis of files to establish what patterns of alleged abuse can be identified?

Senator PAYNE (New South Wales—Minister for Defence) (14:36): I can advise the senator that DVA does continue to investigate all available sources of evidence to support claims relating to incidents of abuse, and that does include potential use of those DVA claims to identify clusters of abuse. However, I am advised that it is likely that any data prior to 2012 will have limited value in identifying historical claims relating to abuse because the claims processing was based on medical conditions rather than events, which does not therefore necessarily identify an abuse context. DVA does advise me that it encourages any individuals who have had their claim rejected to relodge it if they believe they have further evidence available which may help to substantiate it. I also wanted to add, if I may, for the senator's information, that DVA has also established a specific dedicated team in the Melbourne office to receive and manage all new claims which relate to sexual harassment, assault and physical assault.

Regional Australia

Senator O'SULLIVAN (Queensland) (14:37): It is my great honour to ask a question of the Minister for Regional Development, Minister for Regional Communications and Minister for Local Government and Territories, also representing the Deputy Prime Minister, Senator Nash. Can the minister outline the government's strong record of delivery for regional Australia?

Senator Cameron: Let's hear about the higher unemployment.

The PRESIDENT: Order on my left, Senator Cameron.

Senator NASH (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:37): I thank Senator O'Sullivan for his question. I am incredibly proud to be part of the Joyce-Turnbull government that is delivering in spades for regional people right across this nation, compared to the previous Labor government that never ever once had regional Australia as a priority. We have seen $5 billion for the Northern Australia Infrastructure Fund Facility. And this is from the coalition government, from the Turnbull-Joyce government that is investing in the north, again, unlike those opposite.

I particularly want to acknowledge the work that Senator Ian Macdonald has done on this over a long period of time. This is going to be funding for dams, funding for pipelines and funding for irrigation schemes—in direct contrast to Labor's previous approach to water which saw the previous minister, Senator Wong, spend $300 million buying back water, a part of which did not even exist.

Under this government, we are seeing $571 million for the dairy industry support package and the $4 billion agricultural white paper. Under Minister Barnaby Joyce, we have seen real investment going out to the regions where it is needed, such as the $313.8 million on the Farm Co-operatives and Collaboration program and the $100 million on research and
development—something that would never, ever have occurred to the Labor Party opposite. And we have seen the appointment of the ACCC Agriculture Commissioner, putting a real focus right where it is needed—on agriculture.

**The PRESIDENT:** Senator O'Sullivan on a supplementary question.

**Senator O'SULLIVAN** (Queensland) (14:40): Can the minister update the Senate on what the government is doing to improve the lives of people in regional Australia?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:40): Again, unlike those opposite, and the comparison is stark, we have under the coalition government $50 billion being spent on infrastructure right across the country, specifically targeting regional Australia. We have seen $594 million under the Turnbull-Joyce government going to make sure we start the inland rail—something those opposite in the Labor Party were incapable of doing.

*Opposition senators interjecting—*

**Senator NASH:** They probably would not even know where it is! We have seen $560 million per year from 1920 for the Roads to Recovery program, for the Bridges Renewal program, for the Heavy Vehicle Safety and Productivity program and for the road Black Spot program. I can only expect that those opposite are so vocal because they know I am right on the money and they have not got a clue about regional Australia.

*Senator Polley interjecting—*

**The PRESIDENT:** Order on my left, Senator Polley.

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

**Senator O'SULLIVAN** (Queensland) (14:41): Can the minister outline what else the government is doing to ensure that regional communities and regional economies grow and prosper?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals, Minister for Regional Development, Minister for Local Government and Territories and Minister for Regional Communications) (14:41): The dollars we are investing in regional Australia are not just about dollars. This is about investing in regional Australia on an economic case because of what regional Australia contributes to the national economy. The economic benefits are significant. We are going to see improved productivity and efficiency. This coalition government is investing so significantly in the regions because the economic case is there to do so.

The Turnbull-Joyce government is also ensuring that it is looking after our communities by spending $300 million to address the issue of drugs, particularly ice, in our regional communities. That did not happen under the Labor government; that happened under this coalition government. Everybody around this country knows how our regional communities are being devastated. It took the coalition government to act and it took the coalition government to deliver.

**DISTINGUISHED VISITORS**

**The PRESIDENT** (14:42): Before I call the next questioner, I acknowledge in the public gallery the presence of former Senator Santoro. Welcome.
Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Superannuation

Senator LEYONHJELM (New South Wales) (14:42): My question is to Senator Cormann, as the Minister representing the Minister for Revenue and Financial Services. When introducing the budget on 12 May 2015, the former Treasurer Mr Hockey said, 'There will be no new taxes on superannuation under this government.' A year later, the Prime Minister says the government 'must live within its means', yet you have announced new taxes on superannuation. This is obviously to cover up your inability to live within your means. So now you have developed a taste for other people's superannuation, will you admit that you may dip into this once again, or can you commit that the superannuation taxation changes announced in the budget will be the only changes this parliamentary term?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:43): I thank Senator Leyonhjelm for that question. Firstly, the coalition, going into the 2013 election, did make a commitment not to make any unexpected adverse changes to superannuation in our first term, and we delivered on that commitment. The honourable thing to do is to flag the intention to pursue reforms prior to an election and that is of course what we did in the 2016-17 budget. None of these changes have yet been legislated. We announced them as part of the budget just before the election. We took them to the election. They are reforms designed to make the superannuation tax concession framework fairer, more sustainable and fit for purpose. We put them in front of the Australian people seeking their endorsement, seeking their mandate. We were successful at the election and, as such, we not only have a mandate to implement the reforms that we took to the election but also have a responsibility to the Australian people to deliver on what we said we would deliver. We also said, before the election, that we would conduct a process of consultation in relation to the implementation arrangements for these reforms. That is a process that the Treasurer, together with the Minister for Revenue and Financial Services, has been conducting over the past few months. As soon as that process has come to a conclusion, relevant announcements on next steps and timings for the introduction of legislation will be made.

The PRESIDENT: Senator Leyonhjelm, a supplementary question.

Senator LEYONHJELM (New South Wales) (14:45): You will index the $1.6 million cap on pension phase superannuation by the CPI, and the age pension by the higher of CPI and wages growth. This will lift the number of age pension recipients compared to Australians in self-funded, tax-free retirement and narrow the gap between the pension and the income of self-funded retirees. Minister, why are you promoting dependence over independence in this way?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:45): I do not accept the characterisation that that is what the government is doing. I want to remind everyone that, as a result of our reforms, the proposal is for earnings from capital of up to $1.6 million of savings—and that is right: that cap is indexed—will be completely tax free. Earnings on capital above $1.6 million would attract the still concessional tax of 15 per cent. The structural problem that we have in Australia is
that when you have a growing proportion of income generated in Australia completely tax free—zero per cent income tax—it means that every other Australian, every working Australian, has to pay more tax than they otherwise would have to in order to fund the necessary services of government. That is why we are pursuing the reforms that we are pursuing.

The PRESIDENT: Senator Leyonhjelm, a final supplementary question.

Senator LEYONHJELM (New South Wales) (14:46): Minister, some of your superannuation measures impose a tax rate of 30 per cent—for example, contributions in excess of $25,000. Can you confirm that the government considers a 30 per cent rate of tax on superannuation savings to still be concessional, and can you indicate what rate of superannuation tax would not be considered concessional?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (14:47): A 30 per cent rate of tax on certain contributions into superannuation has been in place for some time. It is not something that was first considered by this government, and I know that the Senate will have the opportunity of arguing, debating and exploring all these issues in great detail when the legislation on this reform package comes before the Senate.

DISTINGUISHED VISITORS


Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Turnbull Government

Senator WATT (Queensland) (14:47): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the Prime Minister's statement when deposing the former Prime Minister, that Australia needed 'a style of leadership that respects the people's intelligence, that explains these complex issues and then sets out the course of action we believe we should take and makes a case for it'. Given that the Prime Minister has been unable to make the case for his increase to the GST, his plan to allow state income tax, his proposal to cut all federal funding to public schools and his own budget plans for superannuation reform, hasn't the Prime Minister spectacularly failed his own test?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:48): Senator Watt, that is a very disappointing question, I am bound to say. Senator Watt, I do not know what it is about you Labor Party people; you cannot get above the idea of playing politics rather than engaging in policy. As I said to your colleague Senator Gallagher, give us a debate about public policy, because nobody is pretending there are not hard issues for this country.

You raised four issues, and every one of them was a falsehood—every single one of them. There is no proposal to raise the GST. The only proposal to raise the GST came from the Premier of South Australia, Mr Weatherill, and the Premier of New South Wales, Mr Baird. So that was wrong. You said that there was a proposal for state taxes. That was wrong. You said that there was a proposal to eliminate aid to public schools. That was wrong. You said
that the government was not prosecuting its superannuation changes, and that was wrong too.

Every single particular that you gave, Senator Watt, in criticism of the Turnbull government was wrong. Maybe that is the answer to why the Labor Party does not want to engage in an honest debate about public policy—because you cannot even address the issues without engaging in either mistaken or deliberate falsehoods. Senator Watt, as a result of the Turnbull government's economic leadership, Australia now has a growth rate of 3.3 per cent—one of the highest rates of growth in the world. It is a rate of growth higher than that of any G7 nation.

Senator Wong interjecting—

The PRESIDENT: Order, Senator Wong. You have a colleague on his feet waiting to ask a question. Senator Watt, a supplementary question.

Senator WATT (Queensland) (14:50): Is the minister aware of reports in The Courier-Mail that coalition MPs are working on a plan to propel Deputy Prime Minister Barnaby Joyce into government announcements because they are losing faith in the Prime Minister's ability to communicate with Australians? Why does the Prime Minister's own party room have no faith in his style of leadership?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:51): The only senior politician who has been propelled lately is the hapless Senator Dastyari over there—Shanghai Sam. Look immediately to your left, Senator Watt. The only politician who has been propelled from the front bench sits right beside you. Senator Watt, the day members of the Australian Labor Party can rise above tittle-tattle and political gossip and engage in serious public policy debate, we will have that debate with you. I have not seen the report in The Courier-Mail; I have not read the report in The Courier-Mail. But I can assure you, Senator Watt, that the Deputy Prime Minister is an esteemed member of our cabinet, and he is extremely welcome at any press conference.

The PRESIDENT: A final supplementary question, Senator Watt.

Senator WATT (Queensland) (14:52): Given the Prime Minister has failed to live up to his own tests, is it any wonder that Peta Credlin, the former Prime Minister's chief of staff, says there is absolutely no doubt that Mr Abbott would have won re-election with more than a one-seat majority?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:52): You know, Senator Watt, this is the third opposition question today, and I challenged the first two opposition questioners to engage in a serious policy debate, and there you go again. Senator Watt, you are a new senator. I welcome you to the chamber. I am sure we will have a good, cordial relationship, but can I give you a tip? You do not have to read out every silly question given to you by your questions committee—you don't. The next time Senator Wong says, 'Senator Watt, just read this out,' you should say to her, 'Senator Wong, I want to debate policy. I'm not a political hack like so many Labor senators. I'm a serious person with a serious intellect, and I want to ask policy questions.' That is what you ought to do, Senator Watt, because, if you ask policy questions, we can have a debate, and you will get answers. But, until the day comes when you can rise above political gossip, then we will not have that debate.
Indigenous Affairs

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:53): My question is to the Minister for Indigenous Affairs, Senator Scullion. Can the minister advise the Senate how the Turnbull government is delivering jobs and prosperity for Australia's Indigenous people?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:54): I thank Senator Smith for that question. It is a very important question, because all of us in this place recognise the challenge in front of us to deliver better outcomes for Aboriginal and Torres Strait Islander Australians.

This government has placed Indigenous affairs at the heart of government, and that is the focus that it needs. As the Prime Minister said in his Closing the Gap speech earlier this year, it is important that we listen to Aboriginal and Torres Strait Islander people when they tell us what is working and what needs to change. It is time for governments to do things with Aboriginal people, not to them. That is why we are working in partnership with Indigenous business to ensure that Aboriginal and Torres Strait Islander people have access to the opportunities they need to drive jobs and growth. Our procurement policies have seen Commonwealth contracts with Indigenous owned companies increase from around $6 million in 2012-13 to over $200 million in the 2015-16 year. Let me repeat: $6 million to $200 million, and growing. For the benefit of those opposite, that is 33 times more in one year than what was achieved in your entire term.

So why is this important? Indigenous owned companies are 100 times more likely to employ first-nations people. We are supporting the creation of jobs across the country for Indigenous jobseekers through national employment programs in my portfolio, along with jobactive. Having supported Indigenous Australians into around 47,000 jobs, the lives of these people have been turned around by the ability to get off welfare and to start building a future for themselves, their families and their communities. Our Community Development Program is now getting people into positive activities, making remote communities a better place to live. Over the last 12 months, the Turnbull government has made tremendous progress. Eighty per cent of participants in CDP are now engaged in meaningful activities, and there has been a sevenfold increase in attendance since the end of Labor's failed Remote Jobs and Community Program. (Time expired)

The PRESIDENT: Senator Smith, a supplementary question.

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:56): Can the minister outline how the government's commitment to working with communities is ensuring that Aboriginal and Torres Strait Islander children are getting a decent education and are able to transition into employment and further study?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:56): From early childhood to tertiary education, the Turnbull government is ensuring that Indigenous children are fully equipped to enter the workforce or progress into university and training. During the last 12 months, the Turnbull government has substantially increased the support being provided to students through its $24 million Indigenous Youth Support Package. The new investment is supporting more than 10,000 Aboriginal and Torres Strait Islander students, specifically with mentoring, tutoring...
and scholarship supports, providing them with the skills and confidence to enter employment and university studies.

You should all be aware of our efforts to address the declining rate of school attendance, particularly in remote Aboriginal and Torres Strait Islander communities. That had been ignored before we on this side of the chamber took over. In the 2016 budget, we announced our Indigenous Students Success in Higher Education measure, which will ensure higher education support that we fund is better tailored to assist Aboriginal and Torres Strait Islander students complete their studies. We are working with communities to ensure education is a successful pathway for young Indigenous Australians. (Time expired)

The PRESIDENT: Senator Smith, a final supplementary question.

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:57): Can the minister also update the Senate on how the government's engagement is delivering results for Indigenous Australians, including in my home state of Western Australia?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:57): The government recognises that working with Indigenous Australians is the best approach to deliver long-term change that we need for our First Australians. Under the Prime Minister's leadership, we are working in partnership with communities. In the senator's home state of Western Australia, I can report there are some outstanding examples of the outcomes the Turnbull government has delivered.

As I have said, through Indigenous procurement policy businesses have won over $200 million worth of contracts, including some great examples in Western Australia. Kulbardi, based in Perth, has won $160,000 in contracts to provide furniture and office equipment. Pindari Building Solutions, out in the Pilbara, has won almost $600,000 in contracts. For the first time, the government had allocated funding direct to native title holders to ensure Indigenous landowners have the opportunity to maximise the benefit coming from owning their own land. In the Kimberley, we are supporting the Gooniyandi to consider opportunities for commercial development, including in the cattle industry—a great opportunity for communities to work with government to deliver better outcomes for Indigenous people. (Time expired)

Economy

Senator CAMERON (New South Wales) (14:59): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to last week's release of the national accounts figures for the June quarter, which showed private gross fixed-capital formation has fallen by 5.4 per cent in real terms since Mr Turnbull became Prime Minister. Can the minister confirm that this is the lowest level of private sector investment spending as a share of GDP in 12 years?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:59): No, I cannot confirm that, Senator. I cannot confirm that, but I will tell you what I can confirm. I can confirm that Australia's economy is growing now at a rate of 3.3 per cent per annum, the fastest rate of growth for several years.

The PRESIDENT: Senator Cameron, a point of order?

Senator Cameron: The point of order is on relevance—
The PRESIDENT: I will stop you there, Senator Cameron. There is no point of order. He directly answered the question.

Senator BRANDIS: Thank you very much indeed, Mr President. Thank you, Senator Cameron, for giving me the opportunity to tell you the good news about the Australian economy: as I said, a 3.3 per cent economic growth figure. The government of which you were a member, Senator Cameron, when it left office, had an economic growth figure of 1.9 per cent per annum. So we have almost doubled the rate of economic growth compared to what you achieved.

Growth in the non-mining sector is now 2.9 per cent per annum. The government of which you were a member left the rate of growth in the non-mining sector at 1.8 per cent per year. Exports are 9.6 per cent higher than 12 months ago. As I said in response to your colleague Senator Ketter, this is the highest rate of growth in exports in 16 years.

Jobs growth has been 220,000 in the last year—220,000 extra jobs in the last year. By comparison, Senator Cameron, the government of which you were a member, in its last year in office, recorded jobs growth of a paltry 86,000. That is almost 2½ times the rate of growth in jobs. Under the government of which you were a member, female labour force participation was stagnant at 58.6 per cent. It reached a record high of 59.7 per cent under the government led by Malcolm Turnbull. (Time expired)

The PRESIDENT: Senator Cameron, a supplementary question?

Senator CAMERON (New South Wales) (15:02): I refer to the Reserve Bank of Australia's decision last month to cut the official cash rate to 1.5 per cent—the second time the RBA has cut rates since Mr Turnbull took over as Prime Minister. Given that former Treasurer Joe Hockey described a cash rate twice as high as being 'emergency levels', how does the minister describe the current cash rate?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:02): I think most Australians—particularly, young Australians trying to get into housing—would be delighted at the fact that they can borrow money at such low interest rates as exist at the moment. If you want to have a debate about interest rates, Senator Cameron, bring it on. I can tell you that young Australians in particular—people trying to get into the housing market—are delighted that interest rates—

The PRESIDENT: Senator Cameron, a point of order?

Senator Cameron: Yes, on relevance, Mr President. I asked a specific question, and that was that the former Treasurer Joe Hockey described the cash rate as being at 'emergency levels'. I simply asked the minister, 'How would you describe the current cash rate?'

The PRESIDENT: The minister did describe it by saying that homeowners would be delighted. That is a description. The minister has been directly relevant.

Senator BRANDIS: And I say it again, Senator Cameron: you may not speak to young people, but I do and I know what is on their mind. What is on their mind in particular is the need to get into the housing market. People in their 20s and 30s want to get into the housing market and they are delighted that they can borrow money and get housing finance on more favourable terms today than they have been able to do for years. (Time expired)

The PRESIDENT: Senator Cameron, a final supplementary question?
Senator CAMERON (New South Wales) (15:04): Given that at least four G20 countries have higher economic growth figures than Australia, is the reason the minister misled the Senate yesterday by claiming Australia's growth figures were 'the highest of any G20 nation' that he, like everybody else, is struggling to find any real achievements of the Turnbull government and so now he is just making them up?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (15:04): Senator Cameron, I am delighted to talk about a 3.3 per cent annual economic growth figure because that is a better economic growth figure than any that was achieved in any of the six years during which the government of which you were a member was in power. Australia has one of the best economic growth performances in the world at the moment. That has absolutely nothing to do with the legacy of the government of which you were a member, and it has everything to do with the economic leadership of the Hon. Malcolm Turnbull and the Hon. Scott Morrison.

Senator Cameron, on every measure you care to think of—whether it be economic growth, whether it be exports, whether it be labour force participation, whether it be job creation—this government's economic performance has been outstanding.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator KETTER (Queensland) (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 Opposition senators today.

It is quite clear, following question time today, that we are seeing a government bereft of any evidence of economic achievements to speak of. The responses from Senator Brandis today illustrated the discomfort of this government when the microscope is held to them in terms of what they have actually achieved over the 12 months.

We have sought to focus on the measure of success which this Prime Minister imposed upon himself. Twelve months ago, prior to going into the party room to argue for the deposing of the former Prime Minister, Mr Turnbull said:

It is clear enough that the government is not successful in providing the economic leadership that we need … Ultimately, the Prime Minister has not been capable of providing the economic leadership our nation needs. He has not been capable of providing the economic confidence that business needs.

If we look at the objective facts that are before us now, we see that full-time employment is down by 64,000 since the beginning of this year. We see that we have the lowest wage growth in 20 years. That is a stark fact which is not to the credit of this government. We see debt and deficit ballooning. We see that our AAA credit rating, a very precious asset, is under threat at the moment. When we are talking about economic confidence and the future, we need to see how that translates. What is the evidence for that? I will talk a bit further about this. If there is business confidence, as Senator Brandis indicated, one would expect to see business investment rising. What we see is the very opposite—total investment has fallen by 10 per cent since September 2015.
I was particularly disappointed with some of the responses by Senator Brandis today when he referred to the fact that the opposition, in his words, was seeking to play 'trivial political games'. It is not trivial or political to seek to hold the government to account for what it has done over the past 12 months. That is precisely what opposition senators have sought to do during the course of today's question time. When it comes to having a responsible approach, the opposition cannot be accused of being irresponsible, because over the past 24 to 48 hours we have seen the culmination of work done by the shadow Treasurer's office and Senator Cormann's office in coming up with an agreed arrangement in respect of the omnibus bill which we will be looking at later. That outcome has seen a greater amount of budget repair than what was originally proposed by the government, is fairer for more vulnerable Australians and addresses the issue of jobs for the future with the preservation of funding for ARENA.

When it comes to business confidence, contrary to what Senator Brandis indicated in his responses, one looks at Roy Morgan Research. We find that in August business confidence fell by 7.5 points—6½ per cent—to 108.6. It is now at its lowest since Mr Turnbull became Prime Minister almost exactly a year ago. The CEO of Roy Morgan Research, Michele Levine, says that 'in early September the LNP became the first Australian government to lose votes on the floor of the House of Representatives in over 50 years'. This is having an impact on confidence. We see that various indices fell in August and now only 48.5 per cent of Australian businesses, which is down 5.8 percentage points, believe that the next 12 months will be a good time to invest in growing the business. That is the lowest this indicator has been for some years. In addition, only a bare majority of Australian businesses, 52.7 per cent, now expect good times for the Australian economy over the next five years. This is a new record low for this indicator.

There is one area where this government has performed at an A+ level in my view, and that is in defending the banks from a royal commission. There has been ducking and weaving on this, and it is greatly disappointing to me, as a former member of the inquiry that looked into the performance of the banks, that this government refuses to show leadership in this area. This is an area where the victims of banking malpractice need to be vindicated. (Time expired)

Senator BACK (Western Australia) (15:11): I am delighted to support the wonderful comments of the Attorney-General in responding to the questions from the opposition today. I was thinking to myself: is there a PFZ going on over the other side—a policy free zone? I hope it was not specifically Queensland, but it seemed to be mainly Queensland Senate colleagues. I can only reflect, as my good colleague, Senator Reynolds, would do, on what is happening in our own home state of Western Australia at the moment. Rio Tinto, in the month of June, shipped 42 million tonnes of iron ore out of Port Hedland. That is better than a million tonnes per day. We see mining exploration in Western Australia absolutely starting to lift again, not only domestically but also from an export point of view.

I have been in the United States and Europe during this year, and if anyone thinks things are bad around the world, they are the two Western countries where we see Britain has exited Europe, we see the EU in turmoil, we see Russia in turmoil and we see that most EU countries are probably in recession. We heard the Attorney-General responding to the questions with statistics like these: the economy growing 3.3 per cent. How many countries around the world
would dream of that sort of activity? Of course, that is in contrast to less than two per cent during the Labor years. Let me remind the chamber that that was when there was a mining boom. That was when iron ore prices were $150 per tonne. That was when the price of oil was $150 to $160 per barrel. They are now down to $45 and less. This is what Australia is achieving. The other interesting thing for you all to reflect on is that this government, in the budget before us at the moment, wants to further reduce the company tax for small companies with up to $10 million of turnover. And who are the biggest employers in this country? Not government, not the big businesses: it is the engine room, the room that the other crowd over there know nothing about—small business.

Let me reflect on the Attorney-General's figures in the response that he gave to the Labor senators. In 2013, Labor's last year in government, there were 86,000 lousy new jobs, but in this year just finished, under the coalition government, there are 220,000 new jobs—almost three times as many. What the Attorney did not say, because of his modesty, was that the overwhelming proportion of those jobs have gone to women. So we now see an almost 60 per cent increase in the proportion of jobs for women.

Let me talk a little about that wages growth of 2.1 per cent that the Attorney-General mentioned in response to Senator Ketter's question. As the Attorney said—and I know this to be a fact; I have been in Texas and Louisiana recently—at least one member of every family in the city of Lafayette, Louisiana, is out of work, and in many cases both of them are out of work because of the downturn in the economy. But we have wages growth that is higher than in the United States, higher than in Europe and higher—I think the Attorney-General said—than the OECD average. What an enviable reputation we have in this country, despite the black clouds over the world economy about which I speak so often in this place. And the opposition is to be complimented if indeed there is going to be agreement on the omnibus bill that will allow us to get this budget on the road to recovery.

But I remind those here in the chamber that it was in 2013, leading up to that election, that our opponents said that if they won the election they would bring in $5 billion of savings. We said, 'Yes; if you are in government, we will support them.' We won the 2013 election. We brought those savings into this place no fewer than three times. But what happened to the $5 billion of Labor savings on every one of those occasions? Three times they opposed their own savings. So I will not hear lectures from Senator Ketter; or from Senator Watt, who I have not met before; or indeed from Senator Gallagher, the new Manager of Opposition Business; or from Senator Cameron. I will not be lectured by them.

Let me finish on Senator Cameron in particular, who tried to criticise the Attorney-General about the cash rate being at 1½ per cent and it being low. Let me remind you all that when Labor came into government the cash rate was 7.6 per cent—and what happened? Fortunately, Mr Stevens, in trying to control Labor's profligate spending, had the capacity to get it down from 7½ to three per cent, when other countries around the world were already down at zero or one per cent. I congratulate the Attorney-General and our government on our achievements.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:16): I too rise to take note of and respond to the bizarre answers that we keep getting. It is interesting, isn't it? Twelve months—allegedly a celebration—but what a year the government has had! What a year!
Senator Reynolds: Achievement after achievement.

Senator BILYK: Well, if you could stand up and list those achievements, I would be very surprised. Once again, Senator Brandis gave extremely disappointing answers to all our questions today regarding the Turnbull government's achievements, probably because there are not many achievements for him to mention—although I will point out one later on in my contribution.

But he is not alone, of course, in being unable to explain any real achievements of this government. He is joining other senior Liberal figures like Peta Credlin and Jeff Kennett. Then we have the members of the media, people that are normally so supportive of the government, like Piers Akerman, who said: Prime Minister Malcolm Turnbull may well be the most over-qualified underachiever ever to occupy the Lodge.

Well, that is a good sign of the good year that the government has had, isn't it!

We have seen, as I said, a year of failure from Mr Turnbull and his underachieving government. No wonder Mr Joyce is poised, ready to roll him. And didn't Senator Nash let the cat out of the bag today when she started talking about the Joyce-Turnbull government? Absolutely. So we will be watching that to see what happens.

This is a government in chaos. It is dysfunctional. It is not working. It is not able to work together. There are so many divisions within its party room and within its party that it is not funny. It has been not working for so long that in Tasmania it lost three out of five seats. It lost three seats! The 'three amigos' were categorically kicked out and told 'go away', and that is because this government has failed to achieve any successes—certainly from the Tasmanian people's point of view—in any way, shape or form.

There seems to be a continuous struggle within the Turnbull government, and that means that they are failing to address any of the needs of the people of Australia. It has been a year of huge disappointment. We have had the deficit and net debt both continue to balloon on this Prime Minister's watch. Mr Turnbull came to government, if you remember, claiming that he was going to deliver economic leadership. Well, that has not happened. But, also, his big claim was that he was going to lead and unite his party. Well, we are still waiting to see that happen. He has failed spectacularly.

Senator BILYK: Only just. He was going to lead us into the new era. He was going to have this huge mandate. But it has not happened. He has compounded 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. When it comes to the budget, this government stumbles from one stuff-up to the next, to be quite frank.

The government's omnibus savings bill was a shambles even before Labor did the sums and found an embarrassing $107 million black hole and came up with fairer ways to save money. The government's superannuation policy has been shredded by its backbench, highlighting the disunity and dysfunction within its ranks. The Prime Minister lectures about the moral responsibility of budget repair, but at the same time he wants to gift a $50 billion tax cut to big business, when that money could go to schools and education and hospitals.
Mr Turnbull and his government have shown that they do not have any idea how to fix the budget in a fair way. Labor has led on this debate and will continue to provide the economic leadership the Prime Minister has proven so incapable of.

The Prime Minister keeps raising issues, but then he fails to follow through on them. He wears the suit, he talks the talk but he does not walk the walk. He is really unable to walk the walk. He is someone that is scared of his own shadow—or of the shadows that stalk him, just waiting to pull off another coup.

We had the Prime Minister's move to hike the GST, a move that he dumped at the first sign of trouble—although I am sure he would raise it again, should an opportunity arise and should he get any control of his party room, which we do not hold out much hope of him doing. But there is one thing that Mr Turnbull has achieved. His achievement is he has helped people forget how bad Mr Abbott was. (Time expired)

Senator REYNOLDS (Western Australia) (15:21): I too rise in very strong support of the Attorney-General and his responses to what I have to say were probably the worst questions I have heard from the Labor Party—and that is saying something—in their desperate attempt to find absolutely anything they can to try and criticise this government about. Again, we have just heard from Senator Bilyk half-truths and complete, bold-faced lies about the government's record.

Now, after the last six years in government, I am not surprised that those opposite really cannot recognise what success in government policy looks like, because it was a complete and utter failure of government policy and implementation. All they were good at was raising more money, spending the money that we had, and leaving a legacy of intergenerational debt.

So, if those opposite really have not got any idea what good policy and good policy achievement and implementation looks like—if you slept through the last three years in this chamber and all the legislation that has gone through, and the stuff that you have blocked—you can either google some of it or I will just give you some idea of what we on this side think good government policy looks like.

First of all, in the last 12 months alone, 220,000 new jobs were created in this country and around about 60 per cent of those were women. You might not like that fact but it is great for this country. On this side, new jobs are absolutely a success. Consumer confidence—

Senator Bilyk interjecting—

Senator REYNOLDS: If you do not recognise success, let's have a look at others in the community and other indices that clearly do recognise success. For example, consumer confidence is eight per cent higher than in September last year. Exports rose 1.3 per cent, to be nearly 10 per cent higher over the last 12 months. In fact, exports are now the strongest in 16 years in this nation. That is good news and that is success. What else have we got? Household consumption is up 2.9 per cent, which is the same time as last year. Housing dwelling investments are up 8.3 per cent over the past year. Business conditions and business confidence is up seven points, which is well over the long-term average. Business confidence is back to the long-run average of plus-six points. And, as the Attorney rightly pointed out, our real GDP is 3.3 per cent higher than 12 months ago.

Growth is faster than every G7 country.

Senator Bilyk interjecting—
Senator REYNOLDS: You might hate it and you might sit there and argue—as you did in some of your questions—about semantics, but it does not change that real GDP, which is something most other nations, and particularly most OECD nations, can only dream of at the moment. So, for me and for people on this side of politics, that is what success looks like. It looks like implementing policies that grow the economy and that actually create new jobs.

So what else has this government done that those opposite seem to be blind to over the last 12 months and in fact the last three years? We have created an innovation and science agenda to help create the jobs of the future, and clearly that is already working. That is absolutely—

Senator Bilyk interjecting—

Senator REYNOLDS: Senator Bilyk, just come to Western Australia and see the new innovation and the new industries that we are creating. That means jobs, and more money for states like Tasmania, which seems to think that it needs much more share of the GST than we do—and when we generate the money. So come to Western Australia and see what the new Defence policy, the Defence white paper and the Defence industry program are delivering for Australia. Those on the opposite side built not a single ship in six years. You did not commission a single domestic-built ship. We are now completely rebuilding our fleet, and we are doing so many other things for Defence industry.

Again, Senator Bilyk, if you want to see what actual hard work looks like in innovation and industry, take it back to Tasmania, come to Western Australia and see what we are doing. That is great news.

Senator Bilyk interjecting—

Senator REYNOLDS: We—unlike you, who put over 2,000 children into detention, under your border protection policies—have released every single one of them. Under you, 1,200-plus or more people died at sea. Under us, it has stopped, and not a single person is dying anymore at sea; 50,000 people flooded our borders illegally, not by boat—no more, Senator Bilyk.

We have also signed the China-Australia Free Trade Agreement, which is already showing great results in increasing trade, which means more money and more jobs for Australians all around the country. That is success. (Time expired)

Senator WATT (Queensland) (15:26): One of my favourite TV shows of all time—and I suspect I am not alone—is the American show Seinfeld. And of course one of the most famous Seinfeld episodes is the story about nothing. Unfortunately, after 12 months it has become very clear that the Australian people have something very much in common with that episode of Seinfeld, because what we have now is a government that is about nothing.

It has been 12 months since Malcolm Turnbull took control of the coalition, ousted Tony Abbott, promised the world, and it has been 12 months of nada, nothing, zilch. This government has achieved—

Senator Bilyk interjecting—

Senator WATT: I take the interjection. Lots of 'yabber, yabber, yabber' but no actual real action to do anything. This government has achieved so little that, just this week in parliament, coalition senators were left with no legislation to debate and nothing to say. We
had this embarrassing series of coalition senators on their feet, jabbering on about rubbish, rather than actually having anything substantial to offer the Australian people.

This is not really a surprise, because, as I said, this government has had 12 months to do something—to do anything. It has done nothing, not one single achievement. Some may say that I am just launching a partisan attack as a Labor senator. But of course there are many Liberals who agree with that assessment of this government.

When Andrew Bolt asked Liberal and former Premier of Victoria Jeff Kennett to name just one achievement of the 12-month Turnbull Prime Ministership, Mr Kennett was stumped. Bolt went on to say: ‘Can you name one? And I’m not asking it as a trick question. Can you name one?’ Kennett replied, ‘I want him desperately to succeed’. ‘I know. But can you name one?’ Bolt persisted. ‘No, not at the moment,’ Kennett said. And of course that view of this government has been backed in by other Liberals, including the former Prime Minister’s chief of staff Peta Credlin.

Yesterday when I made my first speech to this parliament, I talked about the fact that probably my highest priority was working towards greater economic security, particularly for Queenslanders, and 12 months ago the Prime Minister offered a lot in this regard. He said:

In terms of talking about the economy, talking about business, a key element is confidence and you build confidence by explaining as I said earlier, explaining what the problem is, making sure people understand it and then setting out the options for dealing with it.

Let’s explain, then, just what the problem is under this government. Let’s talk about what is happening to workers in this country and in my home state.

Full-time job numbers have fallen under this government—the most recent statistics show that. Wages growth is the lowest on record. Senator Brandis very much enjoyed reeling off statistic after statistic in question time, which he claimed demonstrated how well this government is doing. The one that he missed out, the one that he omitted to mention, was wages growth—and it is no real surprise, because wages growth is at its lowest on record. That is what actually really matters to people, the money in their pockets, and this government has failed. It has not achieved anything in terms of wages growth. Under this government, unemployment continues to be at crisis levels in many parts of Queensland. The Prime Minister can explain this away all that he wants, but Australian workers know that all of these statistics mean less money in their pockets, less secure work and more unemployment.

What kind of confidence can workers have in this government to deliver jobs when this government has no plan for jobs, particularly in Queensland? One of Queensland’s most important industries, in terms of both dollars brought in and employment, is tourism, yet this government has no plan for tourism after 12 months. It has nothing to say about the future of tourism. No plan for tourism means no plan for tourism in Queensland, and that means no plan for the Queensland economy: no plan to boost tourism on the Great Barrier Reef, no plan to boost tourism in Central Queensland and no plan for tourism in Queensland’s south-east corner. Even in the Gold Coast, one of Australia’s tourism capitals, is left out again, despite our having a tourism minister from the Gold Coast.

This government has no plan for Northern Australia. Tony Abbott established the Northern Australia Infrastructure Facility, but what has this government actually done? What have they
delivered for Northern Australia? Not one cent has been spent from that fund, despite it having been up and running for some time now.

This government has no plan to tackle the big banks. There will be no royal commission into banks for Queensland farmers, despite lots of threats having been made before the election by various Queensland LNP members.

This is a government that has failed to turn up. This is a government that has failed to achieve anything in 12 months, and everything the Prime Minister believes in, everything he does try to achieve, is blocked by his extreme right-wing. This government has failed. *(Time expired)*

Question agreed to.

Marriage

**Senator RICE** (Victoria) (15:32): I move:

That the Senate take note of the answer given by the Attorney General (Senator Brandis) to a question without notice asked by Senator Rice today relating to the proposed plebiscite into marriage equality.

We learnt three things from the Attorney-General's response to my question regarding the potential impact of the plebiscite on LGBTIQ people and their families. The first was that the Attorney-General must be selectively deaf. He told us that he had met with various lesbian, gay, bi, trans and intersex advocacy organisations—but he would not reveal the details of his conversations with them—and that he still believes that a plebiscite would not cause harm to LGBTIQ people and their families. I have also met with these organisations. I have met with them many times over the last months, and they have told me in no uncertain terms of their concerns about the damage that the plebiscite has the potential to do to their communities.

In fact, just today all parliamentarians had a brochure from Australian Marriage Equality put in their offices. In the foreword, it says:

Equality can be achieved by a parliamentary vote. No Australian should have to witness a national debate on the worth or the value of their relationships.

Senator Brandis told us that he had met with Tiernan Brady from the Irish campaign. I am sure Tiernan Brady told him, as he told us, that if we could avoid having a plebiscite we should avoid having a plebiscite. We should not be putting the LGBTI community through the harm—through the 'brutal affair', as the campaign in Ireland was described in a letter to Australia's politicians from the co-chair of Yes Equality. I know that LGBTI organisations would have told the Attorney-General this in his meetings. He must have been deaf or selectively not listening.

The second thing that we learnt is that Senator Brandis is clearly living on a different planet to the rest of us. Oh, to live in his world, which is full of optimistic, decent, tolerant people, where there is clearly no racism, no prejudice and no discrimination and where LGBTI people are treated as equals! He told us that he does not expect to see hateful, dishonest and hurtful advertising—as was experienced during the Irish referendum campaign. He is clearly disregarding the advice from Ireland that their referendum campaign was very negative and was a brutal affair. Sadly, I think that Senator Brandis is living in a fantasy world, under a rock or with his head in the sand.
I think the reality is reflected in the opinion poll that came out yesterday which said that 53 per cent of Australians think that homophobia is a problem being experienced in Australia. His fantasy world is just that. He is being shamefully insensitive to the real harm that his proposed plebiscite is going to cause and to the real harm of the plebiscite giving a megaphone to the hateful views of what may only be a minority in our community but, sadly, is a very vocal and outspoken minority.

This is particularly so because the senator did not deny that the ads, which are going to be funded by our taxpayer dollars—$7½ million—will be classed as political advertising. That means that they are not going to be required to be factual and they are not going to be required to meet the standards of the Advertising Standards Bureau. This is pretty rich. The government was rather upset about truth and factual content in advertising during the last election campaign, when they were subject to Labor's 'mediscare' campaign, but they are obviously just selectively concerned. In this case, despite the immense harm that these advertisements are going to cause and the megaphone that the plebiscite is going to give to these hurtful views, they do not seem to be concerned.

Frankly, the plebiscite is over. We need to pull the plug on it completely. It is clearly not going to get through this Senate, and the sooner we can get rid of it the better. We are at a stage where the anti-marriage-equality campaigners have lost the debate. But it is now clear that they want to inflict as much harm as possible on the way down.

We do not need to have a plebiscite. We know that we can move for marriage equality. We can have a free vote in this parliament—we could be having it this week—to allow people to marry the person they love. Then we would not need to go through the harm that the rainbow families who visited us yesterday are very fearful of and that Irish people experienced during their referendum campaign. We do not need to put LGBTIQ Australians and their families through that. We need to pull the plug on the plebiscite as soon as possible, move for parliament to do its job and have a free vote. Let love prevail and let people be allowed to marry the person they love.

Question agreed to.

NOTICES

Presentation

Senators Leyonhjelm and Burston, Senator Hanson, Senator Culleton, Senator Hinch and Senators Roberts and Day to move:

That the following bill be introduced: A Bill for an Act to amend the Racial Discrimination Act 1975, and for related purposes. Racial Discrimination Amendment (Free Speech) Bill 2016.

Senator Siewert to 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 consideration of each of the bills resume at the stage reached in the 44th 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

CHAMBER
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.

Senator Ruston to 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.

Senator Fifield to 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.

Senators Hanson-Young and Xenophon to 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 Polley to move:
That the Senate—
(a) recognises that:
(i) World Mental Health Day takes place on 10 October,
(ii) Mental Health Week will take place in Australia from 9 to 15 October 2016, and
(iii) both World Mental Health Day and Mental Health Week seek to encourage help-seeking behaviour, reduce the stigma associated with mental health issues and foster connections through communities;
(b) acknowledges the importance of World Mental Health Day and other campaigns, including R U OK? Day in Australia and World Suicide Prevention Day, that:

(i) help build community awareness about mental health issues, and
(ii) help build community awareness around suicide prevention and encourage people to have regular and meaningful conversations with family, friends and colleagues;

(c) recognises the efforts of dedicated individuals and organisations working to address mental health issues and suicide prevention;

(d) notes with concern that suicide rates remain unacceptably high, and that in Australia:

(i) suicide is the leading cause of death for men and women between the ages of 15 and 44,
(ii) each day seven people die by suicide and 30 attempt suicide,
(iii) higher rates of suicide exist among vulnerable groups, including Aboriginal and Torres Strait Islander peoples, young people and people from lesbian, gay, bisexual, transgender and intersex (LGBTI) communities,
(iv) the annual number of deaths by suicide is around 2,500,
(v) each year it is estimated that 65,000 people attempt suicide, and
(vi) the annual suicide toll is now twice the annual road toll; and

(e) calls on the Government to show leadership around suicide prevention, including working in a bipartisan approach to adopt the National Mental Health Commission’s target to reduce suicide by 50 per cent over the next 10 years.

(general business notice of motion no. 52)

Senator Brandis to move:

That the following bill be introduced: A Bill for an Act to amend the law relating to counter-terrorism, and for related purposes. Counter-Terrorism Legislation Amendment Bill (No. 1) 2016.

Senator Brandis to move:

That the following bill be introduced: A Bill for an Act to amend the Criminal Code Act 1995, and for other purposes. Criminal Code Amendment (Firearms Trafficking) Bill 2016.

Senator Brandis to move:


Senator Fifield to 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.

Senator Hanson-Young to 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.*

**Senator Xenophon** to move:

That—

(1) The Senate notes that:

(a) the Government is currently in negotiations with the 45 of 164 World Trade Organisation (WTO) member countries that have acceded to the WTO Government Procurement Agreement, and that Australia is negotiating to accede to the agreement; and

(b) these negotiations are being held in secret but could have profound effects on the ability of future Australian governments to use Government procurement for local industry development.

(2) There be laid on the table by no later than 3 pm on 10 October 2016, by the Minister representing the Minister for Trade, Tourism and Investment, the Australian offer made and responses to date to that offer.

**Senator Rhiannon** to 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 Rice** to move:

That there be laid on the table by the Minister representing the Minister for Industry, Innovation and Science, by no later than 10 am on 10 October 2016, the following documents relating to the final report commissioned by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and prepared by Ernst and Young, entitled *Review of CSIRO’s Science Prioritisation and Implementation Process*:

(a) the terms of reference for the review; and

(b) any documents, including correspondence, briefs or file notes, held by either CSIRO or the Department of Industry, Innovation and Science.

**Senators Moore and Brown** to move:

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 Xenophon to move:

That—

(a) the Senate notes that:

(i) the President's report to the Senate on government responses outstanding to parliamentary committee reports as at 30 June 2016, listed the report of the Rural and Regional Affairs and Transport References Committee on the Australian grape and wine industry as amongst the reports the Government had failed to respond to within the 3 month timeframe, and

(ii) the Government still has not provided a formal response to the committee's report, although it has been 7 months since the report was tabled; and

(b) there be laid on the table by no later than 3.30 pm on 10 October 2016 by the Minister representing the Minister for Agriculture and Water Resources the Government's response to the report of the Rural and Regional Affairs and Transport References Committee on the Australian grape and wine industry, dated 12 February 2016.

Senators Xenophon, Griff and Kakoschke-Moore to 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.

BUSINESS
Leave of Absence
Senator URQUHART (Tasmania—Opposition Whip in the Senate) (15:38): I move:
That leave of absence be granted to Senator Marshall for today, for personal reasons.
Question agreed to.

NOTICES
Withdrawal
Senator SIEWERT (Western Australia—Australian Greens Whip) (15:38): I withdraw
general business notice of motion No. 28 standing in the name of Senator Rhiannon.

Senator KAKOSCHKE-MOORE (South Australia) (15:38): I withdraw general business
notice of motion No. 44 standing in the name of Senator Xenophon.

BUSINESS
Leave of Absence
Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:38): I move:
That leave of absence be granted to Senator Day for 14 and 15 September 2016, for personal reasons.
Question agreed to.

NOTICES
Postponement
The Clerk: Postponement notifications have been lodged in respect of the following:

Business of the Senate notice of motion no. 2 standing in the name of the Leader of the Opposition in
the Senate (Senator Wong) for today, proposing the disallowance of the Legal Services Amendment

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 15 September
2016.

General business notice of motion no. 34 standing in the name of the Leader of Derryn Hinch’s
Justice Party (Senator Hinch) for today, proposing a variation to the order of the Senate relating to
photography in the chamber, postponed till 13 October 2016.


The PRESIDENT: Leave is granted for one minute.

Senator HINCH: I am learning these new words, like 'conciliation' and 'negotiation'. I
have reluctantly agreed to postpone this motion relating to still photographs in the Senate.
This matter will go to the Procedure Committee, to make it consistent with the lower house.
Mr President, I say I am reluctant, because you were a member of the committee in
September 2014, as were Senator Fifield and Senator Wong, and your committee decided that
the rules for photographs were unduly restrictive and inconsistent and that they should be
amended, and that the amended rules should be brought in as of 24 September 2014, two
years ago next week. It did not happen. The matter has gone back to the same committee. I am hopeful that we will get the same result. If not, I will be back here next month.

Question agreed to.

COMMITTEES

Corporations and Financial Services Committee

Reference

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (15:40): I move:

That the following matters be referred to the Parliamentary Joint Committee on Corporations and Financial Services for inquiry and report by 30 June 2017:

(a) the need for further reform and improved oversight of the life insurance industry;
(b) assessment of relative benefits and risks to consumers of the different elements of the life insurance market, being direct insurance, group insurance and retail advised insurance;
(c) whether entities are engaging in unethical practices to avoid meeting claims;
(d) the sales practices of life insurers and brokers, including the use of Approved Product Lists;
(e) the effectiveness of internal dispute resolution in life insurance;
(f) the roles of the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority in reform and oversight of the industry; and
(g) any related matters.


The PRESIDENT: Leave is granted for one minute.

Senator GALLAGHER: The opposition will be supporting Senator Williams’s motion to refer these issues to the Parliamentary Joint Committee on Corporations and Financial Services. We will not stand in the way of this important work, unlike those opposite, who are blocking a royal commission. Labor’s preference would be for the government to establish a royal commission into the banking and financial services sector that would put a stop to the scandals and misconduct and that would restore public confidence in Australia’s financial institutions. But we will support this motion because we believe these are significant issues that should be examined by this committee.

Question agreed to.

MOTIONS

Working Holiday Maker Program

Senator LAMBIE (Tasmania) (15:42): I seek leave to amend general business notice of motion No. 46 standing in my name.

Leave granted.

Senator LAMBIE: I move the motion as amended:

That the Senate—

(a) notes that the fruit, berry, cherry and wine industries in Tasmania:

(i) are worth $345 million each year,
(ii) employ approximately 30 000 people each year,
(iii) face risks to their profitability and viability because of the Federal Government's plans to remove the tax-free threshold on backpackers' wages,
(iv) have traditionally relied on a surge of overseas backpackers to harvest our crops,
(v) compete with New Zealand for a scarce backpacker labour pool,
(vi) are placed at risk of being crippled because of the Federal Government's plans to remove the tax-free threshold on backpackers' wages,
(vii) are supported by a parliamentary delegation of 10 people from Tasmania's horticulture and viticulture industries in a bid to overturn the controversial backpacker tax and fill 10 000 seasonal jobs in the sector,
(viii) are supported by peak body Tasmanian Farmers and Graziers Association (TFGA) which opposes the removal of the tax-free threshold on backpackers wages, and
(ix) are supported by the Tasmanian Liberal state government which also opposes the removal of the tax-free threshold on backpackers wages; and
(b) calls on the Government to listen to industry and state government leaders about the adverse impacts of this ill-conceived tax.
Question agreed to.

COMMITTEES
Joint Standing Committee on Treaties
Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:42): At the request of Senator Fawcett, I move:
That the Joint Standing Committee on Treaties be authorised to hold private meetings otherwise than in accordance with standing order 33(1), followed by public meetings, during the sittings of the Senate, from 11 am to 1 pm, as follows:
(a) Monday, 10 October 2016;
(b) Monday, 7 November 2016;
(c) Monday, 21 November 2016; and
(d) Monday, 28 November 2016.
Question agreed to.

MOTIONS
National Stroke Week

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (15:43): At the request of Senator Moore and Senator Bilyk, I move:
That the Senate—
(a) recognises that:
   (i) National Stroke Week:
      (A) will take place from 12 September to 18 September 2016, and
      (B) seeks to raise awareness about the need to prevent stroke in Australia, and
   (ii) the Stroke Foundation encourages all Australians to:
(A) understand the symptoms of stroke and know what to do if one occurs,
(B) make healthy lifestyle choices which will reduce the risk of stroke,
(C) assist in raising awareness in their local communities, and
(D) get regular health check-ups;
(b) notes with concern the financial and emotional burden which stroke has on the Australian community;
(e) acknowledges the:
   (i) important role of families and carers of stroke victims, and
   (ii) valuable contribution of the Australian health system in preventing and treating stroke;
(d) congratulates the bi-partisan efforts made by previous governments; and
(e) confirms the need for continued action to reduce the prevalence of stroke in Australia.

Question agreed to.

COMMITTEES
Economics References Committee

Reference

Senator LAMBIE (Tasmania) (15:43): I seek leave to amend general business notice of motion No. 3 standing in my name and also to add Senator Xenophon's name.

Leave granted.

Senator LAMBIE: I, and also on behalf of Senator Xenophon, move the motion as amended:

(1) The Senate notes that:
   (a) the Australian dairy industry is facing an unprecedented crisis with the retail cost of bottled milk per litre often less than the retail cost of bottled water;
   (b) Australian milk production since deregulation over 15 years has decreased from approximately 11 billion litres per year to 9 billion litres per year – a 20 per cent decrease, while New Zealand milk production has almost doubled;
   (c) in 2011, a report of the Senate Economics References Committee recommended that producers' contracts with dairy farmers should offer a clear, consistent formula for milk pricing with unambiguous conditions;
   (d) five years later, the livelihoods of up to 40 per cent of Australian dairy farmers are under threat because of imposed, retrospective debt, helped by unclear, inconsistent milk pricing contracts with ambiguous conditions;
   (e) Australia's largest dairy producer and milk price setter, Murray Goulburn, has been allowed to force onto its suppliers unprecedented milk contracts or agreements ensuring that dairy farmers are burdened with retrospective debts ranging from tens to hundreds of thousands of dollars;
   (f) Australian rural and regional communities face losing millions of dollars and thousands of jobs if a fair, long term solution to Australia's dairy crisis is not found; and
   (g) the mental and physical health of dairy families and workers are being unnecessarily and unfairly placed in jeopardy as politicians, legal and industry experts argue about possible solutions to the dairy crisis.
(2) That the above matters be referred to the Economics References Committee for inquiry and report by 24 February 2017, in order to establish a fair, long term solution to Australia's dairy crisis, with particular reference to fresh milk security and:

(a) the legality of retrospective elements of milk contracts;
(b) the behaviour of Murray Goulburn; and
(c) any other related matters.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (15:44): I seek leave to make a short statement.

The President: Leave is granted for one minute.

Senator McGrath: The coalition government strongly supports Australia's dairy farmers and dairy industry. We are delivering a $579 million dairy assistance package to help dairy farmers experiencing hardship as a result of low global dairy commodity prices and the decisions of major dairy processors Murray Goulburn and Fonterra to cut farm gate milk prices in the 2016-17 year. There was no assistance under Labor in 2009, when farm gate milk prices were lower. The ACCC is currently investigating the farm gate milk-pricing decisions of Murray Goulburn and Fonterra. ASIC is also investigating Murray Goulburn. The government has requested that the ACCC undertake a market inquiry into the Australian dairy industry. It will commence by November 2016. The ACCC will have powers to compel evidence.

Senator Lambie (Tasmania) (15:45): I seek leave to make a short statement.

The President: Leave is granted for one minute.

Senator Lambie: As this motion notes, the Australian dairy industry is facing an unprecedented crisis, with the retail cost of bottled milk per litre often being less than the retail cost of bottled water. Australia's largest dairy producer and milk price setter, Murray Goulburn, has been allowed to force onto its suppliers unprecedented milk contracts and/or agreements, ensuring that dairy farmers are burdened with retrospective debts ranging from tens to hundreds of thousands of dollars. Australian rural and regional communities face losing millions of dollars and thousands of jobs if a fair long-term solution to Australia's dairy prices is not found. I urge all senators, particularly those from the National Party, to stand up for the rural and regional communities that are doing it tough and vote for this motion to establish a Senate investigation in order to establish a fair long-term solution to Australia's dairy crisis.

The President: The question is that the motion, as moved and amended by Senator Lambie, be agreed to.

Question agreed to.

Motions

Defence Facilities: Chemical Contamination

Senator Rhiannon (New South Wales) (15:46): I, and also on behalf of Senator Xenophon, move:

That the Senate—

(a) notes that on 14 June 2016, the Turnbull Government announced a $55 million package paid for from the existing Department of Defence budget, for:
(i) containment and remediation of perfluorinated compound (PFC) contamination around the country,
(ii) an epidemiological study to examine the effects of PFC contamination in communities around the country,
(iii) a voluntary blood testing program,
(iv) specialised mental health and counselling services, and
(v) the appointment of a dedicated Community Liaison Office;
(b) calls on the Government to report on the progress of each item under the $55 million package; and
(c) calls on the Government to pay for residents living in Williamtown, Fullerton Cove and Salt Ash under similar contamination conditions to those inside the Red Zone to be connected to town water.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (15:47): I seek leave to make a short statement.

The President: Leave is granted for one minute.

Senator McGrath: Our efforts to come to a minor agreed amendment on this motion were unsuccessful. We are committed to the long-term management and remediation of contaminated sites. The government is engaging with a major university to conduct a study of the affected sites. The government is finalising blood testing arrangements, with the aim of implementation in the next month. In the interim, Defence is reimbursing individuals who seek private testing. Community liaison officers have commenced at both Williamtown and Oakey and will link residents to dedicated mental health and counselling support services in these communities. The government is funding connection of properties at Williamtown to town water and is considering connecting a number of other properties outside the investigation area.

Question agreed to.

DOCUMENTS

Automotive Industry

Order for the Production of Documents

Senator Kakoschke-Moore (South Australia) (15:48): At the request of Senator Xenophon, I move:

That—
(a) the Senate notes that:
(ii) the Government still has not provided a formal response to the committee's report, although it has been 10 months since the report was tabled; and
(b) there be laid on the table by no later than 3.30 pm on 10 October 2016 by the Minister representing the Minister for Industry, Innovation and Science the Government's response to the report of the Economics References Committee on the future of Australia's automotive industry, dated 1 December 2015.
Senator McGRATH (Queensland—Assistant Minister to the Prime Minister) (15:48): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator McGRATH: The government is developing its response to the Senate inquiry. The report contains 20 wide-ranging recommendations that cut across the responsibilities of five portfolios. The government expects to respond to the report in the near term. In their dissenting report, government senators supported further work in relation to a number of recommendations, in order to give the vehicle and component makers certainty to cope with the decline in production and volumes. Government senators oppose changes to the Automotive Transformation Scheme in order to ensure an orderly transition of the automotive sector post 2017. For this reason, the government will maintain the scheme in its original form, as legislated, until that time. Firms that undertake eligible Automotive Transformation Scheme activities, including on the export side of their businesses, can continue to apply the funding during this period.

Question agreed to.

COMMITTEES

Environment and Communications References Committee

Reference

Senator WHISH-WILSON (Tasmania) (15:49): I move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 30 June 2017:

(a) recent and projected changes in ocean temperatures, currents and chemistry associated with climate change;

(b) recent and projected changes in fish stocks, marine biodiversity and marine ecosystems associated with climate change;

(c) recent and projected changes in marine pest and diseases associated with climate change;

(d) the impact of these changes on commercial fishing and aquaculture, including associated business activity and employment;

(e) the impact of these changes on recreational fishing;

(f) the adequacy of current quota-setting and access rights provisions and processes given current and projected climate change impacts;

(g) the adequacy of current and proposed marine biodiversity protections given current and projected climate change impacts;

(h) the adequacy of biosecurity measures and monitoring systems given current and projected climate change impacts; and

(i) any other related matters.

Senator McGRATH (Queensland—Assistant Minister to the Prime Minister) (15:49): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.
Senator McGrath: We do not need an inquiry established every time Senator Whish-Wilson reads an article or meets a stakeholder. The government takes advice from leading Australian and global scientific institutions, including the Bureau of Meteorology and CSIRO, on the impacts of climate change, including on the marine environment, fisheries and recreational users. Australia has some of the most sustainably managed, low impact fisheries in the world, underpinned by world-class scientific research. A well-managed fisheries system ensures a more resilient marine environment in the face of climate change. Australia’s climate change policies are strong and in place and we are playing our part internationally by signing the Paris agreement and commencing domestic ratification. The government will be happy to facilitate a briefing for Senator Whish-Wilson by relevant officials to canvass these issues, rather than tie up hundreds of hours of resources through an inquiry.


The President: Leave is granted for one minute.

Senator Whish-Wilson: I was not planning to make a short statement, but given that was a very personal response by the government I will respond. Mr President, off the coast of Tasmania, where we are both from, we have seen unprecedented warming of waters and we have seen severe damage to our aquaculture industry, to scallops, to abalone and to the oyster industry, not to mention the damage to some of the beautiful, ancient kelp forests.

Right around the country we are seeing the ocean go haywire from warming waters. We are seeing marine protected area protections that the Labor Party brought in being wound back, especially in the Coral Sea, very close to an area where we are seeing unprecedented bleaching of the Great Barrier Reef. The government clearly have something to hide. They do not want an inquiry into this. I would say to the One Nation senators and others here who do not believe in climate change that this is a good opportunity to come along and ask hard questions to the experts. This is an inquiry we need to have.

The ocean is being ignored in the climate change debate. It is a great opportunity— (Time expired)

The President: The question is that the motion moved by Senator Whish-Wilson, business of the Senate notice of motion No. 4, be agreed to.

The Senate divided. [15:56]

(The President—Senator Parry)

Ayes .................... 34
Noes .................... 27
Majority ............... 7

AYES

Bilyk, CL
Cameron, DN
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Hanson-Young, SC
Kakoschke-Moore, S
Lambie, J
Lines, S
McAllister, J

Browne, CL
Chisholm, A
Dastyari, S
Dodson, P
Gallagher, AM
Griff, S
Hinch, D
Ketter, CR
Leyonhjelm, DE
Ludlam, S
McCarthy, M
House of Representatives
Wednesday, 14 September 2016

AYES

Kim, NJ
Polley, H
Rhiannon, L
Siewert, R
Waters, LJ
Whish-Wilson, PS

NOES

Abetz, E
Birmingham, SJ
Bushby, DC (teller)
Culleton, RN
Fawcett, DJ
Hume, J
McGrath, J
Nash, F
Parry, S
Payne, MA
Roberts, M
Ryan, SM
Seselja, Z
Williams, JR

PAIRS

Carr, KJ
Conroy, SM
Marshall, GM
Moore, CM
Singh, LM
Sterle, G
Wong, P

Fierravanti-Wells, C
Sinodinos, A
Canavan, MJ
Fifield, MP
Bernardi, C
Cormann, M
Brandis, GH

Question agreed to.

MOTIONS

Child Sexual Abuse

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:58): I move:
That the Senate—
(a) recognises that:
(i) the Royal Commission into Institutional Responses to Child Sexual Abuse released its report on Redress and civil litigation on 14 September 2015, and
(ii) the report recommended:
(A) the establishment of a single national redress scheme as preferable to state-based schemes,
(B) the institution in which the abuse occurred should fund redress,
(C) that state, territory and Commonwealth governments should act as funders of last resort, and
(D) that a single national redress scheme, or state-based schemes, should be in place by 1 July 2017;

(b) notes that:
(i) the Coalition has not yet committed to providing funding of last resort, and
(ii) less than a year from the recommended start date, there is no clear plan for national redress scheme; and

(c) calls on the Coalition to commit meaningfully to a national redress scheme, with the Commonwealth Government providing funding of last resort.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (15:58): I seek leave to make a short statement.

The President: Leave is granted for one minute, Senator McGrath.

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 in the time frame acceptable to survivors or 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 Commonwealth will therefore continue to work towards agreement on a nationally consistent approach to redress.

The President: The question is that the motion moved by Senator Siewert, business of the Senate No. 49, be agreed to.

The Senate divided. [16:01]

(The President—Senator Parry)

Ayes ....................33
Noes ....................25
Majority..............8

AYES
Bilyk, CL
Cameron, DN
Collins, JMA
Di Natale, R
Farrell, D
Gallagher, KR
Hanson-Young, SC
Kakoschke-Moore, S
Lamie, J
Ludlam, S
McCarth, M
O’Neill, DM
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
Watt, M

Brown, CL
Chisholm, A
Dastyari, S
Dodson, P
Gallacher, AM
Griff, S
Hinch, D
Ketter, CR
Lines, S
McAllister, J
McKim, NJ
Pratt, LC
Rice, J
Sterle, G
Waters, LJ
Whish-Wilson, PS
AYES

Xenophon, N

NOES

Abetz, E
Birmingham, SJ
Bushby, DC (teller)
Fawcett, DJ
Leyonhjelm, DE
McGrath, J
Nash, F
Parry, S
Payne, MA
Roberts, M
Ryan, SM
Seselja, Z
Williams, JR

Back, CJ
Burston, B
Duniam, J
Hume, J
Macdonald, ID
McKenzie, B
O’Sullivan, B
Paterson, J
Reynolds, L
Ruston, A
Scullion, NG
Smith, D

PAIRS

Carr, KJ
Conroy, SM
Marshall, GM
Moore, CM
Polley, H
Singh, LM
Wong, P

Fieravanti-Wells, C
Sinodinos, A
Canavan, MJ
Fifield, MP
Cormann, M
Bernardi, C
Brandis, GH

Question agreed to.

NOTICES

Presentation

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:03): by leave—I give notice that on the next day of sitting I shall 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.

MATTERS OF PUBLIC IMPORTANCE

Liquor Licensing

The PRESIDENT (16:03): I inform the Senate that at 8.30 this morning the Leader of the Opposition in the Senate, Senator Wong, and Senator Leyonhjelm each submitted a letter in accordance with standing order 75 proposing a matter of public importance. The question of which proposal would be submitted to the Senate was determined by lot. As a result, I inform the Senate that the following letter has been received from Senator Leyonhjelm:
Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:

Restrictions on the sale and the service of alcohol at licensed venues and their impact on crime, health and enjoyment.

Is the proposal supported? We will give latitude; there are enough senators supporting.

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

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

Senator LEYONHJELM (New South Wales) (16:04): As chair of the nanny state inquiry in the previous parliament, and as somebody who despises government restrictions on individual liberties, I note the recommendations by Justice Callinan to relax some of the draconian lockout laws in Sydney. I say I 'note' the recommendations because 'welcome' would be too strong a word. Even if the Callinan recommendations are adopted in full, Kings Cross will never be the same.

Easing last-drinks restrictions by half an hour will not return Kings Cross to its former glory. Talking about late night entertainment at the Cross without alcohol will not make much difference either. It is already allowed. Inviting international visitors to choose between Fanta and Passiona while watching bands in our premier red-light district will make us a laughing stock. And Callinan's recommendations will not return the hundreds of jobs to young people who lost them in the hospitality, entertainment and tourism industries either.

It is pathetic to see people who have forgotten the last time they ever had a good time endorsing lockout laws—as if there is an exact time in the evening when revelry must cease before everyone turns into a pumpkin. It makes no sense. Why is it that Sydneysiders cannot be trusted to go out after 1.30 am? Is there something in the water that means Melburnians can choose when and where to go late at night, but not Sydney people? And why can Sydney people be trusted to visit Melbourne and stay out late, but not vice versa? Are Sydney lockout laws a reflection of Sydney police not doing their job properly, and Sydney doctors forgetting they chose a vocation involving surgery in a hospital rather than preaching in a pulpit?

Or does all of this have more to do with that creeping madness where governments believe that they must act as our de facto parents?

Sydney used to be—and should still be—Australia's most vibrant city. It has a glorious history of naughtiness that dates back to when the convicts were first unloaded onto the shores of Port Jackson in 1788. These events were first frowned upon in the journal of the First Fleet surgeon, Arthur Bowes Smyth, who said it was beyond his 'abilities to give a just description of the scene of debauchery and riot that ensued'. He appears to be a worthy predecessor of the doctors' associations. What's the difference between a doctor and God?

God doesn't think he's a doctor.

Recently one of these doctors' unions successfully convinced the Northern Territory government to reimpose speed limits on remote roads. This is despite the fact that there is no case to impose limits in the Territory, where road fatalities have been falling for years. Chalk that up as another victory for the modern equivalents of Dr Bowes Smyth—those people who
constantly worry about the fact that everybody but them is having a good time. As for the Darlinghurst Resident Action Group, who have been prominent in the media today, I have one thing to say: put a sock in it, or go and live somewhere else. Moving to Kings Cross and complaining about the night-life is like coming to Parliament House and complaining about boring speeches, or to Port Kembla and complaining about smokestacks, or to Mount Panorama and complaining about car races.

To the doctors' unions, I say: I won't pretend to be an expert about treating bunions or indigestion if you stop pretending to be experts about nights out in Kings Cross or speed limits in the Northern Territory. The doctors' and residents' associations have a right to their opinions on these matters, similar to the rights of anyone else. But there must be a place in Sydney where people can have a long night out, and as long as they are not impinging on anyone else we should leave them alone. I welcome any moves to relax current restrictions in Kings Cross, but I caution anyone against thinking that the Callinan recommendations will revive the night-life of Sydney. The control freaks are still very much in charge of New South Wales. They shut down the greyhound industry. They are telling us when we can have a drink in Kings Cross and when we can go home.

Finally, let me reiterate some comments from the interim report on this matter from the Senate Economics References Committee. The Sydney lockout laws did lead to a net reduction in reports of alcohol fuelled violence, with reductions in the lockout areas exceeding increases in violence elsewhere. However, the reductions in reported violence were outstripped by the reduction in foot traffic. Reduced reports of violence are to be expected when you convert an entertainment district to a ghost town. Businesses have closed down, jobs have gone and the cultural heritage and bustle of the district has been lost. Some local residents have cheered this change, and perhaps there are more of them than the hospitality workers and musicians who have lost their jobs. But the day we justify laws because of a crude 'greatest good for the greatest number' is the day we lose our moral compass. The idea that we deal with the problem behaviour of individuals by imposing collective punishment is beneath us. The earlier we return to a focus on individuals the better we will be as a society.

Senator PATERSON (Victoria) (16:10): I will begin by thanking Senator Leyonhjelm for putting this important issue—restrictions on the sale and service of alcohol at licensed venues—on the Senate's agenda today. It is one that I welcome the opportunity to discuss, and it is one on which I recognise the senator's very principled advocacy for many years—in particular, in the most recent parliament, the excellent initiative of a Senate inquiry into personal choice and the way in which modern governments tend to favour paternalism as a way of limiting it. So, I thank Senator Leyonhjelm for putting this on the record and I welcome the opportunity to contribute to the debate today.

Although I am a Liberal, I have to say that I have great concerns about the New South Wales government's lockout policies. Of course, the federal government does not have the capacity to regulate trading hours or liquor licensing, and nor should we. But that does not stop us from having a healthy interest in the night-time economy of Australia and the freedoms of our constituents to enjoy that night-time economy. I am proud to be speaking on this topic as a Victorian Liberal, as we opposed and successfully defeated the then Victorian Labor government's disastrous 2008 trial of a 2 am lockout in the Melbourne CBD. One notable campaigner against the lockout was our new colleague in the lower house, the
member for Goldstein, Tim Wilson, from his position then at the Institute of Public Affairs. That campaign culminated in a public protest attended by 10,000 Victorians in May 2008. That was the first and will probably be the last time the member for Goldstein will be spotted at the head of a protest rally with a megaphone.

The Melbourne 2 am lockout was rightly abandoned after it spectacularly failed during a three-month trial. It did nothing to prevent late-night violence in the Melbourne CBD and it hurt many innocent law-abiding Victorians. Opponents of lockouts have made very good points about why that lockout would not succeed, and they were proven right. Firstly, they argued that it was wrong to punish all citizens for the crimes of a few. The vast majority of young or even old people who like to go out in the city late at night do so completely lawfully and without harming anyone else. A small percentage of offenders do cause problems, and they deserve to be firmly dealt with for doing so. But collective punishment of all people is not right.

Secondly, law-abiding businesses were and will be hurt by these types of laws. Some licensed venues may not have complied with the conditions of their licence. They may have even served intoxicated patrons more drinks. But that is a problem of enforcement of an existing law. Failure to enforce a law does not justify shutting down all legitimate businesses, most of which do comply with the law. Thirdly, geographic lockout zones typically just push the activity—and often also the violence—elsewhere. Fourthly, exemptions were, and typically are, unfairly granted to some areas and some businesses over others. I do not blame these businesses for seeking an exemption; any business in its right mind would not want to be bound by these laws. But it is not right for some to suffer while others prosper under these laws.

Finally, the international reputation of our cities suffers when we fail to provide a decent, safe late-night entertainment offering to tourists and international visitors. The great cities of the world are, in part, defined by their round-the-clock entertainment and service. Unless we actually want Australia to be a sleepy backwater, we cannot keep these sorts of absurd restrictions.

I am sorry that the New South Wales government evidently has not learned from the failure of the Victorian government in this area. They have persisted with their own lockouts, and we are now very clearly seeing again the flaws of this approach.

One person who deserves a great deal of credit for powerfully demonstrating the failings of this policy is a Sydney businessman, Matt Barrie. He wrote a searing critique of the policy, and it is well worth reading for all policymakers. Published on LinkedIn in February 2016, Mr Barrie wrote:

A special little person has decided that there is a certain time at night when we are all allowed to go out, and there is a certain time that we are allowed into an establishment and a certain time that we are all supposed to be tucked into bed. There is a certain time we are allowed to buy some drinks, and over the course of the night the amount of drinks we are allowed to buy will change. The drinks we buy must be in a special cup made of a special material, and that special material will change over the course of the night at certain times. The cup has to be a certain size. It cannot be too big, because someone might die. Over the course of the night, this special little person will tell you what you can and cannot put into your cup because someone might die.

He goes on to point out:
It is now illegal to buy a bottle of wine after 10pm in the City of Sydney because not a single one of us is to be trusted with any level of personal responsibility. Apparently there is an epidemic of people being bashed to death over dinner with a bottle of Marlborough Sauvignon Blanc that we have all been blissfully unaware of.

Mr Barrie is absolutely right.

The City of Sydney itself found, in a report in September 2015, that foot traffic and, therefore, also patronage in the Kings Cross area had been smashed by the introduction of these laws. Measured at 11 pm, between 2012 and 2015, it fell by 58 per cent. Measured at 1 am, it fell by 84 per cent. This has had the entirely predictable result on the businesses in the area.

I will return to Mr Barrie and his very vivid description of the effect it has had on some businesses. I do not know the venues which he talks about, but I trust his judgement on what is a good and a bad late-night venue in Sydney. He writes:

Hugo's Lounge closing, which was the swankiest bar in Sydney for fifteen years and voted Australia's best nightclub five years running, was the last nail in the coffin for the area.

The venue also housed the 130-seat Hugo's Pizza, which had not just won Best Pizza Restaurant in Australia at the Australian Restaurant & Catering Awards, but was also named the World's Best Pizza in the American Pizza Challenge in New York.

Down the road, Jimmy Liks, an upmarket and seductively lit Southeast Asian eatery, wine bar and cocktail bar is likewise bust. A sign hangs out the front "Thank you Sydney for an amazing 14 year journey. NSW Lockout Laws cost good people their jobs and decimated a once great and vibrant suburb!"

Hours have been cut. Staff have been let go. Businesses have closed their doors. People's livelihoods have been destroyed. According to the Kings Cross Liquor Accord, 16 licensed venues have closed since 2014, and 35 shops in the area have also shut their doors. There has been a 40 per cent drop in revenue for Sydney live performance venues alone.

Defenders of the law point out that violence has fallen too. As Senator Leyonhjelm and I have acknowledged, that is true. But it has fallen far less than patronage has. If we reduced foot traffic even further to nothing then of course violence would fall to nothing as well. But this does not justify the policy. Locking everyone in their homes might stop violence, but it should never be acceptable in a free and open society.

A report for the New South Wales government which was released today by the former High Court Justice Ian Callinan recommends that the New South Wales government water down the lockout law modestly. He has proposed, for example, extending some of the times of the lockouts and a few other modifications of some of the restrictions. I think they are modest, sensible recommendations and, at the very least, the New South Wales government should take up these very modest, sensible suggestions.

But my preference, of course, is that they go much further. This sort of nanny state, one-size-fits-all approach is wrong, and it comes at too high a cost. Instead of this nanny state approach, which unfairly punishes law-abiding citizens and businesses, we should instead deal firmly with those who are directly responsible for the violence with sufficient police resources, tough laws for offenders and punishment of rogue venues that flout the law and cause the problems. They are the ones who deserve to be punished, not law-abiding people.
who choose to go out and have a good night out and not law-abiding businesses who just want to employ people and prosper. They do not deserve to be punished for this. It is the individual perpetrators of these crimes who deserve to be punished. Unfortunately, that is not the approach that was taken by the New South Wales government.

I hope that this report is an opportunity for them to reconsider their policies, because it is having a terrible effect on people's lives. It has had a terrible effect already on the livelihood of these small business operators, which my party, the Liberal Party, says they—and they truly should—always stand up for. We should not be there to give any advantage to bigger businesses, more established businesses, who have the opportunity to lobby for exemptions to the law. We should be there to stand up for these small business people who want to do nothing other than run their late-night venues.

Senator Ketter (Queensland) (16:20): I rise to make a contribution in respect of the matter of public importance that has been raised by Senator Leyonhjelm today. I commence my contribution by referring to the tragic death of a young Brisbane athlete, Cole Miller. He died tragically, following the delivery of a single fatal blow. He was a talented water polo player. This terrible tragedy occurred as he was walking through the Brisbane entertainment precinct in the early hours of 3 January. He was set upon by another person in what can only be considered an unprovoked attack as they walked through the mall to catch a taxi. Mr Miller died as a result of a solitary punch to the head, which caused him to fall on the ground and rendered him unconscious. He died in hospital the next day, of massive head injuries, without ever regaining consciousness. This is a matter that has been before the courts, and the tragedy here is that the person who inflicted the solitary punch on Mr Miller is alleged to have said to a group of other people that he was with at the time, 'Do you want to see something funny?' before he picked a fight with the young person.

I refer to this death because, as I said, Mr Miller, a young athlete, was involved in water polo. My own children have been involved in the sport of water polo. On the many occasions that I have attended water polo games in Brisbane I probably came across this young fellow, who tragically died as the result of a senseless act of violence.

So this issue of the restriction of the sale of alcohol is something that I feel very strongly about. I am not standing here saying that I have all the answers as to how we address this issue, but it has been a vexed issue in my home state and there have been attempts to try to protect members of the community from this terrible tragedy. I know that this has been a problem in the state of New South Wales as well.

I want to point out that, on 12 November last year, the Hon. Yvette D'Ath, the Attorney-General and Minister for Justice and Minister for Training and Skills in Queensland, introduced the Tackling Alcohol-Fuelled Violence Legislation Amendment Bill 2015 into the Queensland parliament. On 20 December last year, a committee visited Brisbane's Fortitude Valley precinct, the Roma Street police watch house and the emergency department of the Royal Brisbane and Women's Hospital between midnight and 5 am.

Now, I understand and respect Senator Leyonhjelm's passion for campaigning for civil freedoms and liberty, and he has a right to his opinion. But I would say to him that, if he were to walk a day in the shoes of a surgeon, a paramedic, a nurse or a police officer, we would probably not be having this debate. We see newspaper articles and we see the cooked-up statistics from the various alcohol lobbying groups, and we are obliged to look at those. But I
also note there has been inquiry by the Economics References Committee of this place, and
Senator Leyonhjelm has been instrumental in that particular inquiry into this matter. I note
that the Australian Medical Association made a submission to that particular inquiry. They
have called on the government to do something about the effects of alcohol on our
community, be they from alcohol fuelled violence or excessive alcohol consumption. It is
time for something to be done.

Every single day we see kids walking through the emergency departments and being
pushed into an operating theatre. I want to look at the medical specialty of my friend and
Queensland Minister for State Development Dr Anthony Lynham. Before entering parliament
as the member for the Brisbane seat of Stafford in 2014, Dr Lynham worked as a
maxillofacial surgeon. Upon his election in July 2014, he served as shadow minister for
education, innovation, science and information technology; shadow minister for primary
industries and fisheries; and shadow spokesman for the public service, assisting the leader. Dr
Lynham is an adjunct professor at QUT and an associate professor at the University of
Queensland School of Medicine. He graduated in medicine from the University of Newcastle
and completed his maxillofacial surgery training in Queensland. He is a fellow of the Royal
College of Surgeons of Edinburgh. He worked most of his medical career at the Royal
Brisbane and Women's Hospital and is part of a research team at Prince Charles Hospital.

There is a very important lesson here, which he mentioned in his speech to parliament that
resulted in tighter controls on the trading hours of venues serving alcohol. In the late 1990s,
Queensland had one maxillofacial surgeon on the Gold Coast, two on the south side of
Brisbane and four at the Royal Brisbane Hospital. We had one in Townsville and we had one
in Toowoomba. Now the number of this type of surgeon has at least tripled all over
Queensland and it is growing. Why? Because young people are being assaulted in our
nightclub districts and our precincts, due to alcohol.

What is our solution to this problem? Do we have one? The Queensland solution is
working. I would ask Senator Leyonhjelm: is his solution to simply throw ineffective
measures at this problem or simply to ignore it? Do we need to throw more surgeons at the
problem? Do we need more operating theatres? The new laws in Queensland are more
important, more powerful than any operation that any doctor or surgeon could ever conduct.
They are powerful because they prevent harm. By creating these types of laws and coupling
them with the right types of education programs, we can prevent alcohol related death and
injury.

I know you can speak of the economic damage these laws do to regions. But I would like to
address that issue. In Newcastle, another place where these types of rules have been applied,
there has been a doubling in the number of bars and restaurants, and increased employment.
In Queensland, we have over 7,000 licensed venues; the new laws only affect 99 of them, or
less than two per cent, and by only one to two hours—a couple of rounds of drinks. That is all
these laws do, but they have the maximum effect of one-third fewer young people being
harmed. The initial economic impact is small, but the gains are immense both in long-term
economic growth and in a reduction in social harm. These measures are not a magic bullet. If
we had a drug that could cure 30 per cent of cancers, we would use it every day. It works
because of its simplicity. Reductions in trading hours give people less opportunity to preload,
as they have to get to the club before it closes. These measures create a vibrant night-time
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That our economy that is safe and simply peaks earlier, and an environment that is more attractive for residents and tourists alike.

It is not about restricting our freedoms and our leisure. It is about keeping our kids and our young people safe. It is about ensuring that visitors to our great cities and regions feel safe. As a parent of four, I feel very strongly about this issue. If these small compromises in terms of our personal freedoms result in one less person being tragically killed, then I think that is a price to pay.

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:30): I too rise to speak on this matter of public importance: restrictions on the sale and service of alcohol at licensed venues and their impact on crime, health and enjoyment. I want to take a bit of a different perspective here and look at where I would argue the most restrictions have been placed on alcohol use: in Aboriginal communities. This has been much debated, including, of course, the bans that were introduced along with the Northern Territory intervention. I would like to look at what role restrictions have played, their appropriateness and what else we should be doing.

If you look at what the World Health Organization has outlined around the social determinants leading to greater risk of harms from alcohol, you will see that they list wealth; education attainment—the level of education people are able to access; housing—whether people are able to access stable and affordable housing; and racism and discrimination that people experience. I would argue that if you address the systemic causes of alcohol abuse—in fact, substance abuse—you would have a much better chance of tackling alcohol harms.

I am very aware of the reality that alcohol and substance abuse can and does cause harm in our community, which is why we all work so hard to try and find solutions. The impacts of alcohol on our community do need to be addressed. I think it is an absolutely critical issue and, in fact, so did the committee in the House of Representatives. In the other place in June last year a report was tabled on an inquiry into the harmful use of alcohol in Aboriginal and Torres Strait Islander communities. I would like to quote one of the key findings from the inquiry in the other place:

Alcohol is the fifth leading cause of disease among Aboriginal and Torres Strait Islander people. The burden of disease attributable to alcohol among Aboriginal and Torres Strait Islander people is twice the level of non-Indigenous people.

This is a shocking and tragic statement to have to read out. The simple fact is that we need to be addressing the issues around alcohol abuse across Australia. Given that I am the Greens spokesperson for Aboriginal and Torres Strait Islander issues, including health, I thought it was particularly important—if we are talking about restrictions and what we do to address alcohol abuse—that we focus on where restrictions have been applied the most.

We have just heard, in some of the debate, about the devastating impact alcohol-related harms can have. We know alcohol can lead to increased violence, including family violence. The inquiry in the other place also heard evidence that alcohol can have an impact on the transfer of cultural knowledge between generations, and that Aboriginal and Torres Strait Islander communities bear historic burdens from colonisation, stolen wages, systemic racism and other challenges that continue to the present day. In other words, we need to be addressing those systemic issues which are related to what the World Health Organization has outlined in the social determinants of health.
This is a serious issue that we need to address, but in doing so we need to ensure that the measures are driven by the community and are for the community rather than being paternalistic, top-down interventions which only serve to disempower. My argument here would be that paternalistic, top-down approaches have been taken in Aboriginal and Torres Strait Islander communities, there being no better example than the bans that were introduced during the Northern Territory intervention. Solutions must be driven within the community, not from outside. For far too long Aboriginal communities have had policies imposed on them from the outside. As I said, we saw this during the Northern Territory intervention, and we are again seeing it with the cashless welfare card. Governments keep doing things to Aboriginal communities, rather than with them. It is interesting that Senator Leyonhjelm has introduced this MPI around restrictions yet he seems to support imposing other top-down measures on communities.

Community led solutions make a real difference. I would like to point to the example of Fitzroy Crossing in my home state of Western Australia—one that you, Mr Acting Deputy President Sterle, also know very well. With people like June Oscar and other women from that community as community leaders, they drove a campaign for alcohol restrictions that called strongly for self-managed alcohol accords. As part of that process, research was conducted into what effect these measures would have, and it showed a reduction in domestic violence, in general violence and in stress for service providers. It also showed increases in food and clothing purchases and care for children. This community pushed for accurate measurement of the alcohol measures that were put in place in that community. The researchers specifically wanted to make sure that they could measure any difference that was applied. This is a clear community led initiative and it shows that measures, such as alcohol restrictions, if the senator wants to call them restrictions, can make a difference, if they are community driven.

One of the key issues the community is focused on is the impact of fetal alcohol spectrum disorders. FASD, as it is commonly known, is associated with, obviously, alcohol abuse. FASD can have a devastating impact over a person's lifetime, and we need coordinated, effective strategies to reduce the prevalence of FASD through effective prevention programs and education of mothers. I will just make a comment here that people talk about FASD in Aboriginal communities, but it is not just in Aboriginal communities; it is in communities throughout Australia.

We need to have community led solutions, and important work has also been done in the Northern Territory, despite my criticisms of the bans when they were first introduced. There is an attempt now for a more sensitive approach. Strategies need to be targeted and culturally appropriate so that they reflect the needs and context of local communities. This works best when communities are empowered to make decisions about their own systems and, most importantly, they must be supported by the community and must empower community members to help manage the systems and ensure that they are working properly.

The point I am trying to make is that we need to consider this issue in the context of the harm we are trying to address. In this context I would argue that alcohol restriction measures do need to be put in place. They need to be community driven and focused on outcomes. We cannot ignore the fact that alcohol does cause harm in communities across Australia. Therefore it is not as simple as arguing that we should not have restrictions, but they need to
be community driven and evidence based, which is why it was so important to look at whether we could achieve change through the alcohol measures that were put in place in Fitzroy community; whereas, when you look at the bans that were put in place in the Northern Territory, they did not actually address the issue of alcohol abuse.

There were a number of people who were very disappointed when the banned drinkers register in the Northern Territory was withdrawn by the then CLP government. There was evidence that it was starting to have an impact, so we need to make sure that we have a rational, sensible debate about how we address alcohol related harm and alcohol abuse.

The ACTING DEPUTY PRESIDENT (Senator Sterle): Before I call Senator Macdonald, I would just ask visitors in the President's gallery—I know it is exciting and there is a first speech or two today, but your voices are carrying—if you could just have a little whisper, it would be greatly appreciated so we can hear the contribution of the senators. Thank you very much.

Senator IAN MACDONALD (Queensland) (16:40): Thanks to Senator Leyonhjelm for initiating this debate on lockout laws. I must say that I agree with Senator Leyonhjelm's comments about the nanny state and the propensity, particularly of Labor governments, to try and protect people from themselves on the basis that they, as Labor Party politicians, know better about how people should act and how they should conduct themselves than people themselves do. Of course I always smile at that, because Labor Party politicians, who are always trying to introduce these laws to regulate the habits and actions of others, usually come from a very limited background with not a lot of understanding of real life—that is, real life outside the union movement or the ALP political party. So I agree with Senator Leyonhjelm that we should be encouraging people to be responsible for their own actions. They should be able to be self-reliant and be helped to understand those responsibilities that they, as young adults—and older adults, I might say—would be expected to abide by.

In this debate, you have heard from my colleague Senator Paterson, who is much closer in age to that cohort of our society who is vitally interested in these lockout laws in the various states. You should take notice of what Senator Paterson has said. Of course his comments about supporting small business as opposed to big business—again, part of the coalition's philosophy these days—seems to be contrary to the Labor Party's philosophy, which seems to be more interested in supporting big business and those very wealthy people who run casinos around the country.

Having confessed to my limited personal knowledge of the lockout laws, I say that I am very close to the Young Liberal National Party of Queensland and I interact often with those young people. I employ some of them, and you can be assured that I understand this particular issue from talking to them.

Others have spoken about other states—although Senator Ketter spoke about my home state of Queensland—but in Queensland, the Labor Party in its wisdom has again sought to impose the view of Labor Party politicians on young people rather than helping young people to understand their own sense of responsibility and individual worth. What has happened in Queensland is that the Labor Party has introduced these new laws where you cannot serve high-alcohol drinks after midnight and, after 1 am, you can be in a club, so I am told but, once you are there at 1 am, you cannot leave and go to another club until 3 am when the whole industry is shut down.
This never seems to worry Labor politicians, particularly in Queensland, but it is impacting very heavily on unemployment and youth unemployment in Queensland and particularly in Townsville, which has a real problem with youth unemployment, where a lot of young people are employed responsibly in the club industry. A lot of them are still going to university and they cover living costs to attend university by working at night in these pubs and clubs.

The result of this new action by the Queensland Labor government is that there is going to be quite substantial loss of employment for young people in the Townsville region and in Cairns. I am also advised by the Cairns branch of the Young Liberal National Party of the impact that this new action of the Queensland Labor government is having on employment opportunities in the Cairns region. In fact, I am told that the changes—these new ideas and new legislation—could cost that city more than 240 jobs and $25 million in revenue.

In Townsville, the James Cook University student union has also condemned the state Labor government for these job-killing, nanny-state lockout laws. They have done that in the strongest possible terms. In a media release issued earlier this year by the student association president, Mr Edward Harridge, he said:

Many of our members work in the Hospitality industry to support their studies and face losing their jobs as a result of the proposed laws.

He went on to say:

In Townsville, the 80 licensed venues which employed more than 300 people were worried about their staff and businesses.

This is the result of action taken by the state Labor government, which really is clueless in Queensland about anything but particularly when it comes to employment creation for young people.

By contrast, the Liberal National Party of Queensland has a positive plan to address issues relating to alcohol related violence. I do not have time to go through them all, but one of the key elements of the LNP's strategy on the drug and alcohol problem at night-time amongst young people was compulsory drug and alcohol education in Queensland schools from years 7 to 12. That seems to me to be a pretty good idea. They were also going to establish 15 safe night precincts across Queensland to ensure that popular nightspots had coordinated prevention and support initiatives in place to keep patrons safe. Other elements were: a new offence of unlawful striking causing death, carrying a very severe penalty; increased penalties for other violent and antisocial offences; empowering police to issue banning orders; ensuring police have resources to have a presence and ability to respond quickly to alcohol and drug related violence; stronger and better coordinated action to ensure licensees provide safe environments and comply with the code licensing rules; and an awareness campaign, including advertising, to promote clear standards for responsible behaviour for patrons, licensees and the police.

A common-sense thought is that we should not be banning young people from having a night out. Why you would want to stay out until 5 am I cannot quite understand. It is a bit foreign to me at my age, but apparently that is what the young people like to do today. But no longer is this possible in Queensland. The evidence has already shown that this great new nanny-state regulation by the Queensland state Labor government has not made any difference to the amount of violence on the streets at night. What I would like to see is a greater police presence, not just for enforcement but for support and help.
Remember, most young people who go out for a night on the town are non-violent people. They go out to have a good time. There are one or two bad eggs. They should be addressed. Those troublemakers should be targeted by the authorities, rather than stopping everybody's enjoyment and their good times at night because of the issues of one or two who should be dealt with in other ways.

I thank Senator Leyonhjelm for raising this important issue. I make a plea on behalf of young people in Queensland that the Queensland government might reassess and re-evaluate their nanny-state proposals and try to encourage in young people the self-reliance and self-respect to look after themselves rather than introducing these silly laws which, as I say, benefit only the multinational owners of the casinos and the big establishments around Queensland. It would be good if the Labor Party could acknowledge and recognise that they have made a mistake and do something serious to address the issue, but in a way that is appropriate and does not cost the jobs of young people.

**Senator McALLISTER** (New South Wales—Deputy Opposition Whip in the Senate) (16:50): It is curious that in the contribution from Senator Macdonald—and I am not unsympathetic to aspects of it—he confined his empathy to the young people of Queensland. As it happens, almost exactly the same set of laws that Senator Macdonald has objected to so vehemently apply in the state of New South Wales, where they were implemented by the Baird Liberal government. So I think if we are to be consistent in our treatment of what is actually quite a serious issue, we probably need to examine how it applies in places other than Queensland. But I appreciate Senator Macdonald's contribution.

The lockout laws in New South Wales were put in place in 2014. They have three elements: 1.30 am lockouts; a 3 am cessation of liquor sales; and a 10 pm cap on takeaway of alcohol. Today the New South Wales government has actually released publicly former High Court Justice Ian Callinan's independent review of those liquor laws. That is very welcome. The review was very welcome. I think, two and a bit years on, it is a good time to stop and have the opportunity to think about how this particular policy response has worked and what have been its strengths and weaknesses.

I am not going to stand up in this chamber and put the simple view that these laws are good or bad, because the truth is that how we manage our public spaces, how we manage alcohol and how we balance the risks attendant with alcohol related violence with the freedoms we like to imagine might be available in our most cosmopolitan cities are complex questions. People who say they have straightforward answers are almost certainly having us on. The truth is we do have a problem with alcohol related violence in this country. Before the lockout laws, a significant percentage of assaults being recorded were alcohol fuelled—27 per cent of all assaults in Kings Cross; 22 per cent, in the CBD; 25 per cent, in the suburbs that surround the CBD; 29 per cent, in Newtown, Bondi, Coogee and Double Bay; and 23 per cent, in Pyrmont. Some of these assaults represent quite serious injury and some of them even represent lives lost. People will recall that loss of life was the impetus for the review of these laws some years ago. The liquor law review has found that the lockout laws have had an impact: they actually have helped reduce alcohol fuelled assaults.

But I do want to use my time this afternoon to think a little bit and reflect on some of the unintended consequences of these laws. I want to talk particularly about live music, because
the truth is that the lockout laws have had a real and very substantial impact on the live music industry in Sydney. The report actually acknowledged this. Justice Callinan said:

I am concerned that live entertainment and those employed in it (including sound and light technicians etc) have lost opportunities of employment.

The way to deal with this, in my view, is to sit down with the stakeholders and have a sensible discussion about what we can do to protect the important contribution that is made by live music. Unfortunately, what we often get from the Baird government in New South Wales is very much a top-down approach that very infrequently involves genuine consultation with the community or genuine consultation with the economic stakeholders.

Live music is an economic issue. It is fun and I like it, but it is also an increasingly valuable part of the Australian economy. Research shows that live music spending in Australia delivers at least a three-to-one benefit-to-cost ratio. That means, for every dollar that is spent on live music in Australia, three dollars worth of benefits are returned to the wider Australian community. It was estimated that in 2014 the live music industry contributed around $15.7 billion to the Australian economy, and the lockout laws in New South Wales have taken a fair chunk out of that.

APRA/AMCOS is the industry body for live music. It released figures in February this year that set out just how much licensing revenue fell in the period from 1 February 2013 to 31 January 2015. Of venues with a live artist performance licence, all premises experienced, on average, a 40 per cent overall decline in the value of door charge receipts and a 15 per cent overall decrease in the value of venue expenditure on live artist performers. Venues with a live artist performance licence—hotels, bars and nightclubs specifically—actually experienced a 32 per cent decrease in the value of door charge receipts. Venues with a recorded music for dance use licence—you can see that the licensing laws are complex, and I have every respect for the people that navigate the system—experienced a 19 per cent decrease in attendance figures across all venues.

The consequence of this is not that these venues are just making a little bit less money. The consequence of this is that they are shutting down and it is changing the fabric of Sydney's cultural scene. I think it is easy for people who are a little bit older, who do not go out very much, to think that this is not something that affects them. But it ignores the fact that Australian artists do not produce music in isolation; they are part of an ecosystem. Artists develop and are recognised by audiences, by labels and by their peers by playing at live music venues all throughout Australia.

I want to tell a little story. Every so often, the White House releases President Barack Obama's Spotify playlist. The latest one has a song on it by Australian singer-songwriter Courtney Barnett, and that is a fantastic achievement. We congratulate Courtney. But Courtney and artists like her do not emerge fully formed, ready to just claim a spot on the presidential mixtape. Australian artists do their gigs in pubs and clubs and small performance spaces. That is where they start, and they grow in ability and recognition as they do so. I was reminded of this on Saturday night when I went to see Flight Facilities play—and, before people get too excited about my night-life, I will explain that they were playing with the Sydney Symphony Orchestra. It was a pretty amazing mix of families and young people listening to really wonderful Australian music. But as the Sydney based music critic Jonno Seidler wrote: 'What many people forget, or perhaps are not aware of, is that James and
Hugo—the members of Flight Facilities—met each other, held a longstanding residency, developed their sound and found guest vocalists in various Sydney clubs. All of them have now shut down.’ He continued:

What that really means is that if Flight Facilities had started in 2015, they'd never be able to get to the point where they sold out a 15,000 capacity venue with a live orchestra, because the only place they— and other merging artists like them— could train under Mike Baird's cultural policy is in their bedrooms.

The ACTING DEPUTY PRESIDENT (Senator Sterle): Order! Senators on my right, I can hear only you, so I would ask you to extend the courtesy of letting Senator McAllister be heard.

Senator Cormann interjecting—

The ACTING DEPUTY PRESIDENT: And you too, Senator Cormann.

Senator McALLISTER: I will conclude the quote: 'The music that you love cannot be divorced from the context out of which it grows. We do need live venues more than ever.' I will wrap up now—I am conscious that we have a first speech on its way—but we do need policies to make our cities safer and more liveable. I started my remarks by explaining that I am not one-sided about this. I think we do have some genuine challenges to address about alcohol fuelled violence. But I want to say that, when we do so, we need to make sure that we do not snuff out the soundtrack to our cities. Music should have a place in our bars and in our clubs, not just on our iPhones.

Senator ROBERTS (Queensland) (16:59): I thank Senator Leyonhjelm for his matter of public importance: restrictions on the sale and service of alcohol at licensed venues and their impact on crime, health and enjoyment. I echo and appreciate Senator McAllister's comments about the complexity of the circumstances and Senator Ketter's comment about the tragic deaths that we need to avoid. I also want to say that I am, yet again, not surprised that a Greens speaker is supporting a view that wants to kill jobs and control people's lives. But, in defiance to Senator Pauline Hanson's presentation of her first speech, I would like to make just two comments—firstly, that police powers, if enforced, are sufficient to protect life, property and freedom; and, secondly, that these laws are leading to gross abuses of power, and we simply need to get back to enforcing the laws through appropriate judicial responses and police enforcement.

FIRST SPEECH

The PRESIDENT (17:00): It being just past 5 pm, and pursuant to order, I will call Senator Hanson to make her first speech, and ask that honourable senators extend the usual courtesies to Senator Hanson. I call Senator Hanson.

Senator HANSON (Queensland) (17:00): First of all, I would like to welcome everyone in this house and thank you for your attendance. It is very much appreciated. When I cast my mind back to the last day on the floor of the House of Representatives in 1998, just prior to the election, I called out across the chamber, 'I will be back!' Those around me cried out, 'No, you won't!' My electorate boundaries were changed, forcing me to stand for the new seat of Blair. Also with the introduction of full preferential voting, this cost me the seat. Although I
polled 36 per cent of the primary vote, this was not enough against the Liberals' 21 per cent and Labor's preferences delivering them the seat.

It has taken numerous elections, countless legal battles and doing a stint in maximum security on trumped-up charges—of which former speaker Bronwyn Bishop stated I was Australia's first political prisoner—to find myself here. Some call it persistence and tenacity. My daughter describes it as a Johnny Farnham comeback. I call it standing up and fighting for what you believe in and not allowing the bastards to grind you down. So, to all my peers in this place and those from the past, I have two words for you: I'm back—but not alone.

I cannot begin to express the pride and honour I have in being joined in this place by three of my colleagues—Senator Malcolm Roberts, also representing Queensland; New South Wales Senator Brian Burston; and Western Australian Senator Rod Culleton—elected under Pauline Hanson's One Nation. As a strong, united team I guarantee we will make a difference.

It has been 20 years and four days since I last delivered my first speech in this house, a speech that shook a nation, woke up many Australians and gave hope to those who thought no-one was listening. That speech was relevant then and it is still relevant today. The problem is we have not had leaders with the foresight or the intestinal fortitude to cast aside political correctness. They have failed to discard old treaties and agreements that are not in our best interest and have signed new ones giving away our sovereignty, rights, jobs and democracy. Their push for globalisation, economic rationalism, free trade and ethnic diversity has seen our country's decline. This is due to foreign takeover of our land and assets, out-of-control debt, failing infrastructure, high unemployment or underemployment and the destruction of our farming sector. Indiscriminate immigration and aggressive multiculturalism have caused crime to escalate and trust and social cohesion to decline. Too many Australians are afraid to walk alone at night in their neighbourhoods. Too many of us live in fear of terrorism.

In my first speech in 1996 I said we were in danger of being swamped by Asians. This was not said out of disrespect for Asians but was meant as a slap in the face to both the Liberal and Labor governments who opened the floodgates to immigration, targeting cultures purely for the vote, as expressed by former Labor minister Barry Jones—to such an extent that society changed too rapidly due to migrants coming in the front door but also the back door, via New Zealand. Now we are in danger of being swamped by Muslims, who bear a culture and ideology that is incompatible with our own.

I love my country, culture and way of life. My pride and patriotism were instilled in me from an early age when I watched the Australian flag raised every morning at school and sang the national anthem; watching our athletes compete on the world stage, proud to salute the Australian flag being raised to honour them as they took their place on podiums. It is about belonging, respect and commitment to fight for Australia. This will never be traded or given up for the mantras of diversity or tolerance. Australia had a national identity before Federation, and it had nothing to do with diversity and everything to do with belonging. Tolerance has to be shown by those who come to this country for a new way of life. If you are not prepared to become Australian and give this country your undivided loyalty, obey our laws, respect our culture and way of life, then I suggest you go back where you came from. If it would be any help, I will take you to the airport and wave you goodbye with sincere best wishes.
Australia is predominantly a Christian country, but our government is secular. Our Constitution prevents governments from imposing religious rule and teachings. The separation of church and state has become an essential component of our way of life, and anything that threatens that separation threatens our freedom. Australia has embraced migrants from all different races, making us one of the most multiracial nations on earth. Most have assimilated and are proud to call themselves Australians, accepting our culture, beliefs and laws. I welcome them from the bottom of my heart. As they integrate and assimilate, the disruption caused by diversity diminishes.

Why then has Islam and its teachings had such an impact on Australia like no other religion? Islam sees itself as a theocracy. Islam does not believe in democracy, freedom of speech, freedom of the press, or freedom of assembly. It does not separate religion and politics. It is partly a religion, but it is much more than that. It has a political agenda that goes far outside the realm of religion. It regulates Muslims' social and domestic life, their legal system and politics—their total life.

Australia is now seeing changes in suburbs predominantly Muslim. Tolerance towards other Australians is no longer the case. Our law courts are disrespected and prisons have become breeding grounds for Muslims to radicalise inmates. Muslims are imprisoned at almost three times the average rate. The rate of unemployed and public dependency is two to three times greater than the national average. Muslims are prominent in organised crime, with associated violence and drug dealing. Antisocial behaviour is rampant, fuelled by hyper-masculine and misogynist culture. Multiple social surveys find that neighbourhoods of Muslim settlement are suffering from collapsing social cohesion and fear of crime. Australians, in general, are more fearful.

Not only is terrorism seen around the world but it is now part of our society, with Muslim refugees involved in the Lindt Cafe siege, the Curtis Cheng murder in Sydney and the stabbing of the two police officers in Melbourne. The Grand Mufti and other Muslim leaders are deafening with their silence, or lack of sympathy. Radicalisation is happening on our streets, in our suburbs and mosques. Yet, our leaders continue to tell us to be tolerant and embrace the good Muslims. But how should we tell the difference? There is no sign saying 'good Muslim' or 'bad Muslim'. How many lives will be lost or destroyed trying to determine who is good and who is bad?

Many more Australian Muslims have volunteered, or have tried to volunteer, to fight for ISIS than we have in our own Defence Force. ASIO has over 509 terrorist suspects under surveillance. Civil tension is on the rise across the country, led by Australians feeling the impact of Islam in their lives and a distaste for its beliefs. Their tolerance to our customs has seen Christmas carols no longer sung at some schools and Bibles not to be found in most hospitals. Some public swimming baths have times set aside for Muslim women only, and drivers licenses are obtained by Muslim women wearing the burqa and niqab. Prayer rooms are now provided in universities, hospitals, schools, airports and shopping centres to accommodate Muslims.

Halal certification tax has been forced upon us, costing Australians approximately $10 million a year. Halal certification is not a religious requirement but a moneymaking racket, and certification is unnecessary for Muslims' welfare because non-halal products can be consumed, provided the word 'Bismillah' is said over the food and a prayer is recited.
Muslims want to see sharia law introduced in Australia. This law is a totalitarian civil code which prescribes harsh feudal rules imposed on everything, firstly for Muslims, later for everyone. As long as Islam is considered a religion, sharia conflicts with our secular state.

Islam cannot have a significant presence in Australia if we are to live in an open, secular and cohesive society. Never before in Australia's history have we seen civil unrest and terror associated with a so-called religion, or from followers of that faith. We have seen the destruction that it is causing around the world. If we do not make changes now, there will be no hope in the future. Have no doubt that we will be living under sharia law and treated as second-class citizens with second-class rights if we keep heading down the path with the attitude, 'She'll be right, mate.'

Therefore, I call for stopping further Muslim immigration and banning the burqa, as they have done in many countries around the world. Burqas are not a religious requirement. Most Australians find them confronting, as did two of our former prime ministers. I am sure a lot of the women forced to wear them would love to cast them aside but live in fear to do so. In addition, no more mosques or schools should be built, and those that already exist should be monitored with regard to what they are teaching until the present crisis is over. Sharia law should not be acknowledged or allowed. And Australian companies should be banned from paying for halal certification.

Australians have never been permitted to vote on immigration and multiculturalism. When have we been asked or consulted about our population? We reached a population of 24 million this year, 17 years ahead of prediction. Governments have continually brought in high levels of immigration, so they say, to stimulate the economy. This is rubbish. The economy is stimulated by funding infrastructure projects, creating employment. What major projects have we had in this country for the past 30 years? How many dams have we built in the past 50 years? The only stimulation that is happening is welfare handouts—many going to migrants unable to get jobs. At present, our immigration intake is 190,000 a year. High immigration is only beneficial to multinationals, banks and big business, seeking a larger market while everyday Australians suffer from this massive intake. They are waiting longer for their life-saving operation. The unemployment queues grow longer—and even longer when government jobs are given priority to migrants. Our city roads have become parking lots. Schools are bursting at the seams. Our aged and sick are left behind to fend for themselves. And many cities and towns struggle to provide water for an ever-growing population. Our service providers struggle to cope, due to a lack of government funding, leaving it to charities to pick up the pieces. Governments, both state and federal, have a duty of care to the Australian people. Clean up your own backyard before flooding our country with more people who are going to be a drain on our society. I call for a halt to further immigration and for government to first look after our aged, the sick and the helpless.

Foreign investment and foreign ownership are great concerns. The government finally released its register of foreign ownership, which reveals that foreign interests owned 13.6 per cent of Australia's farmland. That is 52 million hectares. It includes 30 per cent of the Northern Territory's farmland and 22 per cent of Tasmania's. The register fails to show the quality of the foreign owned land. Is it the jewels in the nation's agricultural crown? Let's have a register on all land owned by foreigners, including non-agricultural land and housing. And why is there no information on who owns our country's vital irrigation and water assets,
despite this being promised? The registry is a disgrace. It makes me wonder whose interests this government is serving. Australia needs a national government, not a corporate one, not a union one, and not an alternative lifestyle one. Any foreign ownership is regrettable, but why are we allowing the Chinese government, an oppressive communist regime, to own our land and assets? Why are we allowing our ports, utilities, services, agricultural land, and industries, to be acquired by foreigners of any nationality?

It is foolhardy to sell our water, agricultural land—our food source!—essential services and ports. This is not in Australia's national or security interests. This foreign takeover is destroying small towns across the nation. A farm once the home of an Australian family is now run by a manager. People move, less money is spent, schools lose students and then the town starts to die. Now these foreign owned properties become food bowls for their own countries. Tax is avoided, or very little paid, because they go straight from paddock to plate. Transfer pricing, which involves minimising taxation by artificially charging high prices or operating costs to subsidiaries in Australia, and other forms of tax minimisation, are a certainty.

Housing is beyond the dreams of ordinary Australians. Why? Because they cannot afford to buy, due to foreign investors driving up prices. Officially, foreigners can only buy new housing, but this is not policed. If the Liberal Party wants a pat on the back for having reduced the purchase price to $15 million before it has to go to the Foreign Investment Review Board, they will not get it from me. I intend to give them a kick up the backside. Australians have given their lives protecting this great land from foreign takeover. I can guarantee most did not want to go to war but knew it was their duty to ensure their loved ones lived in peace. But, more importantly, they fought for freedom.

I want Australian land, houses and companies to remain locally owned, and I believe I speak for the majority of Australians. Our land and assets are not for sale. Governments are only caretakers of our assets. No contract has been signed giving them permission to sell them. If they cannot rein in the budget with overpaid public servants—one being the head of Australia Post, who is on $4.8 million per year—foreign aid, welfare fraud, politicians lurks and perks, including former prime ministers, and backroom deals for government jobs, then get out of the job of running this country. I warn this government and future governments: you never miss the water till the well runs dry.

Australia's federal gross debt is currently $499 billion. Our interest payments are over $43.5 million a day. Out-of-control government spending, mismanagement of taxpayers' dollars, multinationals not paying their fair share of tax and welfare that was introduced to provide for the aged and sick, or as a helping hand for those going through tough times, has now become a way of life for some and is abused and rorted by others. Welfare costs the Australian taxpayer approximately $158 billion a year and this is expected to rise to $191 billion by 2019-20. Nearly one half of our budget is spent on welfare. This is out of control and must be reined in.

Farmers are screaming out for workers and small businesses have difficulty in finding people who want to work. Welfare is not a right, unless you are aged or sick. It is a privilege paid for by hard-working Australians. I support the government in wanting to stop school leavers going immediately onto welfare. What message are we sending them? Teach them how to apply for a job, rather than encouraging them to become dependent on money they
have neither earned nor worked for. Then we have the single mums having more children just
to maintain their welfare payments, and Muslim men marrying multiple wives, under their
laws, then having multiple children at our expense while they collect thousands of dollars a
week from the taxpayer. How many have ever held a job? Why would anyone want to work
when welfare is so very lucrative? If people bring children into the world, it is their
responsibility not the taxpayers'. Therefore, I propose that if a woman has a child, the
taxpayer will support the first child, but, if they have more, there will be no increase to the
welfare payment. Get a job and start taking responsibility for your own actions.

Not only are we facing a crisis with welfare but also with our health budget. It also is being
scammed, abused and rorted and is costing taxpayers billions. The Health Care Card has no
identification on it, just a name and number. Anyone can, and does, take another person's card
when visiting a doctor, especially those who bulk-bill. Prescriptions are collected at a cost to
the taxpayer, if the cardholder is on welfare. Overseas tourists, illegals and those not entitled
to Medicare use their family's card or a friend's card. Let me give an example. When one
tourist visiting family fell sick, he went to the doctor and used his cousin's Medicare card. He
ended up in hospital and died. The owner of the card had to admit it was not he. 'What
happened?' you ask. Well, he just had to pay the hospital bill.

We have to stop the rorts, mismanagement and abuse of our taxpayer-funded services,
whether it be welfare, health or education. If you want to access these services then apply for
an Australian identity card. You must prove you are entitled to apply for the card on a points
system. There should not be any complaints because applying for a $30 phone plan is the
same. So I will not accept do-gooders complaining about people's privacy. The card will have
an identification chip, a photo and electronic fingerprint. If we are ever going to pull back our
deficit we must stop the thieves. If you are not prepared to apply for the card, that is your
choice, but expect to pay full price for doctors and prescriptions, and no more welfare
handouts will be coming your way.

Family Law would be the most discriminatory, biased and unworkable policy in this
country. I referred to it in my maiden speech 20 years ago and still nothing has changed—if
anything, it is worse. As a nation, we should hang our heads in shame when, on average, three
men, and occasionally a woman, suicide a day due to family breakdowns. The whole system
is unworkable and is in desperate need of change. Children are used as pawns in custody
battles where women make frivolous claims and believe they have the sole right to the
children. Children have two parents and, until we treat mums and dads with the same courtesy
and rights, we will continue to see murders due to sheer frustration and depression and mental
illness caused by this unworkable system. Suicide is the only way out for those who feel there
is no hope after facing years of costly legal battles. Their lives having been destroyed and the
pain of missing their children are the reasons many end up in a state of depression caused by
the trauma and in some cases the blatant vindictiveness from former partners.

Child support is another contentious issue and should be revised. Some parents are left
caring and providing for children without any financial help from the other parent. Others
refuse to work so they do not have to pay child support. The system needs to be balanced,
taking in the age of the child on a sliding scale and both parents' incomes should be taken into
account. Non-custodial parents find it hard to restart their lives, with excessive child support
payments that see their former partners live a very comfortable life. Make it fair with both custody and child support and most parents will gladly take on their responsibility.

I ask all parents: is it worth the pain and anguish to deny your child the love they so deserve from both parents? They are only children for such a short time and all children need both parents. Please put your differences aside, make your peace and come to agreements outside of law courts. The only ones to gain are the legal professions, who are rubbing their hands together watching the thousands of dollars coming their way. Is it worth losing the family home? Is it worth the grief it brings not only to you but also to your extended families, not to mention the children? At the end of the day, the answer is no. I speak from experience not only as a mum myself but also as a grandmother.

I am not going to do a Derryn Hinch and speak for 45 minutes—oh, he is still awake! I have a lot more to say but I have six years in this place—Derryn, sorry, you only have three—so there will be plenty of time. Oh, I can feel the Greens cringing—no they have left—and squirming in their seats at the thought that I could possibly be here for six years.

In closing, I will finish on this note: very few of us ever travel a journey alone and nor should we. Our loved ones and friends we have accumulated along the way are an integral part of who we are. Three of my children are here today. They have been with me every step of the way sharing my triumphs and battles, my high points and the lowest in my life. I did not know my life was going to be such a roller-coaster of a ride. I love you with all my heart. But I hate to tell you guys: it's not over yet; buckle up.

There are those who kept the political party I launched in 1997 alive for 13 years after I left in 2002 till I came back in November 2014. Special thanks to Ian Nelsen for never giving up and for asking me to come back and lead the party. James Ashby is a man I have the utmost respect and admiration for. Like myself, the establishment has also kicked him about unfairly. Your dedication and hard work beside me added up to the clincher that not only saw me win my seat but also saw the other senators win their seats. With deep appreciation and sincerity, thank you.

Thanks to Saraya Beric. You took on a task unbeknown to you, from performing as a professional violinist to running a political office and campaigns. You have been invaluable. A couple of strangers came along at the right time, helped me spread my wings and gave me the support and assistance I needed that now see me standing on this floor today. These people are no longer strangers but dear friends, welcome at home any time for another lamb roast. Thank you, Bill and Renatta.

As I said earlier, I was imprisoned in 2003 for three years, held in maximum security on electoral fraud charges. My sentence was quashed on appeal after 11 weeks. If it were not for my sister Judy and brother Peter fighting for my freedom and justice—and Alan Jones, along with approximately 90 per cent of Australians who believed I was wrongly imprisoned—I would have been behind bars for three years. My father always said, 'Politics is a dirty game.' I was one of seven children and the quiet one of the family—believe it or not! Believe me: you are lucky to have me here and not the rest of the Seccombe clan. We come from a breed of Australians who were taught values, morals, honesty, work ethic and common sense—things very much lacking today.
I will never take my position as a senator in this place for granted and nor should I. To the people of Queensland and Australia who voted for me and my party: thank you. You have given me a great honour. Now it is up to me to prove my worth to you. I can guarantee Pauline Hanson is a name that carries with it independence, honesty, assurance, quality and reliability—things the Chinese can never buy. Also, Halal snack packs are never provided— isn’t that right, Sam?

Mr President and my fellow senators: thank you for your indulgence. We may not agree on everything but we need to work together for the future of our country and its people. I look forward to working with each and every one of you, including the Greens, if you are prepared to see this country prosper rather than shut down.

FIRST SPEECH

The PRESIDENT (17:32): Order! I am sure there is no need for me to remind senators of the convention to allow the senator to be heard in silence.


Yes, let us begin. You are there, senior one—Mr President. We have no word for 'President' in Yanyuwa, so I refer to you as 'senior one'. And I thank you for this place, and for all you others also here with me, and you, the traditional owners, the Ngunawal and Ngambri, for this country. This is your country.

To my family and friends who are here today: thank you. Thank you for making the journey. I especially acknowledge my father, John McCarthy, and my son Grayson, who are here with me. And I know my son CJ is watching from his university room in Dallas, Texas; a big hello to you, my son. And to Adam, sitting for his year 11 exam: good luck to you, my son.

I am here today starting off with Yanyuwa, the language of my mother's families in Borroloola in the Gulf of Carpentaria, nearly 1,000 kilometres south-east of Darwin. My families, they gave me this language, the language of my country. I am a woman whose spirit has come from the salt water, and we are known as li-antha wirriyarra, which means our spiritual origin comes from the sea—from the sea country. And I welcome my Kuku, John Bradley and Nona. Thank you. Bauji barra.

The old people would sing the kujika, the songline. They would follow the path of many kujika, the songlines, like the brolga, the kurdarraku, of my grandmother's country—the beautiful brolga country; the country where my spirit always returns to. They would sing of the shark dreaming, and how it travelled from Queensland all the way down the coast to the gulf country and out to the islands of my families. And we dance the dance of the mermaids, the ngardiji, the ngardiji kujika of the Gulf and Barkly country, linking so many of our first nations peoples.

I grew up with the old men and women, the marlbu and barrdi bards, and I am here thinking about them now, and I am thinking about my own path. My road has been a long road like the song, the kujika, that belongs to the old people. And I am standing here in this
place, the Australian Senate, in the place of the people, to represent not just my own people—the Yanyuwa, the Garrwa, the Mara and the Kudanji peoples—but to stand for all people of the Northern Territory: all clan groups, all families who call the Northern Territory home, whether they live on the vast cattle stations of the Northern Territory or whether they have travelled from countries like Asia, Africa or the Middle East to forge a new life for their families away from strife-torn lives that offered no future. I stand here for you, too.

In 1842, my McCarthy ancestor sailed the seas from Ireland aboard the ship *Palestine* to Australia. And he did not come as a convict like hundreds of others before him; instead, he came as a free man. He chose to come, to make this country his home, not just for him but for his young family, to live in Australia, to build his future, his dream, in the land of opportunity, an unknown land yet filled with much hope and prosperity.

It was on the north coast of New South Wales that he made his home as the local magistrate. In the years and decades that followed, his descendants would toil on the land as farmers and timber-getters before my grandad, Alf McCarthy, then moved to Sydney to work in a box factory at Chiswick and then became a tram conductor on the Sydney trams. Along with my grandmother, Mary, they would raise their three sons: my dad, John McCarthy, who is here today; my Uncle Ray, who is also here, with Aunt Angela, and their children and grandchildren; and my Uncle Kevin, along with his wife, Regina, who are sending all their love now as I speak. I am deeply thankful for the love, support and richness in wisdom of my McCarthy families, as I am of my Yanyuwa and Garrawa families. Yoyamalu bingi; it makes my spirit feel really good.

I share with you all my kujika, my songline that weaves its way from the gulf country across the first-nation's lands of Aboriginal people in Australia. As a journalist, a storyteller for 20 years—for the ABC, for SBS and for the much-needed NITV—I was able to tell the stories of the lives of thousands and thousands of Australians, and even internationally, with the World Indigenous Television Broadcasters Network, trying to improve the lives of Indigenous people the world over through Indigenous media. I commend wholeheartedly the work of Indigenous media in Australia. Our country needs you. I especially want to acknowledge amazing women journalists, like those in the gallery today: the ABC's Lindy Kerin, NITV's Natalie Ahmat and the awesome, inspiring Caroline Jones.

I am honoured to be elected to represent all people of the Northern Territory in this chamber—to the Australian Senate—and to do so as a member of the Australian Labor Party.

As my McCarthy ancestor sailed his way across the seas to Australia, my Yanyuw ancestors sailed their way across the northern seas from the gulf country, to the land of the Macassans, Sulawesi, to the Torres Strait through to Papua New Guinea. The Macassans traded with the Yanyuwa, as they did with the Yolngu people of north-east Arnhem Land and the Anindilyakwa people of Groote Eylandt and the Nungubuyu people of Numbulwar. All of us are interconnected through kujika, through songline. For example, the brolga kujika connects the families of Numbulwar and Groote Eylandt with our families in the gulf country. That is the law of the first-nation's peoples that defines our connection to country and culture and kin.

In the eyes of first-nation's people, cultural exchange both amongst clan groups within Australia and with people outside Australia was a natural part of life well before Captain Cook arrived in 1788. There was already a thriving economic foreign trade occurring between
Australia and with countries to our north. It is Aboriginal people who were the diplomats with foreign countries, the trading partners who shared knowledge and exchanged agriculture and marine sources of food and tools in the form of harpoons for hunting and knowledge of carving canoes to set sail in the unpredictable wet season seas. Only last month, in the landmark native title hearing in Borroloola, this diplomatic mission between the Yanyuwa and the Macassans was formally recognised in the Western system of law. The Federal Court recognised this relationship. Yet Aboriginal people have always had a system of governance here, and in Yanyuw we refer to it through the kujika.

In 1966, when Vincent Lingiari led the Wave Hill Walk-Off, demanding equal pay and equal rights for his country men and women, my families in the gulf country supported his fight for justice and that of the Gurindji people. So too did thousands of other Australians across the country who believed in a fair go for all. In recent weeks the Gurindji commemorated 50 years since the walk-off and recognised the important role Australian unions played in the late sixties supporting those Australians who could not win their battle for equal pay alone.

Still today the union movement stands beside those who push for a better way of life. I acknowledge in particular the support of those in the gallery today, such as Kay Densley, with the CPSU NT, and her team. Special thanks to Joseph Scales of the Australian Services Union, the MUA and, yes, the CFMEU, as well as United Voice, the ETU, the AMWU and the ACTU. The Turnbull government's decision to go to an early election in the hope of diminishing the role of unions in this country spectacularly backfired when the Australian people moved away from his vision in their thousands. They recognise that trade unions continue to play a vital role in ensuring justice and equity for all Australians, for we all know that pay equity is not fully enjoyed by all Australians, and homelessness has a human face, and sometimes it is much of my family's.

In the kinship way, it is my brother, who prefers to sleep in the long grass in Darwin city because it all becomes too hard. At other times the human face is one of someone who has just given up trying to exist between dispassionate laws and the high expectations of those whose job it is to carry them out. The town of Katherine in the Northern Territory has the highest rate of homelessness in the Territory, while Alice Springs is in desperate need of a visionary future that inspires our youth and lightens the load on families. It is a vision I so much want to work on with my fellow federal colleagues: the member for Lingiari, Warren Snowdon, and the member for Solomon, Luke Gosling, in paving a future for the Northern Territory filled with much hope and opportunity, and my fellow Indigenous colleagues, Senator Pat Dodson and Linda Burney.

I congratulate Chief Minister Michael Gunner and his NT Labor caucus on their recent victory in the Territory, and I certainly look very much forward to working closely with his team. I thank all the NT Labor branches and party members for your overwhelming support in my election to the Senate. Your faith in me helped to also restore my faith that serving the people of the Territory, and indeed Australia, is an honourable path and one that has ignited my spirit once again after the loss of my seat in Arnhem in the 2012 Territory election.

I sincerely congratulate the new member for Arnhem, Selena Uibo, for restoring this beautiful bush seat back to Labor. I acknowledge most sincerely, too, former senator Nova Peris and, before her, former senator Trish Crossin. Both women have supported me in my
road to the Senate here today. For their graciousness, patient advice and respect for the challenges I have had to face to get here, I say a heartfelt thank you. To my staff, Mandy Taylor and Charlie Powling, thank you for joining me on this journey.

When the Commonwealth parliament passed the Aboriginal Land Rights (Northern Territory) Act in 1976, it was the Yanyuwa people who stepped up to claim back our land. As a young girl, I watched my grandparents, my elders, as they prepared to give evidence about how the Yanyuwa cared for country, especially the islands north of Borroloola. They gave evidence in an old police station, and they could pretty much only speak in Yanyuwa. They were difficult times, and trying to give evidence was something that we had to continuously learn from. In that time, we found that we could not explain things as well as we would have liked to the Western understanding of Aboriginal culture.

It was to be another four decades of litigation—in Borroloola, in Darwin and in Melbourne. It was litigation that passed on to us, the Yanyuwa descendants, to continue to fight for recognition of who we are, li-antha wirriyarra, a people whose spiritual origin comes from the sea. But we did not walk that journey alone. It was only possible with the steadfast support of the Northern Land Council, and I acknowledge all those staff and council members over those 40 years who walked with my families.

We talk about recognition of Australia's First Peoples in the Constitution, and I pay tribute to all those in the campaign to support recognition. It is most certainly way overdue, and I say these next sentences without any disrespect to those of you. I urge parliamentarians in both houses to understand this: the Yanyuwa are a people whose struggle for country and recognition took nearly 40 years, and so many elders died well before such recognition and, most importantly, any respect ever took place. Such long, drawn-out legal battles have wearied many families of so many first nation peoples, constantly trying to defend their sense of self, identity and country, who have fought for land rights. Maybe that was the intention; I do not know. Battle fatigued, perhaps we are better to acquiesce. But we are still here, and we are not going to go away.

So I understand fully the impatience and, in some cases, total rejection felt by so many first nation peoples towards the Australian parliament's push for recognition. It is a difficult pill to swallow, as first peoples, to yet again have to ask others to respect us—our place, our culture and our families—in this country, when we know we have been here well over 60,000 years.

With nearly 30 per cent of the Territory population Indigenous, we will only have half a vote in any referendum, let alone a referendum on recognition, because we are not a state. Is it not time to consider seriously a vision for the north and a vision for the future of all our territories such as Christmas and Cocos Islands? We need a vision that unites over 100 Aboriginal language groups just in the Northern Territory alone, the multicultural communities who have made it home and the descendants of the Afghan cameleers and early pioneers.

It is time the Commonwealth encouraged more seriously the growth of the Northern Territory as perhaps the seventh state in the Australian Federation. Allow the people of the Northern Territory to fully make our own decisions, determine our own future, by engaging in a fair partnership so that we, who have won our lands back—nearly 50 per cent of the landmass—and the young people of the Territory feel they have solid employment, a future filled with shared prosperity and hope.
The Commonwealth must prepare a way for the inclusion of more senators and more members of the House of Representatives so that the people of the Territory can become not just a state but an equal state here in the Australian parliament. It might be 10 or 20 years, but let there be a vision that at least starts.

The Mabo court ruling in 1992 overturned terra nullius. Let the people of the Northern Territory overturn the disbelief that even treaties are unattainable in Australia. Let the people of the Northern Territory have a say. In the year of the Mabo decision, I was questioned over my identity as a Yanyuwa Garrawa woman in the Borroloola land claim process. I found the interrogation focused more on how it could be that an educated Aboriginal woman must somehow not be quite real as a traditional owner of country. How could it be possible to be highly educated in the Western world and still live with a deep sense of cultural understanding in a culture thousands of years old?

It was thanks to the firm belief of my father, a school teacher from Sydney who inspired my educational upbringing, both in the Western ways and in maintaining a strong understanding of Borroloola families, kinship and culture shared by my mother—bless her soul—and shared by my maternal grandparents. I was educated in Borroloola, in Alice Springs and in Sydney, and all the while travelling backwards and forwards to the families in the Gulf Country. It was as a little girl in primary school in Alice Springs that I first saw the man who I would one day sit here in the Senate with—Senator Pat Dodson—when he worked with the Catholic Church in Alice Springs.

I would like to acknowledge the staff and students of St Scholastica's College, my former high school, who are present in the gallery today. In 1988, I became the first Aboriginal student to become college captain, and I acknowledge my schoolmates who are here, in particular Yvonne Weldon of the Wiradjuri people of New South Wales and her family, Aunty Ann and the Coe families of Cowra. I pay my respects to the memory of the late great Mum Shirl, who was witness to ensuring that both Yvonne and I would finish well with the Good Sams. Today, another Indigenous student sits in the gallery who will be the 2017 college captain: Alice Dennison. I sincerely wish you all the best. I also acknowledge the students and staff of Saint Ignatius' College, in particular the first nation's students who danced Senator Dodson and I into the Senate on our first day with our fellow senators.

I now ask 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.

My kujika has allowed me to see both worlds—that of the Western world view and that of the Yanyuwa/Garrawa world view. I am at home in both. I am neither one, without the other. But what of those who cannot balance the two and what of those who do not have the same?

I think of the women in my life struggling still just to survive—I call them my mothers, sisters, my friends—who endured tremendous acts of violence against them, with broken limbs, busted faces, amputations and sexual assaults. I stand here with you. My aunt who lost her job that she had had for 10 years without warning simply because she spoke out about the lack of housing for her families, I stand here with you. To the descendants of the stolen
generation still seeking closure, I stand with you. To the people with disabilities forever striving for better access to the most basic things in life, I am with you.

And then there is my young cousin-sister who struggled with her identity as a lesbian in a strong traditional Aboriginal culture. Her outward spirit was full of fun and laughter, yet inside she was suffocating from the inability to find balance in her cultural world view and that of the expectations of the broader Australian society around her. So one night she left this world, just gave up, at the age of 23.

To the sista girls and brutha boys who struggle with their sexual identity, I say to you: stay strong, I stand here with you.

To the people of the Northern Territory and the Christmas and Cocos (Keeling) Islands, I stand here with you.

Bauji Barra. Thank you.

**DOCUMENTS**

**Consideration**

The following orders of the day relating to government documents were considered:


COMMITTEES
Scrutiny of Bills Committee
Report

Senator URQUHART (Tasmania—Opposition Whip in the Senate) (18:04): On behalf of Senator Polley, I present the sixth report of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 6 of 2016.
Ordered that the report be printed.

Regulations and Ordinances Committee
Delegated Legislation Monitor

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:04): On behalf of the Chair of the Senate Standing Committee on Regulations and Ordinances, I present Delegated Legislation Monitor No. 6 of 2016.
Ordered that the document be printed.

Education and Employment References Committee
Government Response to Report

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (18:05): I present the government's response to the report of the Education and Employment References Committee on its inquiry into long service standards. I seek leave to incorporate the document in Hansard.
Leave granted.
The document read as follows—
Government Response to the Recommendations of the Senate Education and Employment References Committee
inquiry into
The feasibility of, and options for, creating a national long service standard, and the portability of long service and other entitlements

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<tr>
<th>Committee Recommendation</th>
<th>Government Response</th>
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<tr>
<td>Recommendation 1</td>
<td>The Government notes this recommendation.</td>
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<td>The committee recommends that the states, territories and commonwealth undertake a review of the current LSL system in Australia, and considers developing a nationally consistent scheme. Development of a nationally consistent scheme should involve extensive consultation of both employer and employee groups.</td>
<td>The Government tasked the Productivity Commission with reviewing the entire workplace relations framework, including long service leave laws, in 2015. In its Final Report, the Commission noted some minor difficulties with long service leave for businesses operating across state lines. However, it did not make a formal recommendation for a uniform national standard, noting that 'for once, a national issue is not really the responsibility of the Commonwealth Government’ (page 528).</td>
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Recommendation 2
The Government notes this recommendation.
The committee recommends that the ABS considers whether the development of an insecure work indicator would be useful in understanding exactly what insecure work means in Australia. The process for doing so should involve extensive consultation.

The Australian Bureau of Statistics already collects useful information that measures job security in Australia, including:

- Forms of Employment, Australia (cat. no. 6359.0)
- Characteristics of Employment, Australia (cat. no. 6333.0)
- Labour Force, Australia, Detailed—Quarterly (cat. no. 6291.0.55.003)
- Participation, Job Search and Mobility, Australia (cat. no. 6226.0).

These publications accurately capture the nature of employment in Australia. The Government does not propose to expand the data collection activities of the ABS at this time.

**Recommendation 3**

The committee recommends that detailed modelling be undertaken by the government to determine the potential cost to employers of extending portable LSL entitlements to all workers. This should involve consideration of the cost of staff turnover including rehiring, training and loss of corporate knowledge, against the cost of establishing a portable LSL scheme.

The Government notes this recommendation. The Government does not propose to undertake any modelling for portable long service leave schemes at this time.

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**DOCUMENTS**

**Census**

**Order for the Production of Documents**

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (18:05): I table a document relating to the order for the production of documents concerning the 2016 Census.

**COMMITTEES**

**Education and Employment References Committee**

**Government Response to Report**

**Senator RHIANNON** (New South Wales) (18:05): In respect of the government's response to the report of the Education and Employment References Committee on long service standards, I move:

That the Senate take note of the document.

The response from the government is highly inadequate. We really see a government that does not care about working people. We know that the nature of work is changing enormously: there are high levels of casualisation; people are moving in and out of different
jobs; people may have many different careers over even a 10-year period. What we are seeing here again is the Liberal-National government looking after their constituencies. Their constituencies are big companies that want to make money, want to make profits. They do not want to have to manage the situation where people are having to change their work and should be compensated for that. Long service leave is part of that. We know that workers had to fight hard for long service leave in the first place, and here we are seeing a government, with these recommendations, wanting to limit the requirement—a real requirement of today—to bring long service leave into the 21st century.

You would have to say that this government is only interested in the profits of their coalition donors That might outrage people, but why wouldn't you do the right thing by working people on the basic standards of how their work plays out? So many people do not get the benefits of long service leave at the moment, and who does that benefit? It benefits the companies that they work for, so I find the way the government has brought this forward quite contemptuous. In some ways, it reminds me of the feudal lord on top of the hill who thinks that they can get away with treating people abominably. For a while that works, but people will organise and fight back.

It is an issue that the Greens feel very strongly about, and I congratulate Greens state MPs around the country. Two years ago they came together to bring in a portable long service leave scheme for all employees. That is what the government should have done. That is the recommendation that the government should have backed with the report before us today. It certainly is what the Greens are working for, and I know are many in the union movement and the organised workforce.

Because, again, to remind ourselves: after 10 years of work, people deserve a break. That is all we are talking about. Whether it is one job or many jobs, people deserve a break. We get a break. People who are working in all sorts of jobs also deserve those basic conditions. Traditionally, most Australian employees would get that break when they take long service leave after 10 years continuous work with one employer, and that is what needs to change. Such a simple, decent requirement should be in place. It should have been enacted long ago. The call has been in now for many years but, again, this government is showing where its real interests lie.

Industry-specific, portable long service leave schemes currently operate in most states for specific classes of workers. This means that workers retain their rights to leave even when they move between different employers in the same industry. A limited form of portable long service leave also applies in many states and some federal Public Service jobs, so the move is on. It is happening. It is already in law—particularly in the public sector we are seeing that shift. Here we see the government just not wanting to know. They should be working with industry and different employers to introduce what is fair and so urgently needed.

What happened in 2014, as I mentioned, is that my state colleagues, Greens MPs, in the various parliaments—and we have Greens MPs in Western Australia, South Australia, Victoria, New South Wales and Tasmania—came together with a commitment to deliver portable long service leave for workers in all industries. Yes, there may be some complexities in getting it organised, but that is what the law is for. Our job is to use the law—you would hope—for progressive change, change that will make life better for the majority of people, make a fairer society.
Again, let's remember, what we are dealing with here is a report that shows how mean this government is and how they will not do the right thing. It is not some new scheme; it is just tweaking the long service leave scheme to adapt to current working conditions. The Greens are calling governments across the country to support workers in their states by modernising this basic entitlement—an entitlement that needs some modernising—and here we have the Turnbull government dragging the chain. The Liberals and Nationals are so out of touch—out of touch with a lot of their own voters for that matter. Again, their constituency is delivering for corporate Australia, and they do that in spades.

More than 90 per cent of employment growth over the past 20 years has been in casual and contract work, where long service leave is unavailable. So, if you go down the path that the government clearly wants to take us with no changes to long service leave, fewer people will receive this benefit, because work is fundamentally changing. It is not just that people end up having many jobs; many of them, as I just said, will be in contract work, casual work and they will not receive this benefit.

As we know, workplaces are modernising. Work is becoming intensified, and it is also very important that we address the need for work-life balance and, again, long service leave is part of achieving that. That is why it was introduced in the first place. It was not something that one day people turned up in parliament and thought: 'That's a good idea. Let's give workers long service leave.' It wasn't that employers suddenly thought: 'Let's give workers long service leave.' Another important campaign by the organised workforce and of unions struggling, campaigning and going on strike was how we won long service leave.

But now we know the benefits of it—and I would argue that most companies would benefit from long service leave when their workforce has the opportunity to address their work-life balance; however, we have this mean government, a government that really is very short term: short term in vision, possibly short term in how long they last. We need to remember that long service leave makes it possible for workers to take that much-needed break after 10 years. I cannot emphasise this enough. We all know how important it is to have a break with our family and loved ones. Think of this place on Thursday at the end of a sitting week: people are busting to get out of the place. We all share stories of how much we are looking forward to getting home. I emphasise that to reflect on the importance of having time out of one's work. After 10 years, workers deserve it, and this government is stealing that opportunity from the workers of this country and an increasing number of the workers, as the nature of work and the nature of employment changes.

The increasing movement between employers and the casualisation of the workforce makes portable long service leave an absolute necessity. I would say it is a necessity for the modernisation of society because, if we end up allowing our workforce to become so alienated from work because of the hardship of trying to manage, it is actually not good for business. It is not good for governments. It is not good for the wider society, because you need that cohesion, and cohesion comes with decent working conditions.

As I said, portable long service leave already applies in a number of select industries, so it is not as though what the Greens are recommending is some incredibly radical new proposal; it is happening but far too slowly. These recommendations were to get on with it, and we are seeing the government really dragging the chain.
So reading this report was deeply disappointing. It was probably not surprising, but it was deeply disappointing. But it will be revisited. We will win this change, because the organised workforce—the unions in this country—while certainly diminished in numbers, is growing in strength. I am very confident that we will win this one day.

Question agreed to.

**BILLS**

**Budget Savings (Omnibus) Bill 2016**

*Report of Legislation Committee*

Senator **HUME** (Victoria) (18:15): I present the report of the Economics Legislation Committee on the provisions of the Budget Savings (Omnibus) Bill 2016, together with the *Hansard* record of proceedings and documents presented to the committee and move that the report be printed.

Ordered that the report be printed.

**COMMITTEES**

**Membership**

The **ACTING DEPUTY PRESIDENT** (Senator Sterle) (18:16): Order! The President has received letters requesting changes in the membership of various committees.

Senator **CORMANN** (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:16): by leave—I move:

That senators be discharged from and appointed to committees as follows:

**Education and Employment Legislation Committee**—

Appointed—

Substitute member: Senator Rhiannon to replace Senator Hanson-Young for the committee’s inquiry into the provisions of the Fair Work Amendment (Respect for Emergency Services Volunteers) Bill 2016

Participating member: Senator Hanson-Young

**Electoral Matters—Joint Standing Committee**—

Appointed—Participating members [for the purposes of the 2016 election]: Senators Di Natale, Hanson-Young, Ludlam, McKim, Rice, Siewert, Waters and Whish-Wilson

**Foreign Affairs, Defence and Trade—Joint Standing Committee**—

Discharged—Senator Farrell

Appointed—Senator Chisholm

**Procedure—Standing Committee**—

Discharged—Senator Urquhart

Appointed—Senator Bilyk

Question agreed to.
BILLS
Budget Savings (Omnibus) Bill 2016

First Reading

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:16): 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 CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:17): I table a revised explanatory memorandum relating to the bill and 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 reads as follows—

This Bill contains measures totalling approximately $6 billion in savings as part of a suite of budget improvement measures.

As a Government we inherited $240 billion in accumulated deficits and a debt of $317 billion projected to increase to $667 billion within the next ten years.

Our gross debt is increasing by $6 billion a month or $1.4 billion per week in 2016/17, that's $72 billion for a year.

Since MYEFO 2013–14, we have implemented measures to improve the budget bottom line which has reduced projected debt by $55 billion, however our debt still stands at $430 billion.

The interest payments on our debt total $16 billion this year, it is one of the largest line items in the budget and it is still growing.

To arrest our debt we must restore the budget to balance.

It is clear that a stronger budget not only supports jobs and growth, but also instils confidence as the economy transitions.

Working towards balancing the budget will help restore the buffers that protect Australia against economic shocks and uncertainties, as well as safeguard against events that could threaten our future success.

Repairing the budget means we can begin to pay down debt and reduce the fiscal burden on future generations.

As we make crucial repairs to fix the budget, we will create headroom to further ease the tax burden and invest in new priorities.

In order to repair the budget and arrest growth in public debt, you must get expenditure under control.
Ratings agencies have all warned that they want to see budget measures passed or this will increase the risk of a rating downgrade. They have expressed serious doubt about whether this Parliament will be up to the task.

This Bill is part of a concerted strategy to make immediate and tangible headway towards balancing the budget.

Let me go through each of the measures contained in this Bill.

**Higher education**

On higher education, we are introducing a new minimum repayment threshold for all HELP debts from 1 July 2018.

We are replacing the Higher Education Grants Index (HEGI) with the Consumer Price Index (CPI) in order to streamline and simplify indexation rates for Government programs.

And we will remove the HECS-HELP benefit from 1 July next year.

**Health**

Health is also an area of rapidly growing expenditure.

In order to restrain this spending growth we are extending the pause on indexing the income thresholds for the Medicare Levy Surcharge and Private Health Insurance Rebate for a further three years— from 1 July 2018 to 30 June 2021.

We are abolishing the National Health Performance Authority.

A measure to improve compliance in aged care providers will amend the *Aged Care Act 1997* to strengthen compliance powers and implement deregulation measures.

The Government will continue to provide record levels of investment in Medicare and hospitals, whilst targeting health expenditure to where it is needed and most effective.

**Welfare**

One of the most difficult challenges facing the Budget is reining in growth in welfare expenditure. Welfare makes up a third of outlays in the Budget. So the largest share of these savings measures is in welfare spending.

We are removing the grandfathering arrangements for student payment recipients of the Student Start-up Scholarship, from 1 July 2017.

We are removing the family member exemption to the Newly Arrived Residents Waiting Period for access to social security payments and concession cards. It is important to note that the Special Benefit will still be available to all newly arrived residents in financial hardship who have suffered a substantial change of circumstances beyond their control after they have first entered Australia.

The financial implications of this measure include a contingency to reflect higher payments of Special Benefit. It is estimated that 20 per cent of those who will no longer be exempt from the newly arrived residents waiting period will be granted a Special Benefit during the waiting period.

We will cease the Job Commitment Bonus for long-term unemployed youth.

We are introducing an interest charge on the debts of former recipients of social welfare payments who are unwilling to enter repayment arrangements.

We are bringing in Departure Prohibition Orders for people who are not in repayment arrangements for their social welfare debts, and removing the six-year limitation on debt recovery for all social welfare debt.

We will include income from Parental Leave Pay and Dad and Partner Pay when calculating income support payments for children born or adopted from 1 October this year.
We are changing the way fringe benefits are treated under income tests for family assistance and youth income support payments.

These measures will help ensure that the Welfare system is fair and people in similar financial circumstances receive similar welfare benefits.

From January next year, new claims for Carer Allowance will not be backdated up to 12 weeks.

We are maintaining the Higher Income Free Threshold of Family Tax Benefit Part A for a further two years to make sure family payments are targeted and sustainable.

We will align the pension means testing arrangements with residential aged care arrangements. This measure removes poorly targeted exemptions that are associated with the pensioner's former home, and are only available to pensioners who pay their aged care accommodation costs in periodic payments.

We will remove current income test exemptions for parents in employment nil-rate periods. This makes the payments system fairer and more sustainable.

We have abolished the Carbon Tax and as a result we are closing Carbon Tax compensation to new Family Tax Benefit A and B and Commonwealth Seniors Health Card holders. We also remain committed to closing Carbon Tax compensation for all new welfare payment recipients and will continue to negotiate its passage through Parliament in order to pay for the National Disability Insurance Scheme.

The Family Tax Benefit (FTB) supplement from families with income greater than $80,000 are being removed from the 2016-17 financial year and we will continue to pursue the phasing out of the FTB Part A and Part B supplements for all recipients in order to fund our Childcare Reforms.

Further savings will also be created through an agreement to no longer proceed with the 2015-16 MYEFO measure that provided an additional payment of Family Tax Benefit B to families of children under one year of age.

This Government is committed to ensuring the welfare system continues to provide a safety net for Australia’s most vulnerable people and families.

Other measures

Finally, other measures include savings from the Australian Renewable Energy Agency which restores funding of $800 million over the next five years to 2021-22 relative to the government’s earlier announcement; and reducing the rates of tax offsets — refundable and non-refundable — for research and development, intended to incentivise research in Australia that would not otherwise be conducted.

The Single Touch Payroll reporting measure creates a new modern regime for reporting payroll and superannuation information to the ATO. Employers will automatically report PAYG Withholding and superannuation guarantee contributions at the time these amounts are paid through SBR-enabled software.

Under the Military Rehabilitation and Compensation Act 2004 we are creating a single appeal path that will simplify and streamline the appeal process.

Concluding remarks

Of course, there is much more work to do. The Bill is just the first step for the Parliament, to demonstrate our collective resolve to arrest the debt.

That’s why the Government is continuing to implement the measures that improve the budget bottom line that it took to the election.

Full details of the measures are contained in the explanatory memorandum.

I commend the Bill to the Senate.

Debate adjourned.
Ordered that the resumption of the debate be made an order of the day for a later hour.

REGULATIONS AND DETERMINATIONS

Social Security (Administration) (Trial Area—East Kimberley) Determination 2016

Disallowance

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:18): I move:


The reason I am doing this—and if the government attempts to bring in a third trial I will be doing the same thing—is that we think this measure is deeply flawed. Just to be clear: this process is about disallowing the application of the so-called cashless welfare card and the so-called cashless debit card in the East Kimberley. This is the second trial site. The first one was Ceduna and started a bit earlier than the one in the East Kimberley.

I will be very clear. We have been opposing this measure from the start, the same way as we opposed income management when it was introduced into the Northern Territory via the Northern Territory intervention. The comments that we made when that bill was being debated in this place all those years ago in 2007 have, unfortunately, been proven to be correct. The Northern Territory intervention has failed. The final evaluation clearly shows that. It clearly shows the issues that we highlighted during the debate about the potential failures of a flawed system of income management where you take top-down, punitive approaches to try to achieve the social change that the then government said they were trying to achieve. We very carefully evaluated at that time in 2007 the global evidence that showed that these types of income-quarantining measures do not work. The limited evidence that was available in Australia also indicated that these sorts of punitive, top-down approaches do not work. Of course, with the intervention, there was no consultation on the way it was put in place.

We opposed the cashless welfare card legislation when it was introduced into this place, and we voted to disallow the Ceduna trial. The same sort of regulation was being put in place that we are now debating here. But every time we have sought to draw attention to the evidence that shows that this sort of approach is flawed and does not work—for example, the final evaluation of the intervention and its income management has shown that it was flawed and did not meet its objectives—the old parties have voted together to impose this or a similar cruel and harsh measure.

We oppose this policy because this approach is flawed. We do not believe it will meet its stated objectives. This is about the coalition's constant decision to take a punitive approach to serious entrenched issues. They prefer to take a punitive approach than one that is subject to full consultation, that works for the community, that is community driven and that includes wraparound support. I am not denying that there are serious issues that need to be addressed. In fact earlier today, I was talking about alcohol and substance abuse in the debate of the MPI, acknowledging that these issues are very serious. I urge the ALP to change their mind on this, to support this disallowance, to listen to the evidence, to look at where the coalition has been going with this—because this has been their consistent approach—and to actually then look at
what measures will in fact help to address this sort of entrenched disadvantage and also to
address substance and alcohol abuse.

I was speaking in the chamber earlier today about what are the issues that lead to alcohol
and substance abuse. I talked about the measures that the World Health Organization has
listed that can lead to and add to alcohol abuse, and about the social determinants of health.
Wealth, housing, racism and discrimination all come in to it. These are all the sorts of social
determinants of health that we should be addressing as pointed out by the World Health
Organization. We have been having a debate on the social determinants of health in Australia
and have been hearing the talks by Professor Marmot, who led the debate on this issue.

The scheme does not address the social determinants of health or the systemic issues. It
tries to take a top-down flawed approach that cuts off people's access to cash, that determines
the way they can spend their money, that puts stigma on people, that takes away people's
dignity—these are all things that I have been told by community members—and it makes
them feel ashamed when they go shopping with that 'white card', as people call it.

This scheme was rushed through without adequate consultation. People in communities
were not properly consulted. This is very evident from the approach that we saw when the
government was trying to drive this particular measure into Geraldton. The government were
not going to consult. In fact they have not consulted widely. They have consulted with the
people they felt they should consult with, their determination of who community leaders
were. They were not actually going out to talk to the people that were going to be affected by
this card. Remember this card applies to everybody on working-age income support payments
in a community, not just the people that the government thinks are abusing alcohol and
substances, and gambling.

This card applies to everybody in these communities. Were the government going to talk to
people in the Geraldton community? No they certainly were not. I did. I held a public
meeting. I fed back to this chamber what those community members felt and they
overwhelmingly rejected the Healthy Welfare Card. Not only that but the combined
Aboriginal organisations in Geraldton very clearly looked at the evidence, talked about it and
decided they would not support a so-called trial of the cashless welfare card in Geraldton.
They rejected it. The government then started to talk about Laverton and Leonora and said the
communities there supported it. But there are voices there that do not support it.

In the media last night there was an article saying the government may not be going ahead
with the third trial and I for one say: good because it is not a trial. When they say they are
trialling it, they are not evaluating it properly or comparing it to alternative approaches so
how could they call it a trial? Geraldton said no. Other communities have said no. We have
heard that that is why the government came to Western Australia, to look for a second site in
Western Australia, because they could not con the communities in the eastern states into
doing it. Geraldton really clearly demonstrated that the government did not consult them. That
is the same thing they did in the other communities; they consulted people they thought were
leaders in the community but not everybody and they did not consult the people that were
going to be affected.

In the same way, in the Northern Territory, they did not consult. When they rammed
through income management and when they rammed through the intervention, there was no
consultation there. The evaluation shows that in fact there did not prove to be any significant
change in the very issues the government talked about wanting to address. In fact, the evaluation talks about entrenching some dependency on income management and on income support. They did not build people's decision making capacity on how to manage their money, which was one of the things that government said they were trying to do.

This reflects the coalition's agenda to take a punitive approach to some of the most vulnerable members of our community. Since entering into government, this coalition has constantly been subjecting the most vulnerable members of our community, many of whom are on income support, to constant cuts, to constant changes. They are trying to keep young people off income support. First they were trying for six months and now they are trying for five weeks. They are constantly trying to save money on the most vulnerable members of our community. You have to look no further than the omnibus bill that is going to be debated in this chamber in the not too distant future. They are cutting Newstart to some of the most vulnerable people in our community and trying to take DSP off people that are in psychiatric confinement. They are trying to take money from carers. They are trying to make changes around interest and debt recovery for debts that people on income support may have accumulated—and many of these debts are caused not by the people themselves but by the failures in the system.

It is very clear that they are continuing this punitive approach with the cashless welfare card. They have made cuts to social services and income support. They brought out the disastrous Indigenous Advancement Strategy and, during the process, ripped over half a billion dollars of funding out of services and support to Aboriginal and Torres Strait Islander communities.

The government say this is a trial, that they are imposing this card for 12 months and that they will look at the impacts of the card. However, the government are also funding some additional services. Not for one minute am I rejecting the additional services that are being offered to these communities. I would go so far as to say that, if these communities had had these services in the first place, they might not be in the situations that they are in now. It makes you wonder how the government do not get that they should not be ripping over half a billion dollars out of Aboriginal funding and that these services are vital. They have obviously realised they are vital, because they are providing them in some of these trial areas. But what they are not doing is then evaluating what happens in a community when you have only got the card, so how can they tell the difference between the impact of the card and the impact of the services? You cannot. In fact, when we were debating the bill that brought this legislation in in the first place, I had this debate in the chamber with Senator Fifield. He acknowledged that that was going to be difficult. But have they looked for an alternative community to evaluate, a community that is getting just additional services, so they could make a true comparison? No, they are not doing that.

In estimates, it has been extremely difficult to find out what method of evaluation they were going to be undertaking and who was going to be undertaking the evaluation. I understand, through contacts in communities, that some evaluation has started and that there has been a survey put out to participants, who get a voucher as a reward for participating in the survey. This is hearsay evidence being collected—not appropriate, scientific, rigorous, data driven evidence. But we have had the minister, who has been behind this whole time,
talking about anecdotal evidence that crime has been reduced and that there have been reductions in poker machine use.

I will stop for a minute here and interject on myself and remind the chamber that this is exactly what happened with the Northern Territory intervention. When it was first rolled out in the Northern Territory, you had ministers and the Prime Minister up there claiming there had been so much change in the way people bought fresh fruit and vegetables, as well as other changes. They trumpeted this as a wild success. In fact, it was not a success—as the evaluations, including the interim evaluations, clearly showed. I will also acknowledge that some of the evaluations of the place-based income management show that voluntary income management, in some situations, can be beneficial. But that, of course, is because people have chosen to make that decision themselves.

Going back to the issues around the hearsay and anecdotal evidence, I would like to read a quote from Adelaide’s *The Advertiser* from just last month:

But the State Government has warned that figures used by Mr Tudge should be treated with caution because they are volatile and cover towns and councils hundreds of kilometres away from Ceduna, potentially skewing results.

So the coalition minister is struggling to find facts to support this ideological agenda. From the same article in *The Advertiser*, the South Australia Police say that they could not provide data in relation to Ceduna specifically:

A spokesman for SAPOL said that figures were only provided at the Service Area level and the database could not provide figures for Ceduna specifically.

Again, we have data being used by the government to try to say that there have been some improvements. We do not know, because we have not yet seen the specific data for Ceduna.

Most importantly, we need to be listening to the people in the community. That is what I have been saying all along. I have heard from members of the affected communities about this card—their concerns when it first started about not being able to pay bills, having to borrow money to pay bills, and the shame of having what some people call the white card or the Indue card. Just last week Mr Abbott, who is a strong supporter of this card, said, 'This card has no stigma. It's just like a normal Visa card.' Well, it does have stigma. Just talk to the people in Ceduna who have been telling me about that. The card is clearly different from a normal Visa card; it says 'Indue' on it. It is a different type of card, and everybody knows what that Indue card means.

Just last week—and it is of major concern—there were issues with power supply. I understand that the power outage extended into Ceduna and there were people on the cashless welfare card who were trying to buy things when the electricity ran out and they could not buy things. I heard a response implying that they should be able to get credit. That is not what I heard from community members themselves. Being able to access only 20 per cent of their payments in cash means that people have very little cash, because 20 per cent of the Newstart allowance is a very small amount of money. So they were not able to use cash. I had an email today saying that in some places the power was out for a substantial period of time, meaning that for a substantial period of time people were not able to buy things.

In the East Kimberley trial we have heard, already, of a black market operating. There have been some reports in the media about that—in terms of the use of the card and swapping it for
cash. Now, it is my turn for anecdotal evidence, and I will say it is anecdotal evidence in the same way as the government's anecdotal evidence. So I do not put a lot of credence on it. The other thing we have heard is that there has been an increase in burglaries in the East Kimberley trial area. I will say right now I do not know if that is true—in the same way the government does not know whether their claims are true. They are taking information over a wide area and are trying to say that applies to Ceduna. This is a flawed approach. We should be coming from an approach that is community driven, that is genuinely consultative, that provides those wraparound supports, that addresses the systemic disadvantage that I addressed earlier in terms of those social determinants of health.

We do not support this punitive approach that does not work from a strength-based approach. Please, support this disallowance and let us move on to measures that genuinely work—measures that do not punish people, that do not cause people to have a sense of loss of dignity and that do not stigmatise people, and that work with their strengths.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (18:38): I will be brief. The government opposes this disallowance motion.

Senator Gallagher (Australian Capital Territory) (18:38): That was briefer than I thought across the chamber. You did say you would be brief.

Labor will not be supporting this disallowance motion, either. I would just like to briefly outline our position on why we will not be supporting the disallowance motion. Labor does not believe in a blanket approach to welfare quarantining. We do not believe the debit card on welfare payment should be rolled out nationally. We understand that the vast majority of people on income support are more than capable of managing their own finances, but the level of alcohol abuse in communities like Ceduna and Kununurra cannot be ignored.

Labor supports community-driven initiatives designed to tackle alcohol abuse. That is why we offered support for the 12-month debit card trial in both Ceduna and Kununurra. We want to see the results of these trials. Trial participants include people who receive Newstart allowance, parenting payment, disability support pension and carer payments. It is important to note that new debit card arrangements are very different from income management. Unlike income management, participants on the new debit card will not receive assistance from Centrelink workers to assist in budgeting or to ensure that income support payments are directed at life's essentials, such as food, rent and clothing. The intent of the new debit card is to ensure that the majority of income support payments cannot be spent on alcohol or gambling products.

Labor does not see this card as a panacea for all the problems in these communities. We believe that the card must come accompanied by appropriate wraparound support services if it is to be successful in tackling complex, multidimensional and intergenerational social problems, which is something Labor argued successfully for in the legislation that passed the parliament last year.

As was pointed out during the debate of this legislation, Labor do support the quarantining of income support payments to ensure that money is spent in the best interests of children and families, and the most vulnerable people in the community. It means that more money will go to providing food, clothes and rent, and that less money will go to alcohol and gambling. Labor also believe that quarantining of income support payments can be a useful tool to help
stabilise people's circumstances and to ease immediate financial stress. In finalising our position, Labor listened to people living in the possible trial locations and heard that they were desperate for action to assist in tackling the harm that is being caused by alcohol in their communities. Community leaders in the area have said they wanted to take part in the trial.

It is for these reasons that Labor will not be supporting this disallowance and will be waiting and watching to see how the first 12 months of this trial have gone. We will be talking with community leaders in these trial towns to get their first-hand experiences from the trials. Labor's Jenny Macklin has requested a briefing from the department to update the opposition on the progress of the trial at Ceduna and Kununurra. We look forward to that briefing and to finding out more about how the trial is progressing. As such, we will not be supporting the disallowance motion today.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:42): It seems that nobody else wants to contribute to the debate, so I will—

The ACTING DEPUTY PRESIDENT (Senator Gallacher): A right of reply?

Senator SIEWERT: Yes—well, wrapping up the debate. The government cannot even justify why they are continuing this trial, or why this chamber should not support my motion. I realise they are trying to ram through the budget omnibus bill, but at least they could do East Kimberley the dignity of actually responding to this debate. So I am greatly disappointed about that.

Also, Senator Gallagher, with all due respect, you just repeated what the ALP said in the debate—flawed, though it be, in terms of lack of consultation. There was not adequate consultation in Ceduna or in East Kimberley, in the same way that there has not been in Geraldton. I am extremely disappointed that you continue with the myth that this is not income management and that it is not different to what happened in the Northern Territory. It is different in that it is 80 per cent, not 50 per cent, that is being quarantined. And there was budget help for people in the Northern Territory—supposedly—when the NT intervention rolled out. So that is not a difference to what this particular trial is, compared to the approach on income management.

The ALP and the government, into the future, will be held accountable by the community for their flawed approach that they are taking to income support. If the ALP think that it is not on the government's agenda, it is certainly on the agenda of Andrew Forrest, who recommended this in his report in the first place. The recommendation there was to roll it out across Australia, and coalition members continue to talk about it. That is their agenda—to roll this card out across Australia to people on income support. When the member for Durack was trying to convince the community in Geraldton about accepting this card, she was sort of saying, 'We won't apply it to people that are on the disability support pension or carers; we'll just apply it to people on Newstart or Youth Allowance. So we'll just try to change the facts.' But the facts are in the legislation there.

It is very clear that the government want to roll this out wherever they can—or certain members. To be fair, maybe it is not all coalition members, but there are a number who do. There are a number who want to see this approach taken to supporting the most vulnerable in our community. Please say no to this flawed approach, because it is punitive and does not help people in the long term, just as the Northern Territory intervention did not help people in
the long term. We still have the entrenched issues of disadvantage in the Northern Territory in the same way that we will continue to have those entrenched issues of disadvantage in the East Kimberley and in Ceduna in the long term, until we start addressing the underlying causes of disadvantage, those systemic underlying causes that have clearly been identified.

**The ACTING DEPUTY PRESIDENT (Senator Gallacher):** The question is that the disallowance motion moved by Senator Siewert be agreed to.

The Senate divided. [18:49]

(The Acting Deputy President—Senator Gallacher)

Ayes ...................... 9
Noes ...................... 34
Majority ............... 25

**AYES**

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

**NOES**

Burston, B
Chisholm, A
Dodson, P
Fawcett, DJ
Gallacher, AM
Griff, S
Hume, J
Ketter, CR
Leyonhjelm, DE
McAllister, J (teller)
McKenzie, B
O’Neill, DM
Paterson, J
Pratt, LC
Scullion, NG
Urquhart, AE
Williams, JR

Cash, MC
Cormann, M
Duniam, J
 Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Lambie, J
Lines, S
 McGrath, J
Moore, CM
 O’Sullivan, B
Payne, MA
Reynolds, L
Seselja, Z
Watt, M
Xenophon, N

Question negatived.

**BILLS**

**Excise Tariff Amendment (Tobacco) Bill 2016**

**Customs Tariff Amendment (Tobacco) Bill 2016**

Second Reading

Consideration resumed of the motion:

That these bills be now read a second time.
Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:54): I thank all senators who have contributed to this debate. The Excise Tariff Amendment (Tobacco) Bill 2016 is an important bill that increases the rate of excise duty on tobacco by way of four annual increases of 12.5 per cent a year. The first of these changes will occur on 1 September 2017. There is also a related bill, the Customs Tariff Amendment (Tobacco) Bill 2016, which will make the equivalent increase to customs duty on tobacco by way of four equivalent annual increases. Overall, this will raise more than $5 billion, which of course will help to get the budget back into balance in the expected trajectory as outlined in the budget. But, of course, this is also a very important public health measure because, as the evidence clearly indicates, increased taxes on tobacco are a very effective way to reduce consumption. On that basis, I commend these bills to the Senate.

Question agreed to.

Bills read a second time.

In Committee

Bills—by leave—taken as a whole.

Senator XENOPHON (South Australia) (18:57): I have some questions to ask which I raised in my speech in the second reading debate. I will be as quick as I can. These issues were raised in an Australian National Audit Office report in May this year. Concerns were raised about the whole issue of the collection of these taxes. The Australian National Audit Office, the Auditor-General, raised a number of concerns in relation to the rigorousness, if you like, of the collection of these taxes. These concerns were effectively expressed in the context of the Australian Taxation Office. I think these are legitimate matters of public concern.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:58): I thank Senator Xenophon for his question and for his keen interest. The government recognises the concern he raises and we recognise that quitting smoking is difficult, which is why we have a number of supports in place to help people successfully quit. These include Quitline, a telephone information and counselling service for people who want to quit smoking.

Senator XENOPHON (South Australia) (18:58): I will get to that question in a minute. I am grateful to the minister for his keenness to answer a question I have not even yet put. This relates to matters that were raised publically in an article in The Australian Financial Review by Joanna Mather and Fleur Anderson. It was an article on the Australian National Audit Office's serious concerns about the question of excise collection for tobacco.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:58): I am advised that the Australian Taxation Office and the Department of Immigration and Border Protection have already responded to that ANAO report and have agreed to the recommendations.

Senator XENOPHON (South Australia) (18:59): That is pleasing to hear. I just ask whether that is public. Was that in the last few weeks?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (18:59): Yes, it is public and it was released recently. If you are interested in a precise answer, I would have to take that on notice.
Senator XENOPHON (South Australia) (18:59): I do not want to slow this down, but I very quickly want to raise an issue. The point is that, in terms of the revenue that has been reaped from tobacco excise—and I am not arguing about the revenue; cigarettes are more expensive to discourage consumption—it seems that, over the years, the amount of revenue was something like $40 billion from 2009 to 2014-15 but the amount that was spent on antismoking campaigns, according to the information I have, for that same period was about $135 million. Also, with respect to nicotine replacement therapies: it still costs people money to try and quit. Is the government considering expanding the Quitlines and the funding to education campaigns, and also to make it easier for people to quit smoking by making nicotine replacement therapies either free or even cheaper?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (19:00): I thank Senator Xenophon for those further questions. It is true that these bills contribute to budget repair, but it is also true that increasing the price of cigarettes via taxation has proven to be one of the most effective ways of reducing tobacco consumption and preventing the uptake of smoking. Each year smoking kills an estimated 15,000 Australians. It costs Australia about $31.5 billion in social and economic costs. While smoking rates have been decreasing, about 2.6 million Australians still smoke. We do require further action to decrease smoking rates and to consolidate the gains that have been made.

As I indicated earlier, the government recognises that quitting smoking is difficult, and there are a range of programs provided by the government, including the Quitline telephone information and counselling service for people who want to quit smoking, and subsidies for nicotine replacement therapies. The government is also addressing high smoking rates in Aboriginal and Torres Strait Islander communities through the Tackling Indigenous Smoking program. In the 2016-17 to 2017-18 years, up to $81.5 million has been allocated to achieve a variety of tobacco reduction outcomes. These bills are important pieces of legislation that contribute to the overall effort to reduce the rate of smoking in Australia and also help to repair the budget.

Senator XENOPHON (South Australia) (19:01): I thank the minister for his answer. But the fact is: over the period from 2009-10 to 2014-15, the revenue from tobacco excise was in the order of $40 billion but, for that same period, it seems that the federal government spent $135 million in antismoking campaigns and, for PBS benefits for smoking cessation therapy, in one year, 2014, $47.8 million. All I wish to ask is this. Has the government done any modelling on this: if nicotine replacement therapy were cheaper, or free, and if there were more money spent on tobacco cessation campaigns—out of the $40 billion that the government got in that period or the $8 billion plus it gets each year, another $50 million, $100 million or $200 million a year—what difference would that make in terms of reducing smoking rates? Has there been any modelling done of that? Some cynics have put to me that the government does not want these antismoking campaigns to be too successful because they will actually lose revenue, because if people ultimately stopped smoking then there would not be any excise, but of course there would be an enormous health and social dividend.

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (19:03): I am not aware of any such modelling. I can certainly confirm that the twin objectives of these bills are to raise revenue—that is clear; that is...
reflected in the budget—but also to achieve a public health outcome. There is really nothing further that I can add to what I have said so far.

Senator XENOPHON (South Australia) (19:03): Through you, Mr Temporary Chair: can the government confirm how much money it is planning to spend this year on antismoking campaigns, given that the Commonwealth will be raising something like $9 billion in revenue? So, in terms of campaigns to help people quit—advertising campaigns to raise these issues—how much is actually being spent this financial year?

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (19:03): In response to a previous question, I did actually point out that, in the 2016-17 to 2017-18 financial years, up to $81.5 million has been allocated in the budget to achieve a variety of tobacco reduction outcomes.

Senator XENOPHON (South Australia) (19:04): So it is less than one per cent—is that right? That is what the maths says. I rest my case.

Bills agreed to.
Bills reported without amendments; report adopted.

Third Reading

Senator CORMANN (Western Australia—Minister for Finance and Deputy Leader of the Government in the Senate) (19:05): I move:

That these bills be now read a third time.

The Senate divided. [19:10]

(The Acting Deputy President—Senator Gallacher)

Ayes .................. 46
Noes ................... 2
Majority ............... 44

AYES

Back, CJ
Cameron, DN
Chisholm, A
Culleton, RN
Dodson, P
Farrell, D
Fifield, MP
Gallagher, KR
Hinch, D
Kakoschke-Moore, S
Lambie, J
Ludlam, S
McAllister, J
McKenzie, B
Moore, CM
O'Sullivan, B
Pratt, LC
Rhiannon, L
Ruston, A

Bushby, DC
Carr, KJ
Cormann, M
Di Natale, R
Duniam, J
Fawcett, DJ
Gallacher, AM
Hanson-Young, SC
Hume, J
Ketter, CR
Lines, S
Macdonald, ID
McGrath, J
McKim, NJ
O’Neill, DM
Paterson, J
Reynolds, L
Rice, J
Seselja, Z
AYES
Siewert, R
Sterle, G
Watt, M
Williams, JR

Smith, D (teller)
Waters, LJ
Whish-Wilson, PS
Xenophon, N

NOES
Burston, B

Leyonhjelm, DE (teller)

Question agreed to.

Bills read a third time.

BUSINESS
Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (19:12): I move:

That intervening business be postponed until after consideration of government business order of the day no. 3, (consideration of message no. 17 relating to the Joint Standing Committee on the National Broadband Network).

Question agreed to.

COMMITTEES
Joint Standing Committee on the National Broadband Network
Appointment

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (19:12): A message has been received from the House of Representatives transmitting for concurrence resolutions relating to the formation of a joint committee. Copies of the message have been circulated in the chamber. Details of the documents tabled today are recorded in the Journals.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (19:13): I move:

That the Senate concurs with the resolution of the House of Representatives contained in message No. 17 relating to the appointment of the Joint Standing Committee on the National Broadband Network.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (19:13): If I may seek some clarification, Mr Acting Deputy President: are you just putting the question on the joint NBN committee?

The ACTING DEPUTY PRESIDENT (Senator Gallacher): Yes.

Senator LUDLAM: For the benefit of opposition spokespeople—I was expecting that this would be a fairly quiet few minutes.

Question agreed to.
BILLS
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) (19:15): I rise to speak in support of the Budget Savings (Omnibus) Bill 2016. Labor has reached agreement with the government on a package of fairer alternative savings measures relating to the omnibus bill and other savings measures that total $6.3 billion over the forward estimates. Importantly, this is more than what the government originally put forward in the omnibus bill, all the while protecting the most vulnerable in society as well as ensuring ongoing important investments in early-stage renewable projects.

However, before I turn to the specific measures in the bill before us, I would like to remind all of us here today how critical it is to ensure that we repair the budget but do it in a fair and sustainable manner. Despite all the rhetoric and all the bluster about belt-tightening and living within our means, the facts speak for themselves. Under this government, we have seen a tripling of the deficit, net debt increasing by $100 million and the Treasurer having to admit last year that nearly all of their savings measures put forward have been spent.

Despite all of this, we saw the breathtaking $50 billion promise to deliver tax cuts to big business, including $7 billion to the big banks, all of which will only see a growth dividend of one per cent in 20 years time. This is a $50 billion tax cut that Labor simply will not support. Labor understand how critical it is that Australia maintains its AAA credit rating—the same rating that the government has put in jeopardy. It is why we put forward $130 billion worth of budget improvements in the election, including structural reforms that would see the budget improve over the medium term. It is why the opposition leader outlined a package of reforms that would improve the budget by $80 billion and that, if adopted by the government, would have our immediate support. It is also why Labor have developed a fair alternative to the government's superannuation package, which would deliver $1.5 billion more to the budget without resorting to retrospective legislation. The offer is still there on superannuation. Come and talk and be prepared to be constructive, as we have already shown ourselves to be in our negotiations over these budget measures.

In respect to the detail of Labor's position in regard to the detail of these bills, firstly, we agree to support 20 of the 24 measures in the original bill, as proposed by the government. Some of those measures—in particular, the minimum repayment income for HELP debts, the indexation of higher education support amounts, the removal of HECS-HELP benefit and the rates of R&D tax offset—we specifically said we would support during the election campaign. We also see that the government has now amended the bill to protect the most vulnerable such as those on Newstart, as well as securing the future of the Australian Renewable Energy Agency, also known as ARENA.

Prior to the election, Labor made it clear that we had not been given the opportunity to properly scrutinise the government's proposal to change the energy supplement measure for new recipients or seek advice from the Department of Social Services on its effects. The clean energy supplement was introduced by the Gillard government in 2012 as part of the clean
energy package. Prime Minister Tony Abbott took to the 2013 election a promise to retain the payment. The Turnbull government took the decision to break this promise in the 2016 budget by proposing to stop payment of the energy supplement to new social security recipients from 20 September 2016.

Labor's analysis of the impact of these proposed changes indicate that a single mum on Newstart would be $4.40 a week or $220 a year worse off. A pensioner couple would be around $8 a week or $550 a year worse off. Labor would not support removing $220 a year from someone who is unemployed or taking $550 a year from an old age pensioner. Let us not forget that the most vulnerable Australians are those living on Newstart. Labor have made it clear that we believe Newstart payments are already too low. Many Newstart recipients are living in poverty. As at June 2015, there were about 748,000 Australians receiving the Newstart allowance. Some 550,000 are on the full rate, meaning they have no other source of income.

It is clear that the government was proposing a cut in real terms to Newstart. Cutting the energy supplement from Newstart would have made an already unreasonable level of support even more unconscionable. Labor will now support the negotiated changes to the energy supplement measure so that all existing categories of recipients, including those on Newstart and pensions, will continue to receive this modest supplement— *(Time expired)*

Debate interrupted.

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Gallacher): Order! It being 7.20 pm, I propose the question:

That the Senate do now adjourn.

**Veterans**

Senator STERLE (Western Australia) (19:20): In the 10 minutes that I have, I will try to be brief, but I am going to read the words of a very dear friend of mine, one John Leonard Davis—our mate JD, or the fat fella from Forrestfield. JD says:

Many Vietnam Veterans after their discharge from the army became truck drivers and worked in the transport industry. I had the honour of working with quite a few and found many had mixed emotions about their experiences, and who wouldn't they with what they had been through?

Many were only teenagers and in their early twenties. In civilian life, many were not allowed to drink in Hotels or vote as the drinking age was 21, as was the right to vote. Ironically however, even though they weren't allowed to drink or vote for the people who made decisions for them in Government, they were prepared to give their lives for their country.

I had many friends who served in Vietnam, and no greater mates could you wish for. I respect and am eternally grateful to any man or woman who has served Australia. That respect, of course, is extended to those who continue to protect us to this day. If it were not for them, Australia would not be the magnificent place it is today.

Many veterans travel to the dark side; many fortunately return. But sadly, many do not. Not only can a veteran travel there alone, on many occasions they take their families with them. However, I do not think for one moment that this happens intentionally. The dark side I am talking about has also been referred to as a journey to hell. I had a good work mate who was a veteran. However, I did not notice any signs which indicated that he was making that journey.
One day, he insisted that I spend a Saturday afternoon drinking his favourite, Fosters, with him. We talked and he cried as he reminisced about personal events in Vietnam. A week later my mate was no longer with us. RIP, mate. You were a good digger and did your country proud.

This is just one example of thousands of people who come back from war with undetected cases of post-traumatic stress. More has to be done to support those who put their lives on the line for us. I now would like to ask for your help to support a digger that has experienced the dark side that I mentioned before. It is a comfort to say that he has overcome that journey and is now enjoying life with his family. I am campaigning for my very, very good mate Bill, who has been served a great injustice, and there are many more veterans who are in the same situation as him. The following is Bill's Story:

I first met my mate Bill 60 years ago when we were six years old. We went to a school called Forest Grove, about 15 kilometres south of Margaret River. The first day we met we shook our hands and, as any six year old would do, we cut our fingers and swore to be blood brothers and best mates for the rest of our lives. Up to this day, we are still the best of mates and enjoy a beer with each other. Bill's grandfather fought on the Western Front in World War I. He rose to the rank of lieutenant colonel and received the Distinguished Service Medal for gallantry in action. He returned to Australia after the war had finished. Not long after his return, Bill's grandfather left his family, moved interstate and, unfortunately, became an alcoholic. He died with nothing and as a recluse. In those days, we called it shell shock and many a good soldier and man succumbed to it. These days, it is called post-traumatic stress syndrome and there are many good organisations out there willing to help those who suffer from it.

Bill's father served in the Second World War and was wounded in action. After recovering from his injuries, he was discharged and took up farming. Bill had four sisters, three of which served in the RAAF. The fourth sister was much too young and still in school at the time. In 1967, the Vietnam War was going strong, and, at the age of 17½, Bill decided to follow in the footsteps of his three sisters, his father, his uncle and his grandfather, who all served their country, and enlist to go to war. Bill tried to enlist for national service with the intention of serving two years including a one-year deployment in Vietnam. When he went to enlist, he was told he was too young for national service. As he was keen to do his bit, he enlisted in the regular army—still only in his 17th year.

Approximately six weeks after his 19th birthday, Bill commenced his 12-month tour of Vietnam as a rifleman and frontline soldier. Bill was selected as a forward scout, and any soldier who has had that task will tell you that that is not an enviable position to have been in. What my mate and many thousands of brave soldiers experienced over their tours of duty was nerve-racking, with many not knowing if their next step through the jungle would be their last. Vietnam was different to previous wars, where when you were fighting the enemy, most if not all of the time, you knew who or where the enemy was until they tried to kill you. Age or gender did not matter. Many terrible things that happened to our soldiers cannot always be imagined through conversation; however, when you see graphic images of the conditions our soldiers fought in, one can understand why so many Veterans suffered, and continue to suffer, from post-traumatic stress.

The reason why Bill volunteered to go to war before he was eligible was that he knew his father was on limited time with his health. Bill wanted to serve his country and then return to
take over the running of the family farm after active duty in Vietnam. On his return from Vietnam, Bill requested an honourable discharge to return to the farm so he could run it. Bill was granted an honourable discharge with the condition that he be on active 24-hour stand-by for the following five years, should his services be required on the front. Many years passed following Bill’s return to Australia and he like many others began to suffer from post-traumatic stress following his experiences in Vietnam as a frontline soldier. Bill was treated accordingly and, as I mentioned earlier, is still with us today.

Bill applied for the Australian Defence Force Medal, which is awarded to personnel in recognition of their service to their country. This medal, however, is awarded with certain conditions. Bill has tried and appealed twice to receive this medal—one of the more recognised of service medals—but has been told that he does not qualify for it as he came out of the army approximately seven months before his three-year enlistment period was completed.

Ironically, he would have received the Australian Defence Force Medal if: (1) he waited to be called up for national service, served less time and had not gone to Vietnam; or (2) he waited in the army for seven months to complete his three-year enlistment, which would have meant his father would have had to sell the family farm as he would not have been able to manage it due to his Second World War injuries.

Bill, having been rejected for this medal, which is awarded not for bravery or outstanding service but simply for service as Defence Force personnel to your country, has been told that he does not have the right to stand by his fellow veterans, many of whom he fought with, wearing a medal that says he is a credit to his country. The fact that he was prepared to sacrifice his own life in a combat zone for a period of 12 months does not matter. I have attended many war services with my good mate Bill and his wife, and we both feel for him and understand how much it must hurt seeing other veterans wearing a medal he should be entitled to as well, because of some rule that could be changed.

Bill has been told by the government, however, that if he is not satisfied with their decision to not award him the medal that he should take them to court. This is a very gracious suggestion from the powers that be, who would use taxpayers’ money to prevent Bill from receiving the Australian Defence Force Medal that he and others who are in the same predicament should be entitled to without doubt!

Bill, with the help of the good people of Australia, I will continue this campaign so that on Anzac Days to come and on other commemorative days, you can stand with pride wearing the Australian Defence Force Medal in recognition of your service to our country.

I encourage you to sign my petition for Bill so that he and the many others who served our country overseas but who are not eligible to receive the Australian Defence Force Medal get the adequate and distinguished recognition they deserve. We will present the petition to the House of Representatives in the new year, where it is hoped we can get justice for those who deserve our thanks and recognition. My mate Bill is a third generation soldier. He was only 19.

On that, I am disgusted that one of our brave soldiers is treated in that way. To those that make the decision that Bill cannot have the medal that he so only rightfully earned and deserved: you should hang your heads in shame. If we are prepared to send our boys off to
fight and die for our country, but we are not prepared to stand up for them and look after them when they come back, what a disgrace! I urge everyone to sign JD's petition. Bill, I will stand beside you as well, mate.

Goodyear & Dunlop Tyres

Senator LEYONHJELM (New South Wales) (19:30): In November 2014 I spoke about the case of David Waters and his dismissal by one of Australia's biggest companies, Goodyear Dunlop. David is one of Australia's top sporting shooters. He has won many competitions and medals both domestically and internationally. In July 2015, while at work, David agreed to meet a member of a rifle club similar to his own. The visitor, Liz, a 59-year-old woman, is a keen shooter looking to excel in her sport. Liz had called to see if David would be at the range on Saturday, as she needed advice on fitting an accessory to her new target rifle. However, David was leaving for an overseas trip in a couple of days to participate in a world championship. David suggested that the only way Liz could see him was during the lunchbreak at work.

Liz agreed and drove into the basement car park that Goodyear shares with several other businesses in the building. Visitors have been allowed to park there for a long time. David was expecting her to turn up with the accessory only; however, she also brought the rifle to which it was to be fitted. Until she took it out of her car David did not know she had the rifle with her. This is an expensive target rifle. Liz is a responsible shooter and, therefore, the bolt and magazine had been removed, and the rifle was obviously not loaded. At no point did the rifle present a risk to anyone. Unsure of his legal position, David nonetheless suggested to Liz that she return the rifle to her car and leave. However, within a couple of minutes and before that could occur, the police showed up.

The car park entrance is open to the street. A passer-by must have noticed the rifle being removed from the car and, within a couple of minutes, three police officers arrived. Over the next half-hour or so, 16 arrived. They arrested David and Liz and searched their cars. They accompanied David upstairs to his office to retrieve his identification and car keys. He was not charged, for the obvious reason that he had committed no offence. Liz was charged over the transport of ammunition, but no conviction was recorded. Not surprisingly, some of David's work colleagues saw him being accompanied to his office by the police and drew their own conclusions. People do that.

David was instructed to attend a disciplinary hearing. He was suspended without pay. I attended the hearing with David. Those present were Trent Hudson, Goodyear's HR consultant, and Anil Singh, finance director and David's immediate boss. Mr Hudson, who now works for Foxtel, did most of the talking, adopting a condescending and patronising manner towards both of us. After an hour or so David was summarily sacked with no compensation, no notice or pay in lieu, on the grounds that his conduct had had a 'significant reputational impact' on the company.

The letter that followed set out the injustice in detail. It said he had breached company policy by allowing firearms and ammunition on company property. This is a lie; David had no prior knowledge that it would be in Liz's car. The letter said he had breached Goodyear Australia's standards and conduct manual but did not specify what the breach was. It said he 'failed to ensure the safety and security of fellow associates, building tenants and Goodyear assets'. Safety and security were never jeopardised. It said he was responsible for conduct that
resulted in a complaint and formal warning against Goodyear by the building owner. This is a lie. It said David was responsible for conduct that has resulted in a financial penalty against Goodyear by the building owner. This is another lie. It said there was a 'breach of trust in the employment relationship', again without explanation. David had been employed by Goodyear for 12 years.

In summary, it said, 'Your actions placed Goodyear in a position whereby it was in breach of its obligation to provide a safe and secure working environment for its associates,' which is false and an outright lie. There was no threat to the safety of anyone. The mere presence of a rifle does not constitute a threat, and is in any case trivial in the presence of at least 16 police officers, each of whom carries a firearm. This is an outrageous injustice. What occurred should never have attracted attention in the first place. We Australians are rightly proud of our Olympic, Commonwealth Games and world championship shooters and the medals they regularly bring home. Unfortunately, it seems that the rest of the time they are treated as presumptive criminals. It has to stop.

David took action against Goodyear in the kangaroo court known as the Fair Work Commission. Goodyear refused to negotiate in the conciliation phase. Goodyear turned up with four lawyers and a pile of documents containing lies and distortions, which it dumped on him on the day of the case. It was shameful. David defended himself and did a fine job. The company's lawyers—Hentys Lawyers, led by David Marks—even tried to use my support for him to pursue their assertion that he had done something wrong. It was totally unprofessional and disgraceful. He was awarded pay for four weeks on the grounds that his dismissal should have been summary, and yet the commissioner maintained the fiction that David could have, and should have, foreseen that Liz would arrive with a rifle and prevented it.

This is not the end of the matter. There are consequences for Goodyear. Australia's sporting shooters are beginning to know about Goodyear and its treatment of David. Firearm owners around the world will come to know about it. Virtually all of Australia's 800,000 licensed firearm owners drive cars for which they require tyres. Virtually all of those licensed firearm owners have friends and relatives who also drive cars requiring tyres. Virtually any Australian who looks at what happened and says, 'That is manifestly unfair,' drives a car. Virtually every firearm owner around the world who recognises injustice to a fellow shooter also drives a vehicle with tyres.

I am calling on firearm owners around the world, wherever they are, to stop buying products made by Goodyear until it does the right thing by David. Those products come under the brands Goodyear, Dunlop and Beaulaires. I am calling on Goodyear to hold responsible those employees responsible for this outrage and those employees who have done nothing to rectify it—Asia Pacific President of Goodyear, Chris Delaney, in particular.

Firearm owners cannot afford to allow this injustice to stand, even if it takes 20 years to fix. Because, when they come for one of us in the morning, they will be coming for the rest of us that night.

**Australian National Audit Office**

**Department of Immigration and Border Protection**

**Senator GALLACHER** (South Australia) (19:37): At the outset, I just want to place on the record my appreciation of the extraordinarily good work done by the Australian National
Audit Office. It is an invaluable resource with tools for us to scrutinise the effect of some of the appropriations and expenditure that pass through this place from time to time.

The second point is I want to place on the record my appreciation of the work of the public servants and the Department of Immigration and Border Protection. I am sure that they are, like most public servants, very hardworking and diligent performers.

I have to also address the issue that has been raised by the performance audit report—*Offshore processing centres in Nauru and Papua New Guinea: procurement of garrison support and welfare services*. I made a brief reference to this report in a contribution earlier in the week and, immediately, my sparring partner, Senator Macdonald, rebutted my claim that there was something not quite right and that it was all Kevin Rudd's fault. It was all in the Labor years and the audit report, which I had not read, did not refer to anything untoward in the current regime.

Like a good senator, I took Senator Macdonald's advice and I read the report several times—not once, not twice but three times. I can also add that media reports are clearly setting out that the report covers the period under Labor when the camps were re-established and under two further procurement phases handled by the current government from 2013 onwards.

Mr President, I am sure that you have a remarkably good memory and you would remember some of the jousting on this issue when I chaired the report into the recent allegations in Nauru. Senator Macdonald and I had some robust discussion but I do remember a contribution I made. In that contribution in the initial phase of establishment, we could point to urgency, expediency motions properly carried out in the House of Representatives by the respective Labor ministers. They did follow proper parliamentary scrutiny and process, and they also referred to the Public Works Committee as appropriate. That simply has not happened under the coalition's watch.

I go to today's media reports, where the Hon. Peter Dutton is quoted as saying:

The department was placed in a very difficult situation and we are still dealing with, frankly, the mess of Labor's making.

Clearly, I doubt very much whether the Hon. Peter Dutton has actually read the report. It makes two recommendations—two absolutely chilling recommendations. They are reasonably lengthy but they go to staff training and staff selection, the central procurement unit, the budget unit, the program area and staff and delegates—through guidance, training and staff selection—an approach to ensuring that officials have appropriate seniority and experience to undertake key procurement roles,

The department has agreed to all that.

The second recommendation is absolutely chilling. It says:

That the Department of Immigration and Border Protection take practical steps to ensure adherence to the requirements of the resource management framework when undertaking procurements, including:

The obligation to manage all aspects of a procurement process in accordance with the Commonwealth Procurement Rules—

A huge department has been reminded to follow the Commonwealth Procurement Rules. It is not a small department. This is a $3 billion-plus expenditure and they have been asked to
follow the Commonwealth Procurement Rules. They have been asked to comply with the
government approved scope and contract value.
You have got a contract: follow it in value and scope. It continues:
In respect to open tender processes, adopting a value for money assessment which compares tenderers
against other bids.
This is a huge department expending $3 billion worth of money which lets out tenders and
does not follow the scope, does not follow contract value, does not compete and does not have
any competitive tension. It goes on:
The application of documented eligibility criteria in line with the Request for Tender and consistent
with the Commonwealth Procurement Rules.

The need for ethical conduct throughout the procurement to ensure consistent and fair treatment of
suppliers;
The need to recognise and manage actual, potential and perceived conflicts of interest; and
The maintenance of clear and complete records of all tender bids, key actions, decisions, conflict of
interest and SES disclosure declarations.
The audit is actually telling them that they have not obeyed any of the rules or acted with any
due diligence or common sense. It is extraordinary.

In a previous life, I had 16 completed annual audits. My auditors used to say the documents
had been filed. There were no questions. We always followed the correct procedures. For Mr
Dutton to come out and say that we are dealing with Labor's stuff—up,
or words to that effect, ignores the fact that the Commission of Audit was a coalition government initiative to look at
some $408 billion worth of government expense, and one of the things they wanted to do was
reduce the cost per asylum seeker and the cost into the future—a laudable objective.

We know that the Chair of the Commission of Audit, a Mr Tony Shepherd—I do not know
this person; I have never met him—chaired Transfield Services on one day and then chaired
the Commission of Audit on another day. He resigned as the chair of Transfield Services at a
later date. It was not that much later. He divested himself of his entire shareholdings in
Transfield Services.

We know from reading this report that G4 services and the Salvation Army were never told
that they were deficient in their contracts. There was no paperwork served on them telling
them that they had not honoured their contracts in full or that they were doing an
unsatisfactory job. However, a limited tender which was introduced—which is criticised
severely in the audit report—was awarded to Transfield Services. I do not want to cast any
aspersions on the Chair of the Commission of Audit. I only know about and raise these
matters because they are contained in this audit report.

The auditor thought it was pertinent to go down this path and seek a disclaimer from Mr
Shepherd and seek some information from all of the people. But what appears to have
happened is the Salvation Army and G4 were going along, doing their business and thinking
they were going to get renewed and the Commission of Audit said, 'If you combine the
contracts together, you can probably save some money.' It may have seemed logical and quite
reasonable, but in that exercise all of the Commonwealth procurement rules, regulations, due
diligence and conflicts of interest were thrown out. They are not evident to the auditor.
To add insult to injury, the result is this: Finance forecast $211,000 per asylum seeker. Under Transfield and the combining of the services, the cost was $573,000 per asylum seeker—an additional $362,000. Mr Tony Shepherd was the Chair of the Commission of Audit. He was also the chair of Transfield. Those are all matters of fact. The Prime Minister instructed that the cost of asylum seeker care, support and custody be reduced, but the reverse has happened. Do not tell me, Senator Ian Macdonald or the Hon. Peter Dutton, that it was on our watch that that happened, because quite clearly that happened from 2013 onwards. It was on their watch, when the grown-ups were in charge! They appear to have thrown money to the wind without proper process and due diligence, and their own department is seen in an extremely poor light in what is, I think, the most damning audit report that I have had the pleasure of reading in this place.

**Australian Public Service**

**Senator MOORE (Queensland) (19:47):** Thank you, Senator Gallacher, for that contribution. Last century, when I was a member of the Australian Public Service, and very proud to be a member of the Australian Public Service, I was also a member of my union, which through a number of iterations became the Commonwealth Public Sector Union, the CPSU. Over those years—and there were many of them!—we went through a number of pay disputes and negotiations around conditions and services, including the difficult transition into an enterprise bargaining arrangement for the Australian Public Service. It was a difficult process because, from the very start, we had to look at enterprise bargaining arrangements for individual departments. But through all of my experience I was never part of the kind of process which is going on in the Commonwealth Public Service today.

As of today, a number of Australian public servants, people who serve the public daily to make sure that we have a safe, secure community, have been going for 1,027 without a settlement to their pay dispute. The enterprise bargaining arrangements cover approximately 165,000 staff across 115 Commonwealth agencies. Their agreements expired on 30 June 2014. As of today, approximately 70 per cent of APS staff in around 55 agencies—that is more than 100,000 workers—have not yet made an agreement. These cover a range of agencies but they are mainly focused on four very large Australian Public Service agencies—the Department of Human Services, the Australian Taxation Office, Defence and the Department of Immigration and Border Force. Senator Gallagher talked about the extraordinary hard work and commitment of workers in that last agency.

The concept of enterprise bargaining was that it would be based on good faith, that the employer, the employees and their unions—the organisations that work for them—would sit around together and work together to ensure that there would be an agreement. From time to time, that caused very robust discussions and, at times, limited industrial action. But for the first time in more than 30 years we are now experiencing a situation where the government—the employer—is not able to come to an effective arrangement that meets the needs of the workers in the agencies.

This is not me speaking as a proud CPSU member; this is me speaking as someone who values the Australian Public Service. The arrangements have gone through the process which we all understand, which is that a proposed negotiation is placed before every single worker in the department—not just union workers but every single worker. Time after time—in some cases once, in some cases twice and in some cases, for agencies such as Border Force, three
times—a position has been taken to the workers in those agencies which they have overwhelmingly rejected. That is not because they want to. It is not that they enjoy not receiving a pay rise for over 1,000 days. In that time these workers have not received any increase to their basic wage. Rather, it is because they believe that the offer they have been made does not effectively reflect and respect the work they do and does not acknowledge effectively fair pay for fair work.

It is so important that that issue is made clear. This is not some conspiracy by the unions, saying, 'You must not accept what's coming before you from the government or departmental head of the day.' These are workers who understand their rights. They understand their working conditions. They understand the way that the process operates. And with all the information before them, they have been able to make a clear choice that they do not believe the offer in front of them adequately meets their needs. Why is that? It is because the offer before them caps the pay rise at two per cent per annum, makes no allowance for the gaps since the last pay rise and this is after more than two years of bargaining. That offer tends to work out across the board at about one per cent per annum. We know that that does not meet the cost of living increases that have occurred in that time. It also means that key working conditions and conditions such as the availability of flexible working hours, the times you can work, the way that you can make changes to your working program, the way that you actually can have appeals heard about conditions in your workplace, whether or not you can have your union there to support you if you choose to have that are being removed from the core agreement and are being placed in policy.

I remember at the last round of Senate estimates I was involved in a number of discussions with some agency heads about conditions such as arrangements for mothers to breastfeed their children. I asked a number of senior departmental heads whether they had conditions around that particular entitlement in their enterprise bargain or in their policy and their answers were mixed—once again, this shows that there are different arrangements in every agency. In one case a particular secretary was not sure and had to find out but then we both found out the answer when he checked it. That department actually had that in its enterprise agreement at that stage but there were moves to put into policy.

The fact is that when something is put in policy, it does not have the clear entitlement that something as a bargain entitlement does. Workers in agencies say that they want to have a number of the core conditions that they value and they want to have them in their bargained outcomes so that there is no room to question them; they are an entitlement. This kind of flexibility around understanding how you work and what your conditions are is based on trust. And the trust built up between the employer and employee, when we are now into the 1,027th or 1,028th day since there has been an agreement, is seriously under threat.

The Australian Public Service is such an important tenet of our democracy—an effective, well-resourced, independent public sector. People who value the Australian Public Service want to ensure that there can be a negotiated outcome. Certainly Minister Cash has been involved through the last parliament and into this one. A number of times the CPSU met with Minister Cash until on 1 May this year when Minister Cash wrote to the CPSU saying she was no longer a bargaining agent and did not have responsibility for resolution of the matter. So what happens now? The employer is in fact the government of the day. The departments are the line managers but of course the employer, as the government of the day, has the ability
to cut through and ensure that there is an ability to negotiate effectively around conditions of service.

Public sector workers value their work, they value their community and they value their integrity. They do not seek to take industrial action. Over the last 30 years you can see it has not been an area where there have been massive disruptions to service. But there are elements now where, after the offers on the table have been rejected a number of times, there will be periods of industrial action. This should be an opportunity now for employers, employees and their union to come back together to acknowledge that what has gone on has not been satisfactory, to look at what the workers value in their work, to look at what the employers value in their workforce and then we should be able to get back around the negotiating table, which is the basic process of enterprise bargaining—that we bargain in good faith—and put an end to the immense stress, the worry and also the anger and frustration of a proud public sector, my union the CPSU and the employer so that we can get back on track.

Senate adjourned at 19:57

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.]

A New Tax System (Family Assistance) Act 1999—
Child Care Benefit (Children in respect of whom no-one is eligible) Amendment Determination 2016 [F2016L01425].

Child Care Benefit (Session of Care) Determination 2016 [F2016L01427].

A New Tax System (Family Assistance) (Administration) Act 1999—Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Amendment Determination 2016 [F2016L01426].

Tabling

The following documents were tabled pursuant to standing order 61(1) (b):

Access to unpublished committee documents—Reports by the President to the Senate, pursuant to the resolution of the Senate of 6 September 1984—
Joint Select Committee on Aboriginal Land Rights in the Northern Territory (1976 to 1977).
Institutional Responses to Child Sexual Abuse—Royal Commission—Reports of case studies—
No. 21—The response of the Satyananda Yoga Ashram at Mangrove Mountain to allegations of child sexual abuse by the ashram's former spiritual leader in the 1970s and 1980s, dated April 2016.


Migration Act 1958—Section 486O—Assessment of detention arrangements—

Personal identifiers 1001665-O, 1001801-O, 1002223, 1002234-O, 1002237-O, 1002298-O, 1002350, 1002367-O, 1002379, 1002392, 1002450, 1002454, 1002471, 1002492, 1002600, 1002656, 1002675, 1002681, 1002811, 1002873, 1002976, 1002992, 1003021, 1003055, 1003064, 1003205, 1003227, 1003234, 1003255, 1003253, 1003302, 1003314, 1003322, 1003328, 1003339, 1003351, 1003355, 1003359, 1003382, 1003401, 1003429 and 1003464

Government response to Ombudsman’s reports, dated 9 September 2016.

Personal identifiers 1001040-O, 1001333-O, 1001428-O, 1002214-O, 1002217-O, 1002228-O, 1002234, 1002345-O, 1002359-O, 1002389, 1002420, 1002472, 1002475, 1002546, 1002595, 1002628, 1002650, 1002660, 1002698, 1002723, 1002734, 1002768, 1002774, 1002776, 1002813, 1003017, 1003070, 1003088, 1003133, 1003146, 1003217, 1003233, 1003239, 1003244, 1003249, 1003275, 1003298, 1003310, 1003324, 1003346, 1003347, 1003349, 1003376, 1003386, 1003395, 1003449 and 1003486

Commonwealth Ombudsman’s reports—Report no. 15 of 2016.
Government response to Ombudsman’s reports, dated 9 September 2016.


Commonwealth Ombudsman’s reports—Report no. 16 of 2016.
Government response to Ombudsman’s reports, dated 9 September 2016.


Government response to Ombudsman’s reports, dated 9 September 2016.


Commonwealth Ombudsman’s reports—Report no. 18 of 2016.
Government response to Ombudsman’s reports, dated 9 September 2016.

Government response to Ombudsman’s reports, dated 9 September 2016.

Government response to Ombudsman’s reports, dated 9 September 2016.

Government response to Ombudsman’s reports, dated 9 September 2016.