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SITTING DAYS—2014

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

Senate Office holders
President—Senator Hon. Stephen Parry
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O'Neill, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams

Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC
Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash
Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Palmer United Party in the Senate—Senator Glenn Patrick Lazarus
Deputy Leader of the Palmer United Party in the Senate—Senator Jacqui Lambie
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston
The Nationals Whip—Senator Barry James O'Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert
Palmer United Party Whip—Senator Zhenya Wang
Deputy Palmer United Party Whip—Senator Jacqui Lambie

Printed by authority of the Senate
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<th>Senator</th>
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<tr>
<td>Abetz, Hon. Eric</td>
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<tr>
<td>Back, Christopher John</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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<td>CLP</td>
<td>Peris, N.M.</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

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

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<th>Title</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Women</em></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Luke Hartsuyker MP</td>
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<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td><strong>Minister for Justice</strong></td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Bruce Billson MP</td>
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<tr>
<td><strong>Acting Assistant Treasurer</strong></td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Steven Ciobo MP</td>
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<td>The Hon Barnaby Joyce MP</td>
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<tr>
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<td>Senator the Hon Richard Colbeck</td>
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<tr>
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<td>The Hon Christopher Pyne MP</td>
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<td>(Leader of the House)</td>
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<tr>
<td><strong>Assistant Minister for Education</strong></td>
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<tr>
<td><strong>Minister for Health</strong></td>
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<td><strong>Minister for Sport</strong></td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Senator the Hon Simon Birmingham</td>
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<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon Scott Morrison MP</td>
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Each box represents a portfolio. Cabinet Ministers are shown in bold type. As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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<td>Senator the Hon Penny Wong</td>
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<td><strong>Shadow Parliamentary Secretary for the Environment, Climate</strong></td>
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<td><strong>Shadow Minister for Higher Education, Research, Innovation and</strong></td>
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<td>Shadow Minister for Vocational Education</td>
<td>Hon Sharon Bird MP</td>
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<td><strong>Shadow Parliamentary Secretary for Manufacturing</strong></td>
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<td><strong>Shadow Minister for Communications</strong></td>
<td>Hon Jason Clare MP</td>
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<tr>
<td>Shadow Assistant Minister for Communications</td>
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<td>Hon Mark Dreyfus QC MP</td>
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<td>Deputy Manager of Opposition Business (House)</td>
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<td>Hon Joel Fitzgibbon MP</td>
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<td>Shadow Minister for Health</td>
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<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
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<td>Shadow Minister for Mental Health</td>
<td>Senator Hon Jan McLucas</td>
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<td>Shadow Minister for Sport</td>
<td>Hon Bernie Ripoll MP</td>
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<td>Shadow Parliamentary Secretary for Health</td>
<td>Hon Nick Champion MP</td>
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<td>Hon Jenny Macklin MP</td>
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<td>Shadow Minister for Disability Reform</td>
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<td>Shadow Minister for Human Services</td>
<td>Senator the Hon Doug Cameron</td>
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<td>Shadow Minister for Housing and Homelessness</td>
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 10:00, read prayers and made an acknowledgement of country.

BUSINESS

Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (10:01): I seek leave to move a motion to vary the order of government business for today.

Leave not granted.

Suspension of Standing Orders

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (10:01): Pursuant to contingent notice of motion standing in the name of the Leader of the Government in the Senate, Senator Abetz, I move:

That so much of the standing orders be suspended as would prevent a minister moving a motion to provide for the consideration of any matter, namely, a motion to give precedence to a motion to vary the routine of business for today.

In this place it has been a long-accepted convention that the government of the day should, in the ordinary course of events be able to list in order the government legislation for consideration for a particular day. That has been the practice in this place for generations. We may disagree in this place on a range of matters, such as whether and when time management motions should be used. But it has been a long-accepted practice in this place that the government has the right to list the government order of business for the day. I should acknowledge that the opposition did not deny leave for me to seek to move a motion. I should acknowledge that the crossbench senators did not deny leave for me to move this motion.

The reason there is a necessity for me to seek leave to move a motion is because of a motion that was passed in this place on Monday of last week. That motion, which received the support of the chamber was that the carbon tax package repeal bills be dealt with first and that subsequent to that the Climate Change Authority (Abolition) Bill 2013 be dealt with as the next item of business. As we know, the climate change package repeal bills were dealt with at the conclusion of last week and, as I think all colleagues know, it is the hope of the government that that package of bills will be through the House this week and again into the Senate chamber.

It is the desire of the government and, I know, of a number of other senators in this place that the package of bills be dealt with before the Climate Change Authority (Abolition) Bill. So the motion that the government is seeking to move here today is to give effect to what I believe is the desire of a majority of senators and to address the fact that there is still, in effect, part of a motion that was passed on Monday of last week.

The government has before today—in fact, yesterday—made contact with all groupings of senators in this place, indicating its intention to move this motion. I spoke to those colleagues who I was able to speak to directly and left messages for other colleagues, and emailed the
intended motion. So the government has been communicating with all its colleagues about its desire to do this. The motion itself was circulated in the chamber as well. I understand that our intention was also raised at the regular cross-party whips meeting this morning.

I think the government has pursued the appropriate processes, both formal and informal, to advise its colleagues of the government's intention. I come back to the longstanding convention in this place that, in the ordinary course of events, the government of the day should be able to list the bills for consideration in government business time, much as the non-government parties list the bills that they would like to consider in private senators' bill time on Thursday morning.

I hope that a majority of my colleagues will agree to the suspension of the standing orders. I regret that there was the need to move to suspend the standing orders. I would have hoped that leave would have been granted. It was denied in this case by the Australian Greens. I encourage my colleagues to give favourable consideration to suspending the standing orders so that I can then move the motion to list as government business orders of the day those that have been circulated in this chamber and advised to my colleagues.

Mr President, I will leave my remarks there. As you know, there is provision for a 30-minute debate on the suspension of the standing orders. I hope the Senate does not need to be detained with a full 30-minute debate. I commend the suspension of the standing orders to my colleagues.

Senator MILNE (Tasmania—Leader of the Australian Greens) (10:06): Deals might have been done between the government and another political party in here—in this case, the Palmer United Party—but the Senate is not a plaything. Let us go back to why we are in this situation. According to Senator Fifield, in the ordinary course of events the government should be able to list its order of business for the day as it so chooses to. It did do that last week but it was not supported by the Palmer United Party in doing that because, apparently, there had been a breach of a deal that had been made that the Climate Change Authority (Abolition) Bill 2013 [No. 2] would come on immediately following the debate on the abolition of the carbon price bills. As a result of that there was at least half a day wasted and then we came around to changing the order of business to bring on, at the request of the government and the Palmer United Party, the Climate Change Authority bill immediately following the abolition bills. That happened because neither the government nor anyone else was aware that at the end of the week the abolition bills would be defeated. That now brings the Climate Change Authority bill on.

The decision around the Climate Change Authority bill will of course go to not only keeping the Climate Change Authority but considering an emissions trading scheme. I can see why the government does not want to have a debate about an emissions trading scheme ahead of its vote on abolishing the carbon price. Of course the government does not want to do that, because it does not want to have to admit to people that if the Senate passes an emissions trading scheme, the government will not accept it in the lower house and it will die between the two houses and will simply be another trigger for a double dissolution, which the government is running away from.

Why wouldn't we have that debate first, as was agreed last week? What has happened in the meantime has reversed the order in a way that the government does not like at all and wants to run away from. We are seeing this reverse in the order of things because the
government does not want to have to face the fact that it will have voted down an emissions trading scheme ahead of the abolition of the carbon price, proving to the whole country that it has no intention of having any serious policy, in any shape or form, in dealing with climate change.

The community wants us to deal seriously with climate change. The West Australian today, unbelievably, ran an editorial supporting the retention of a carbon price. There are some things in life which I thought were certain, but when I looked at that I thought: 'My goodness, nothing in life is certain.' I hope Senator Wang saw that today in The West Australian. My colleagues from Western Australia saw that in the newspaper and had to look twice to see if it was real or not.

But the point here is that we now have the worst case scenario for the government: a reversal of the order so that we deal with an emissions trading scheme this week ahead of the abolition of the carbon price. It is also the issue of what the amendment is that the Palmer United Party wants to make to the emissions trading scheme. It will have to be a lengthy and complicated amendment, and the sooner we get that amendment onto the floor of the Senate then the sooner we can see how we can deal with it or at what point we need to make changes to it and so on.

That is why I do not want to see a rearrangement of business. The last thing we want to see at the end of this week is an absolute logjam of bills, including the Climate Change Authority bill. If it gets logjammed at the end of the week the Senate will not have an opportunity to have a proper look at what is being proposed in terms of an emissions trading scheme. And, of course, a logjam at the end of the week would mean that the government gets cover for the fact that it is voting down both the existing emissions trading scheme and the alternative emissions trading scheme and we would end up at the winter break with absolutely nothing.

That is what the Australian community recognises is the worst case scenario for the climate. We want serious action on global warming. We want action that reduces emissions seriously and that is why, if you want to recall the parliament when we would normally be on a winter break, to deal with the issue of global warming then you should not be fiddling around with the processes of the Senate in private deals that use the Senate as a plaything. This is not a plaything of the government. (Time expired)

Senator MOORE (Queensland) (10:11): We on this side of the chamber accept the right of the government to determine the standing of bills in the daily running of this place. However, what we saw last week—a daily introduction of different rules for what was going to happen on the day—caused great confusion, as we saw building up to what on Thursday seemed much more like something that would happen in a Marx movie than what should happen in this Senate.

Nonetheless, what—

Senator Sinodinos: Marx Brothers, not Karl Marx!

Senator MOORE: Marx Brothers, yes—absolutely. But nonetheless I would have thought that we could go with both. But last week the process in this place was predetermined to go through a series of votes when the government did not have the numbers. We were actually playing with the Senate to see if, in fact, deals had been concluded or not, to the extent that there was no effective running of the Senate.
The government has come in today with a proposal to list today similar bills to those on the agenda paper at this time last Monday. If you have a look at the bills which the government has brought forward to look at now very many of them were exactly what we could have been debating at this time last week. Instead, the government came in with a motion that they wanted to put the carbon bills there and go into debate because they thought they had the numbers for a deal. That did not occur. What we had was the whole week being taken over by, ‘Did the numbers come or not? Would we have a debate by a certain time or not?’ I think we also heard that sometimes things that were happening outside this chamber were much more important than things that were happening inside this chamber.

So we came back today and we have a list of bills before us that the government asked us to do. We actually will be supporting that. We believe that the process the government needs is to have the right to put into the chamber what they expect should be the process for the day. I acknowledge that the Leader of Government Business did talk with a range of people to prepare us that this was their intent. That is how these things should work. If there is a procedure that they want to put forward there should be consultation beforehand with an explanation as to what is going to happen. When that occurs people can make up their minds about whether that is the appropriate way to operate, and I think that would be having a formal process about how best we can operate in this Senate.

I remember sitting on the other side of this chamber, and week after week the then Leader of Opposition Business in this place would lecture us about what was appropriate and how appallingly managed the place was by the government of the day. At no time did we see the kind of process that we saw in this place last week. So, Mr President, yes, we have had consideration of the legislation. I believe, if procedures had been followed last Monday, some of these bills would already have been passed after appropriate debate. But that did not occur. We had a week without much actual conclusion of business in this place; nonetheless, we are here today. The government has moved a motion where a series of bills will be able to move forward and be debated. We believe that the chamber should always operate in a cooperative fashion. We believe there should be a process drawn up that includes all people in this process so that we actually know what is going on. As the Manager of Government Business in the Senate said: we may not always agree on the outcome, but we should be clear about the procedures so that we will not have the seeming chaos that reigned in this place last week.

We are ready to go through with the debate on the legislation as has been put forward by the government, but we want to make it clear that we need to be advised about the rationale of procedure that is coming in here. We do not want to wait around while there is considerable filibustering from the other side to see whether particular deals have been done or not before we can move towards a vote. What we want to see is effective debate so that we do our job in this chamber, which is to review legislation. We want to ensure that we in this place know what is going on and, I think more importantly, to a large extent that the people in the community know what the priorities are for the business of the day. And while we wait with bated breath to see what other deals are being done, this will at least ensure that we get on with the business of the day and know what procedures are going to be followed, what the process for timing will be and that we get our job done in this joint.
The PRESIDENT: The question is that the motion to suspend standing orders moved by Senator Fifield be agreed to.

The Senate divided. [10:21]

(The President—Senator Parry)

Ayes .....................54
Noes .....................10
Majority ...............44

AYES

Back, CJ
Bilyk, CL
Brown, CL
Bushby, DC (teller)
Canavan, M.J.
Collins, JMA
Dastyari, S
Edwards, S
Fifield, MP
Ketter, CR
Lazarus, GP
Lines, S
Lundy, KA
Madigan, JJ
McEwen, A
McKenzie, B
Moore, CM
Nash, F
O’Sullivan, B
Payne, MA
Polley, H
Ruston, A
Scullion, NG
Singh, LM
Smith, D
Urquhart, AE
Williams, JR
Bernardi, C
Birmingham, SJ
Bullock, J.W.
Cameron, DN
Colbeck, R
Cormann, M
Day, R.J.
Fawcett, DJ
Gallacher, AM
Lambie, J
Leyonhjelm, DE
Ludwig, JW
Macdonald, ID
Marshall, GM
McGrath, J
McLucas, J
Muir, R
O’Neill, DM
Parry, S
Peris, N
Reynolds, L
Ryan, SM
Seselja, Z
Sinodinos, A
Sterle, G
Wang, Z
Xenophon, N

NOES

Di Natale, R
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS
Hanson-Young, SC
Milne, C
Rice, J
Waters, LJ
Wright, PL

Question agreed to.

Consideration of Legislation

The PRESIDENT (10:24): I now call the minister to move a motion varying the routine of business.
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (10:24): I move:

That a motion to vary the order of government business for today be moved immediately and have precedence over all other business today until determined, and that the question be now put.

The PRESIDENT: The question is that the question be now put.

Ayes ......................54
Noes ......................10
Majority..................44

AYES

Back, CJ
Bilyk, CL
Brown, CL
Bushby, DC (teller)
Canavan, M.J.
Collins, JMA
Dastyari, S
Edwards, S
Fifield, MP
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Urquhart, AE
Williams, JR

Bernardi, C
Birmingham, SJ
Bullock, J.W.
Cameron, DN
Colbeck, R
Cormann, M
Day, R.J.
Fawcett, DJ
Gallacher, AM
Lambie, J
Leyonhjelm, DE
Ludwig, JW
Macdonald, ID
Marshall, GM
McGrath, J
McLucas, J
Muir, R
O’Neill, DM
Parry, S
Peris, N
Reynolds, L
Ryan, SM
Seselja, Z
Sinodinos, A
Sterle, G
Wang, Z
Xenophon, N

NOES

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

Hanson-Young, SC
Milité, C
Rice, J
Waters, LJ
Wright, PL

Question agreed to.

The PRESIDENT (10:28): The question now is that the motion moved by the minister be agreed to.
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (10:28): I move:

That government business orders of the day be called on and considered today in the following order:

No. 4 Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2014

No. 5 G20 (Safety and Security) Complementary Bill 2014

No. 3 Trade Support Loans Bill 2014

Trade Support Loans (Consequential Amendments) Bill 2014

No. 6 Health Workforce Australia (Abolition) Bill 2014

No. 7 Australian National Preventive Health Agency (Abolition) Bill 2014

No. 2 Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2]

No. 8 Asset Recycling Fund Bill 2014

Asset Recycling Fund (Consequential Amendments) Bill 2014

Question agreed to.

BILLS

Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2014

In Committee

Debate resumed.

The CHAIRMAN (10:29): The Committee is considering the amendment moved by Senator Siewert on sheet 7485.

Senator SIEWERT (Western Australia—Australian Greens Whip) (10:30): Chair, if you recall, when we finished on this last session I was halfway through speaking on my amendment. I see the minister looking at me a bit strangely. I think I will go back to the top of my comments on the amendment so that we can reacquaint ourselves with where we were up to.

So this is an amendment. As you would be aware, the Greens are opposing this bill because we are concerned that the process is in fact taking us backwards in how we deal with ag-vet chemicals in this country. If this bill is going to succeed, which I understand from the numbers it probably will because the ALP are not supporting their own changes to the process, my amendment seeks to put in place a process to deal with chemicals that are judged to have unmanageable risk and those in the highest risk category.

We believe there is no doubt that some agricultural and veterinary chemicals have damaged human and environmental health—I do not think that is in dispute—and continue to pose risks to both. Risk management should be at the core of any registration program, and those chemicals that pose unacceptable and unmanageable risks should not be permitted in Australia. We want the approach to risk taken by the Australian Pesticides and Veterinary Medicines Authority, the APVMA, to reflect contemporary science in toxicology and regulatory approaches in other countries. We are concerned that this in fact is not going to be the case.

CHAMBER
Without the re-registration scheme and the associated regulations which this bill pertains to, there is still too much discretion being given to the APVMA to determine undue hazard to the safety of people and the environment, without a suitable framework under which to determine that risk. This amendment is no substitute for a proper re-registration scheme, but it will add to the criteria for reassessment and will operate to ensure that there are some clear and transparent decision-making criteria to guide the APVMA in its decision making about what to reassess.

This amendment asks for the reassessment to occur as soon as possible but is not time bound. This is less constraining than the re-registration process, which would have required the APVMA to undertake reassessment of those high-risk chemicals within 12 months. This amendment also calls on the APVMA to monitor what is happening internationally and to engage in reassessment when the UK, New Zealand, the USA or Canada bans a chemical product.

This amendment builds on the criteria we negotiated with the previous government, which were circulated to members, and is an attempt to build on all the work that has been done to get a more thorough process in this country. We supported the work that was previously done. We are disappointed the ALP is no longer supporting its own amendments. In fact, there are many chemicals that still need to be assessed and we are now going to tie up both the community and producers in ongoing debates and campaigns to get chemicals assessed, whereas through the previous amendments that were made in this place we had a proper process.

What we are trying to do is build an assessment process so that all people who are concerned about these issues actually understand the process and so there is a more defined process. At the moment, with the government taking away the amendments that were made, we are being taken back essentially to the bad old days when we all had to campaign to get chemicals assessed. There are still a number of grandfathered chemicals and, despite what both the ALP and the government have said, there are many chemicals that were grandfathered and that have not had contemporary assessments. As I articulated earlier, some of the previous work has been lost, so we do not know which chemicals were looked at by states. I commend the amendment to the chamber.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (10:34): Obviously the government is not supporting the Greens' amendment, and Senator Siewert acknowledged that in her remarks. I would like to reiterate a few points from what we said earlier and to counter some of the statements Senator Siewert has just made.

The government are not taking the Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-Approval and Re-Registration) Bill 2014 right back to where it was prior to the Labor Party's amendments when they were previously in government; what we are doing is removing the compulsory reregistration process because we do believe there are sound procedures in place with which to manage agricultural chemicals. I do not think we differ from the Greens in requiring them to be safe for use, but we do think it is important to remove the compulsory reregistration process, as we have said before, because it is an excessive layer of regulation.

We can take into account and we do take into account what happens in other countries. I think that is a very important point to reiterate. Senator Siewert would probably know, having
sat in estimates, that there are some actives that are not available for use in Australia that are available for use in other countries, so in some circumstances we do actually lead other countries. I recall the quite intensive discussion around omethoate that we had at Senate estimates a couple of years ago. At that time it was still available for use in New Zealand but was being removed for certain uses in Australia because of our concerns about the potential health impact on children. There was large discussion about its use on tomatoes and about our tomato exports to New Zealand.

We do have systems in place in Australia to deal with adverse events. I know Senator Siewert understands that. Given that we do take into account what happens overseas—we can take into account data that is produced overseas and events that occur overseas, such as a genuine prohibition in another country—that provides parameters for safe and sound use of agricultural chemicals in this country. It is important to note that studies have indicated that up to 20 per cent of our agricultural production could be lost without the use of agricultural chemicals. They are a very important element in our food security. Yes, we need to make sure that they are managed properly. Yes, we need to make sure that they are safe and have proper efficacy. The government believes the action it is taking with this legislation actually provides a sound regulatory framework to deal with the proper safety measures for agricultural chemicals but without overregulation.

Senator SIEWERT (Western Australia—Australian Greens Whip) (10:37): I will not detain the chamber very long. We have been debating the Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-Approval and Re-Registration) Bill 2014 on and off for a while. I want to make a couple of short points. I am sure the Parliamentary Secretary to the Minister for Agriculture was not meaning to suggest that the Greens are opposed to all chemical use with his comment that if we did not have chemicals we would lose 20 per cent of our production. We certainly do not come from the position that we need to stop all chemical use. We appreciate, and are fully aware of, the role that chemicals do play. We are concerned around the use of toxic chemicals in production. I will not go into the nature of the debate, but Fenthion is a classic example. The debate on that has been going on for 15 years. I think that is too long. It has delayed the industry being able to move to find alternatives. I do not want to see that happen with other chemicals.

I acknowledge that the minister is correct in saying that Australia has led other countries in some areas—I absolutely agree with that—but in other areas it has not. There are still a number of chemicals that are used in this country that are no longer in use in other markets. We believe we need a better process. We think this is a step backwards. We think we need a stronger process in place and that is why I moved this amendment. I understand the government is not going to support this amendment. We will be watching this process very carefully to see how the APVMA go about their assessment processes from now on. We think it is not going to be in the best interests of the industry in the long term because we think we will be back to the trenches fighting over particular chemicals rather than having a clear process for the assessment of chemicals, particularly those with unmanageable risks.

Question negatived.

Bill agreed to.

Bill reported without amendments; report adopted.
Third Reading

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (10:40): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

G20 (Safety and Security) Complementary Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator JACINTA COLLINS (Victoria) (10:42): Labor will be supporting the G20 (Safety and Security) Complementary Bill 2014. On 15 and 16 November this year Brisbane will play host to arguably the most significant world leaders' summit, the G20. G20 members account for two-thirds of the world's population, around 80 per cent of global trade and, most notably, 85 per cent of the world's economy. Geographically, all the world's populated regions will be represented. The event itself is expected to have around 3,000 media representatives and around 4,000 delegates attend. It will place Brisbane at the centre of the world's attention at that time. It is a significant event that has as been brought to Australia by the previous government, which I will speak about in a moment.

The G20 is the place to discuss global economic and financial matters. The objects of the G20 are threefold: to modernise international financial architecture, to promote financial regulations that reduce risks and prevent future financial crises, and policy coordination between its members in order to achieve global economic stability and sustainable growth. The bill itself clarifies the interaction between the Queensland government's G20 (Safety and Security) Act 2013 and the stand-alone bill proposed here. It was determined by the Queensland government that a separate act was needed because of the extra duties the Queensland Police Service would be facing. Those duties include: security for accommodation venues where meetings are being held, security for official parties and world leaders, motorcade routes and for other official events. That is on top of the everyday work the Queensland Police Service do in providing policing for the general public.

The extra powers granted under the Queensland act and this bill are similar to the ones granted to the APEC meeting in New South Wales in 2007 and the Commonwealth Heads of Government Meeting in 2011. This bill deals with any overlap powers regarding jurisdiction issues between state, federal and other authorised persons during the G20. This includes specified locations, such as Brisbane airport. But the important thing to note here is that these powers have a sunset clause built into the federal legislation proposed for the day after the conclusion of the conference.

It is worthy to note the achievements of the previous government in supporting and eventually playing host to this important event. When in government, former Prime Minister Rudd played a substantial role in making the G20 an internationally significant world event bringing together the major economies of the world. It was former Prime Minister Gillard, while at the G20 in Cannes in 2011, who secured the 2014 G20 Summit for Australia.
I note that in Queensland the state Labor opposition supported the Queensland government's bill. The federal opposition will also support the federal government's bill. We, as an opposition, understand the need for the G20 conference to be organised as safely and securely as possible. We want the focus of the G20 to be on the important financial reform tasks at hand. This bill will make sure that any issues between state and federal jurisdictions are resolved so that the G20 can run smoothly.

Senator WRIGHT (South Australia) (10:45): I rise to speak on the G20 (Safety and Security) Complementary Bill 2014 and to highlight the relationship between this bill and the rights of everyday Australians—rights that are crucial but that, until relatively recently, we perhaps have taken for granted, assuming that they will always be there.

The Australian Greens appreciate that this complementary bill is not of itself a draconian piece of legislation. However, it is legislation which is designed to facilitate laws that definitely are draconian, and that is where our concerns lie. This bill operates to clarify the interaction between provisions in the Queensland G20 (Safety and Security) Act 2013 and existing Commonwealth legislation as they apply to the Brisbane Airport during the 2014 G20 Summit, which will be held in November this year.

The Australian Greens cannot in good conscience support this Commonwealth law, because of the nature of the Queensland state law it is designed to facilitate. Supporting this bill would effectively facilitate the erosion of rights by the Queensland government against its own people that has been occurring and will continue to occur around the G20 summit, and would imply that this erosion of rights is acceptable.

This sorry tale goes back to October last year when the Queensland parliament rushed through the G20 (Safety and Security) Act 2013 ahead of the G20 events which will take place later this year. The Queensland legislation embodies extreme laws which do many oppressive things. They strengthen existing police powers of search and arrest; they declare special security areas in Brisbane and Cairns; they create offences for actions like crossing barriers and disrupting meetings; they exclude local people from their very own areas of residence if they fail criminal history checks; and they ban various objects, including household items, from security areas. It might be understandable that they want to ban whips and weapons, but they also ban cans, jars, banners, reptiles and even eggs. These laws have attracted condemnation as both draconian and impractical from many groups, including civil liberties organisations and legal bodies like the Queensland Law Society.

As well as these concerns, the federal Parliamentary Joint Committee on Human Rights has considered the Queensland act and notes that it has provisions which potentially engage and limit multiple human rights, many of which we, as a nation, are required to uphold by international obligations that we have voluntarily signed up to. These include the right to life; a prohibition on torture and cruel, inhuman or degrading treatment or punishment; the right to security of the person and freedom from arbitrary detention; the right to humane treatment in detention; the right to a fair trial and a fair hearing; the right to privacy and reputation; the right to freedom of thought, conscience and religion or belief; the right to freedom of opinion and expression; the right to freedom of assembly; and the right to freedom of association.

Given the implications of the Queensland act, the Commonwealth parliament's human rights committee, of which I am a member, has decided to undertake an assessment of its
compatibility with human rights and has sought further information from the Commonwealth Minister for Justice.

Many in the community are already clear that the provisions in the Queensland laws unduly restrict the human rights and civil liberties of Queensland citizens and particularly target the rights which are so fundamental to our democracy—the right to peaceful protest and the expression of political opinion. Here we see legitimate security concerns being trumped by legal overreach which is designed to stifle alternative views.

I was very interested to note that one of the first questions and actions in the Senate of my Senate colleague Senator Leyonhjelm was to ask a question regarding the G20 security laws. I hope that he will speak on this today because, avowedly being a person who professes to be interested in rights and freedoms, it will be interesting to see the stance that he takes in relation to this legislation.

It is a matter of legal overreach. There are legitimate security concerns—of course there are—but in this case, clearly, many of the laws are designed to stifle legitimate political opinion which is different to that of those who seek to stifle it. Why else would large banners expressing a differing point of view to that held by Prime Minister Tony Abbott be banned? How is that a security issue?

The G20 summit is in fact a great opportunity for Australia to model a robust democracy, where we do have freedom of expression and we do have freedom of political thought. It should be a chance to showcase our proud democratic tradition to the world. World nations will be represented at this G20 summit. Instead, we have Queensland laws being extreme and, indeed, only time will tell whether they will even be workable.

The Australian Greens will not be a party to restricting human rights where the restriction is unreasonable, unnecessary and disproportionate. We will not support this federal G20 bill because we will not facilitate these laws and assist in expanding their scope. Despotic laws like these have no place in our Australian democracy.

I think it is important to give some context to this legislation in terms of an increasing trend we are seeing throughout Australia. As a federal parliamentarian, I respect the responsibility that state legislatures have for law and order. However, it is with alarm that I am witnessing a disturbing trend around Australia across the states and territories. Communities are being increasingly disempowered and having their time-honoured rights stripped away in many cases. I think it is really important that the parliament is cognisant of these changes and can see this trend. I certainly know that there are members of the Australian community who are becoming increasingly aware of it.

So it is that in Victoria we have seen the Napthine government amending its Summary Offence Act earlier this year to attack the right to peaceful protest and the right to assembly by giving the police extensive move on powers among other measures, reminiscent of the worst of the Joh Bjelke-Petersen era in Queensland.

It is chastening to note that at the time of Nelson Mandela's death, when world leaders had gathered to mourn his passing and pay tribute to his courage and leadership, journalist Jeff Sparrow pointed out in an article in The Guardian that many of the actions that won freedom for his people—that we now laud as being successful and honourable—would now be illegal in Australia.
Sparrow observed:

The right to protest does not matter when everyone agrees with you. It takes no courage whatsoever to praise Mandela in 2013. But in the early days of the anti-apartheid struggle, things were very different.

He points out that in Australia, anti-apartheid activists faced harassment. During the protests against apartheid that took place when South African sporting teams toured Queensland, Joh Bjelke-Petersen called a state of emergency, and unleashed some of the most savage police violence this country has ever seen. That is in my living history. I remember those scenes. Yet it is somewhat chilling to realise that back then Australian legislation was not nearly as draconian as it has since become.

Mandela's recent death saw bipartisan support from Labor and the coalition. But, as Sparrow remarks, there is also bipartisan support from Labor and the coalition for security legislation in Australia that means, for instance, that it is an offence punishable by 25 years in prison to recklessly provide funds to terrorists, or supporters of terrorists, even if they are overseas. He suggests that if that law had been in place 40 years ago it would have been a serious crime to raise money for Mandela—a man committed to the armed struggle in South Africa to achieve freedom for his people.

It has been argued by Monash law lecturer Patrick Emerton that if the antiterrorism laws had been in force in the 1980s—the ones that we have now—it may well have been a criminal offence in Australia, punishable by up to 25 years in prison, to teach members of anti-apartheid organisations to use a photocopier.

If we go to Tasmania, we see that last year the Giddings government legislated to ban anti-abortion protesters from protesting within 150 metres of abortion clinics. But the legislation was not specific to that target. Next time it may be a different protest against a different target. Draconian laws make us all vulnerable. Then, in the heat of the Tasmanian election campaign, the would-be Premier at the time, Mr Will Hodgman, clearly thought it was acceptable to up the ante and committed to introducing mandatory jail terms for environmental protesters who disrupt business.

Jeff Sparrow points out again in the same Guardian article of 11 December 2013:

In the past, even many politicians accepted political protests as a legitimate form of popular expression, a way that ordinary people could shape the direction of the nation. However, with time it seems that markets have become king and individuals these days are seen more as consumers than as citizens. So street demonstrations have come to be seen not as part of democracy, which they used to be seen as, but as an attack on it, since they inhibit the market exchanges that are taken as society's most important element. In other words, the rights of businesses trump the rights of protesters. Essentially, that is what Hodgman was arguing in Tasmania.

In other states and in the Northern Territory we have seen the wholesale introduction of mandatory sentencing, which imposes minimum mandatory sentences for certain offences. But, despite removing this time-honoured role for judges to exercise discretion and judgement—what they are actually employed to do—by taking into account the circumstances surrounding a particular offence and a particular offender, there is absolutely no evidence that mandatory sentencing reduces crime.
There is much evidence, however, that it leads to manifest injustice in some cases, as in the infamous Northern Territory case that appalled people around Australia in 1999, when Kevin Cook, a homeless person, was sentenced to 12 months in prison under the Northern Territory's notorious three-strikes law that was in effect at the time. His crime? Stealing a towel from a clothes line—12 months in prison. Mandatory sentencing condemns some minor offenders to totally unjust and disproportionate punishments, punishments which actually offend most Australians' sense of what is fair and legitimate.

Back in the 1990s the Northern Territory government were pioneers of mandatory sentencing. They were at the forefront, along with Western Australia, when they introduced mandatory minimum sentences for property crime in 1997. This was a notorious regime. Offenders were imprisoned for 14 days for a first-strike property offence, 90 days for a second and 12 months for a third, irrespective of how minor. So at that time there was a case of a 16-year-old with one prior conviction who went to prison for 28 days for stealing a bottle of spring water. We had the case of a 17-year-old juvenile first offender who went to prison for 14 days for stealing orange juice and lollies, and we had a 15-year-old Indigenous youth who went to prison for 20 days for stealing less than $100 worth of stationery from his school. That young man died in custody while serving his sentence.

Yet, while these laws were in place in the Northern Territory, property crime went up. These laws were then repealed in 2001, and after that property crime went down. That is based on figures from the Office of Crime Prevention, a part of the Northern Territory's Department of the Attorney-General and Justice. But despite the criticism that mandatory sentencing has attracted universally from lawyers and lawyers bodies here and overseas, the Northern Territory government reintroduced mandatory sentencing laws for a second time on Valentine's Day this year. Again, these laws will increase the minimum time that offenders have to spend in prison and restrict the ability of judges to suspend sentences for certain crimes. So their failed experiment is being repeated.

Western Australia too has mandatory sentencing, for assaults against police and public officers and for dangerous drivers who cause death or serious injury during a police pursuit. The Barnett government also wants to introduce mandatory sentences for assault during a burglary. In March this year the Chief Judge of the District Court of Western Australia, Justice Martino, made it clear that he believes that any reduction in sentencing discretion increases injustice. He pointed out that experience has shown that rigidity increases rather than decreases injustice.

In New South Wales mandatory sentences are now imposed for king-hit assaults involving drugs or alcohol, despite the fact that they are totally unproven as a means of reducing crime. The New South Wales Bar Association president, Phillip Boulten SC, has stated:

There's no evidence at all that mandatory sentencing ever decreases the amount of crime that's committed and it has the ability to act unfairly on vulnerable and disadvantaged groups. Still, it is the Queensland government that has to get the gold star at this moment in history for its across-the-board attacks on its own citizens' rights and long-standing legal conventions. For this reason, it has been in the news constantly with concerns being raised by the various things that it is doing. The G20 laws are just another egregious example from the Queensland parliament.

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CHAMBER
Previously, we have seen the so-called 'bikie laws' curtailing freedom of association and imposing punishments, including extensive solitary confinement. These are incursions into civil liberties that should worry us all. Today it may well be bikies, or even ex-bikies who may be trying to turn over a new leaf, but tomorrow it could be any other class or group of citizens being targeted by the state. If we give away the long-standing rights that we have we lose them and they are not there when some of us need them. Freedom of association is something implied in our very Constitution, as the High Court set out in 1997. But this vital implied right is, sadly, not reflected in our state legislatures.

New South Wales and Western Australia have virtually identical provisions to those of Queensland that say if you are under a control order you cannot associate with another controlled member of a declared organisation. Back in my home state in South Australia, it is an offence for any person to associate with a member of a declared organisation more than six times in a 12-month period. Victorian legislation is similar to Queensland's by saying that a control order can prevent a person from associating with a member of a 'criminal' organisation. In the Northern Territory a controlled person cannot associate with another controlled person. All this is in spite of the evidence that members' criminal activities tend to occur independently from the formal structure of motorcycle organisations. But it is only in Queensland at this stage that people are detained under such laws in solitary confinement for 23 hours a day in a cell that is the size of a large dining table, while wearing a pink uniform.

None of this legislation is actually limited to bikie gangs; it can be extended to other organisations. The Vicious Lawless Association Disestablishment Act, for instance, includes references to:

… any other group of 3 or more persons by whatever name called, whether associated formally or informally and whether the group is legal or illegal.

As pointed out by Robert Corr, prosecutor with the DPP, in an article in the Overland of October 2013:

The Queensland Law Society notes this could include sporting groups and book clubs; the onus will be on the accused, rather than the state, to prove that ‘the relevant association is an association whose members do not have as their purpose, or one of their purposes, engaging in, or conspiring to engage in, declared offences’.

And it is only in Queensland, a state which has taken years to recover from the corruption and gerrymandering under the Joh Bjelke-Petersen government, where the government is rushing through laws which will disenfranchise Queenslanders under the guise of electoral reform. The Newman government is introducing the first voter ID laws in Australia while reducing the amount of electoral funding available to smaller parties considerably. Its Attorney-General, Jarrod Bleijie, presides over anti-union lawns which are so extreme that even at the Institute of Public Affairs has condemned them.

Between its attacks on freedom of association and its treatment of prisoners detained under related laws; its attacks on Queenslanders' abilities to participate in democratic processes, like elections and union activities; and its attacks on people's ability to go about their daily lives during the G20, the Newman government's record is terrible. To add insult to injury, the government, the Premier and the Attorney-General of Queensland have been involved in concerted attacks against judges and lawyers who speak out against these human rights abuses.
and against lawyers who have the temerity to defend those charged with crimes in Queensland.

Constitutional law expert, Professor Gerard Carney, has said that he has never heard of the government in Australian modern history accusing members of the judiciary of living in ivory towers and being unaccountable to the community, saying it is unprecedented and incomprehensible. He is reported on ABC radio as saying:

One of the paramount principles that we have enjoyed is the benefit of is public confidence in the integrity of our judges and our courts.

That is in fact now a constitutional requirement that nothing be done in a way to impair public confidence in that institutional integrity.

To have the Premier come out in those terms is appalling, it damages our constitutional system and the attorney traditionally has had the role to protect the courts from that sort of scandalous comment.

The Greens will not accept erosions of our fundamental rights and freedoms, wherever governments in all Australian jurisdictions are attacking them. We will fight those erosions in whatever forum we can. We will not pass federal laws that enable them, and that extends to this federal G20 bill. The Senate should reject this bill and affirm Australians' rights to participate fully, equally and freely in our democratic society. We should be an example of a robust democracy when other nations converge on Brisbane for the G20 events.

Senator WATERS (Queensland) (11:05): As a Queensland senator I rise to speak against the G20 Safety and Security Complimentary Bill 2014. I echo the concerns of my colleague, Greens' senator, Penny Wright about the Queensland Newman government attacks on civil liberties and democratic rights.

For two years I have watched as the state LNP government under Campbell Newman has taken my home state of Queensland further and further down a very dark road. Since they were elected in 2012 I have watched the Newman government launch savage budget cuts; sack 14,000 nurses, school teachers and other public servants; roll back a litany of environmental protections; and vilify or isolate anyone who does not share their views. I have watched them impose ever more pernicious and dangerous restrictions on civil liberties, sliding back to the bad old days of Sir Joh.

This G20 (Safety and Security) Complementary Bill 2014 would facilitate the imposition of draconian and unnecessary laws in Queensland in relation to the G20 conference under the guise of safety and security. Of course, the safety of everyone, including protesters, at such events is of critical importance. But the Queensland legislation which this bill facilitates goes far beyond what is required. It tramples on the fundamental right to peaceful protest and freedom of assembly. We are being asked not only to ignore the Newman government's continuous disregard for civil liberties but facilitate the implementation of those restrictions by passing this bill. We are being asked to stand by while these laws are waved through. The Greens will not. We will oppose this bill.

The Queensland G20 legislation goes well beyond previous security measures in Australia—beyond those seen at the 2007 APEC conference in Sydney and the 2011 Commonwealth Heads of Government Meeting in Perth. By itself, that should ring alarm bells. Police in Queensland already have the power to deal with breaches of the peace, and offences already exist for assault, unlawful assembly and riot. The Queensland Law Society has told us there is no need to create new offences. The laws make it illegal to disrupt any part
of the G20. Unfortunately, ‘disrupt’ is not defined. Presumably it also includes making a noise which can be heard inside the meetings. However much Prime Minister Tony Abbott would like to avoid hearing the many voices calling for stronger action on climate change and compassion for those living in poverty overseas, clamping down on free speech is not the way to go.

The laws create extraordinary powers for police to enter properties and carry out searches without a warrant—and without the requirement for a reasonable suspicion of an offence. These powers include frisk searches and strip searches under certain circumstances. The laws create a range of ill-defined new offences which will make it extremely difficult for people to know whether they are acting lawfully or not and these offences attract penalties ranging up to $11,000. A person who may disrupt any part of the G20 can be declared to be a prohibited person by the police commissioner and on that basis will be subject to eviction from security areas and to increased search powers. There is no obligation to inform those affected in a timely manner and they will have no opportunity to challenge this blacklisting. Evidence forming the basis of these designations will be kept secret.

These laws create a list of prohibited items which is extremely broad. It includes common protest items such as large banners and megaphones but it also strays into the ludicrous. Among the banned items are surfboards, cans of food, eggs and lizards. Under these laws if someone is arrested for a nonviolent offence involving disrupting the G20, a presumption against bail is created. That, of course, reverses the normal bail rules, something which is reserved only for the worst offences such as murder. These laws have been widely condemned by human rights lawyers, the Queensland civil liberties council and the Queensland Law Society.

The Canadian government imposed similar laws when Toronto hosted the G20 conference in 2010. During that conference over 1,100 people were arrested, of whom only 40 were ever convicted of an offence. Seven hundred and seventy-nine were released without charge. Over 30 police, including four senior officers, were recommended for disciplinary hearings. It was the largest mass arrest in Canadian peacetime history. The vague nature of the Queensland laws and the extraordinary powers conferred on police mean the risk of abuse and discrimination by police, especially against homeless people and young people, is acute. The G20 should be an opportunity to reaffirm and protect fundamental rights and freedoms, not to needlessly undermine them.

Of particular concern to the civil liberties council of Queensland are the restrictions imposed on the Cairns central business district during the September session of the conference. The rate of homelessness in Cairns is significantly higher than the average rate of homelessness in Queensland and these laws are particularly concerning for the welfare and wellbeing of homeless persons, who may be targeted as breaching the ill-defined disruption causes of the G20 laws. Aboriginal and Torres Strait Islander people make up approximately 16 per cent of homeless people in Cairns, which is double the state average. It is deeply concerning that the Newman government would rather impose temporary laws to hide a gross injustice from the rest of the world than to actually find positive solutions for the situation of one of Queensland's most marginalised groups.
On this issue, the Queensland state Labor Party has shown a disheartening lack of backbone. Opposition police spokesman Bill Byrne MP has told the state parliament that the legislation should have gone further. He says:
I am somewhat surprised that some of the offence provisions have quite light sentences attached, and I consider the boundaries of the restricted and declared areas to be minimalist.

The legal changes I have described are deeply troubling but they come in the context and background of the way Premier Newman's government has trashed the independence of what was one of the best anticorruption bodies in Australia, the CCC—formerly the CMC. New legislation gives the Newman government total control over the appointment of the chair of the CCC, scrapping the system of bipartisan appointments. The government appointed chair now has extraordinary powers to veto or terminate any investigation, turning the CCC into a one-man band. The Attorney-General now has the power to veto any research project launched by the CCC. The legislation also criminalises complaint, with penalties for making a reckless complaint. This attack on the CCC comes after allegations that the government's hand-picked acting CMC chair misled the CMC's parliamentary oversight committee. When that committee began an investigation, the Premier and the Attorney-General sacked the whole committee and reconstituted it with a compliant government majority. Tony Fitzgerald, whose anticorruption inquiry brought down another conservative Queensland government all those years ago, has called Premier Newman and Attorney-General Bleijie 'inexperienced, arrogant fools' in response to this outrageous attack on one of Australia's finest corruption-fighting bodies. Mr Fitzgerald has said these changes are the final step needed to remove the commission's independence entirely and bring it under complete government control.

Undermining civil liberties is, in fact, the only thing the Queensland LNP government has shown any talent for whatsoever. Since coming to power, Campbell Newman's government has embarked on an unprecedented campaign to rip up fundamental rights including, but not limited to, free speech, freedom of association, freedom from arbitrary imprisonment and equality before the law. The now infamous VLAD law, or the Vicious Lawless Associations Disestablishment Act, is the perfect example. It has been sold as only applying to illegal motorcycle gangs but of course it does not; it does not mention motorcycles once. It applies to any gathering of three or more people who may be part of a formal or informal organisation whose purpose includes committing certain offences. The Queensland Law Society has warned these laws are so broad they could apply to virtually any type of club or association—swimming clubs, RSLs, school P&Cs or, indeed, a group of friends out for a stroll. The VLAD Act imposes truly enormous mandatory sentences—either 15 or 25 years without parole. As barrister and human rights advocate Stephen Keim SC has said:

The VLAD Act will not be wheeled out on every occasion it could be used. It will be used for the disadvantaged and unpopular.

This is precisely why civil liberties are important. Abuse always begins when the government finds a public scapegoat, but that scapegoat will not remain the primary target for long.

Brash law and order policies are a smokescreen for other attacks on the disadvantaged and the voiceless, including cuts to health and education, injured workers and the natural environment. It is our duty to call out this deception wherever we see it and to oppose these senseless attacks on civil liberties. The actions of Campbell Newman and the government are the actions of a bully. This is our chance to stand up to the bullies in the Queensland LNP
government. This bill offers an opportunity for all parties to stand up to the creeping attacks on civil liberties by the Queensland LNP government, and I call on all parties to oppose it. Sadly, I note that it is very telling that both big parties are backing this bill.

On the G20, climate change clearly will be the biggest cost to our economy in the long term, but it is not on the agenda at the G20. Even though our allies have reached out and asked that climate change be discussed, Mr Tony Abbott's fingers remain firmly fixed in his ears. Prime Minister Abbott has the blinkers fixed tight over his eyes and seems to care nought for the effect on our environment or Australians jobs or economic security in the long term. We also see that fossil fuel subsidies, which have been previously discussed, are not on the agenda at the G20. I note with some amusement and horror that Australia has previously used its diplomatic weight to change the resolution on fossil fuel subsidies to be a ban on inefficient fossil fuel subsidies, of course then arguing that Australia's fossil fuel subsidies were somehow efficient and therefore exempt from that ban.

I want to also touch on gender equality. We saw this morning a report released by Oxfam calling for gender equality and participation to be on the agenda at the G20—putting gender on the agenda, if you like. The report out today shows that globally it would take about 75 years for women to achieve equal pay. The unpaid work that women do is subsidising the economy. Women do an average of two to five hours more unpaid work than do men, says this report this morning, and we know in Australia that we still have a gender pay gap of more than 17 per cent and that women still do more than 70 per cent of the unpaid caring work. But instead of these important issues being put on the G20 agenda, we see more silencing dissent from this government. They do not want to talk about those key issues at the G20 and they want to unnecessarily restrict the rights of not just protesters but also local residents during the G20. The Greens will stand up for civil liberties and freedom of association and we will oppose this draconian bill.

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (11:17): I thank all honourable senators for their contributions to this debate. I thank the Labor Party for its support for this legislation. I will reply briefly to some of the observations from Senator Wright and Senator Waters. There is an old saying that if you live long enough you will see everything. But I never thought I would serve in the Senate long enough to hear members of the Australian Greens represent themselves to be champions of freedom of speech, because on every single occasion that the government has sought to advance the cause of freedom of speech it has found no more trenchant opponents than the Australian Greens. Whether the issue be the right of a diversity of voices to be heard in the climate change debate, whether the issue be the right of a diversity of voices to be heard in the same-sex marriage debate, whether the issue be the reform of section 18C of the Racial Discrimination Act—whatever the issue, I have never before seen a Greens senator take the side of freedom.

Senator Wright, you quote from a journalist called Mr Sparrow, who said the test of whether you believe in freedom of expression is whether or not it extends beyond your comfort zone, or words to that effect. Well, Senator Wright—if I may say so through you, Mr Acting Deputy President—might I invite you to apply that test to yourself. The test of whether you believe in freedom of expression is not whether or not it is for views that you find
congenial. It is for whether or not you would extend the same right to views that you find uncongenial.

I turn now more specifically to the provisions of the bill. When one heard the rather excitable rhetoric of Senator Wright and Senator Waters—words like 'despotism' and 'tyranny' and all of that rather heated and overexcited language—one would have thought that a new dark age was about to dawn as a result of this bill, the G20 (Safety and Security) Complementary Bill 2014. It does help, if I may say so with respect, Senator Wright and Senator Waters, to read the bill first, because if you read the bill you would learn that the provisions of the bill extend to the precincts of the Brisbane airport—and only to the precincts of the Brisbane airport—for a brief few days during which the G20 is going to be held in the city of Brisbane. I am bound to say that I would not have thought that extending certain measures for a few brief days to the precincts of the Brisbane airport betokens or heralds the dawn of a new dark age in the state of Queensland.

But, of course, then the Greens senators say that the vice of this bill is not merely that it extends to the Brisbane airport but that it applies, and thereby implicitly endorses, the Queensland parliament's G20 (Safety and Security) Act 2013 and it is to that bill that one looks to find the real vice of the draconian provisions, these anti-freedom-of-speech provisions. What the Greens senators did not tell us is that the very basis of the G20 (Safety and Security) Act 2013 of the Queensland parliament is a guarantee of freedom of speech and of lawful assembly That is to be found in section 18 of the act.

There is one restriction which is a novel restriction—that is, people who wish to exercise the right of freedom of speech and freedom of protest are asked to do so in declared areas. I would have thought that as a matter of common sense when the leaders of the 20 most important nations in the world are gathered within one metropolis together with their entourages and the press of the world, as a matter of ordinary and sensible people management, requesting those who wish to exercise their right of free speech by way of protest do so in declared areas of the city is not a particularly unreasonable restraint. It certainly does not betoken despotism or tyranny, Senator Wright.

There are, however, in section 18 of the Queensland act, in which this Commonwealth bill would extend to the precincts of the Brisbane Airport, these other restrictions on assemblies: 'The assembly must not disrupt the G20 meeting'—is it suggested that there ought to be a right to disrupt the G20 meeting?; 'The assembly will not be lawful if an offence is committed by those participating in the assembly'—is it suggested by the Greens senators that it is some burdensome imposition on people's rights that their assembly is declared unlawful if it is used as an occasion or a venue or a pretext for the commission of criminal offences? An assembly is also not lawful if a 'violent disruption' is occurred by those participating. An assembly is also not lawful if it involves damage or destruction to property.

Those are the restrictions that are said to be so draconian and despotic that in a city which—and I am a citizen of the City of Brisbane, I might tell, you Mr Acting Deputy President—will never have been so busy, with the leaders of the world, we ask people who want to exercise their freedom to protest and object to whatever they may wish to protest and object to confine themselves to certain designated areas. I am a person who does believe in freedom of speech. I do not just invoke the rhetoric of it, like Senator Wright and Senator Waters did. I do not think that is an unreasonable restraint for a few days. Beyond that, I do
not think committing offences, committing crimes, disrupting meetings, destroying or 
damaging property or engaging in the violent disruption of civil activities in a city are any 
part of a legitimate right of protest—nor would, I think, most people regard that as a 
particularly legitimate form of protest.

The right of freedom of protest and freedom of expression that you invoke—although you 
ever observe in your own political lives—will be protected by this bill, but the government 
merely asks that those who wish to exercise that right do so in declared areas. That is the 
Queensland parliament's bill.

As I said a moment ago, the Commonwealth bill will merely extend those provisions to the 
precincts of the Brisbane Airport. Let me make a few more general remarks, by way of 
summing up. This bill will contribute to effective security arrangements for the G20 summit 
to be held in Brisbane later this year. The Prime Minister has described the G20 summit as the 
most significant gathering of leaders our nation has ever hosted, and so it will be. Leaders 
representing two-thirds of the world's population, 75 per cent of global trade and 85 per cent 
of global GDP will meet in Brisbane, in November, to shape the global response to the 
economic challenges we currently face.

There was some criticism by Senator Wright and, in particular, by Senator Waters that 
there were certain items that were not prioritised on the G20 agenda. Mr Acting Deputy 
President, as you, sir, would know, at each G20 the host nation designates certain themes that 
are to be given particular emphasis. This year, the Abbott government has identified the 
economic challenges faced by the G20 nations as the topics to be given particular emphasis. I 
doubt many sensible people would argue that the prioritisation of economic issues, 
particularly in the world's present economic affairs, is not a very sensible choice. The summit 
is an opportunity for Australia to play a leadership role in the world's response to global 
economic challenges. The summit will also put Queensland and my own home city, Brisbane, 
on the global centre stage, joining the echelons of elite cities that have previously hosted this 
event, such as Seoul, London and Toronto.

It is a privilege for Australia and Queensland to host an event of this magnitude, but this 
privilege brings with it a responsibility. Effective security arrangements will be a necessary 
component of ensuring the success of this event. The Queensland government has acted the 
legislation, to which I referred a moment ago, to give police and other authorised persons 
powers to protect our high-profile guests and the public during this important event. That 
includes powers that will apply at Brisbane Airport, which is a Commonwealth place. This 
bill does not extend the application of the Queensland legislation or the powers it confers. The 
bill will simply confirm that the provisions in the Queensland legislation and those in the 
existing Commonwealth aviation legislation apply concurrently at Brisbane Airport. It will 
also provide that in the event of any overlap the provisions of the Queensland act prevail.

I am at pains to point out, as I reminded honourable senators a moment ago, those 
provisions of the Queensland act include the statutory guarantee, under section 18 of the 
Queensland act, of a right of peaceful, lawful assembly and protest. The provisions will avoid 
confusion about the source of powers a police officer or other authorised person is using in a 
particular situation. The bill will sunset shortly, after the Leaders Summit.

The government is proud to facilitate and support the package of the G20 (Safety and 
Security) Complementary Bill 2014. The bill is an important contribution by the Australian
government to ensure that legislative ambiguity does not impair the ability of police and others to guarantee the security of this important event, and the bill, by adopting the guarantees of freedom of peaceful protest in the Queensland act, will also serve the very value which Greens senators, in their contributions, have espoused. I thank senators for those contributions and commend the bill to the Senate.

The Senate divided [11:34]

(The Acting Deputy President—Senator Bernardi)

Ayes .....................41
Noes .....................10
Majority ..................31

AYES

Back, CJ
Bilyk, CL
Brandis, GH
Bullock, J.W.
Cameron, DN
Carr, KJ
Day, R.J.
Fawcett, DJ
Gallacher, AM
Lambie, J
Ludwig, JW
Madigan, JJ
McKenzie, B
Moore, CM
O'Neill, DM
Peris, N
Reynolds, L
Ryan, SM
Seselja, Z
Sterle, G
Williams, JR

Bernardi, C
Birmingham, SJ
Brown, CL
Bushby, DC
Canavan, M.J.
Colbeck, R
Edwards, S
Ferravanti-Wells, C
Ketter, CR
Lines, S
Macdonald, ID
McGrath, J
McLucas, J
Muir, R
O'Sullivan, B
Polley, H
Ruston, A (teller)
Scullion, NG
Smith, D
Wang, Z

NOES

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

Hanson-Young, SC
Milne, C
Rice, J
Waters, LJ
Wright, PL

Question agreed to.
Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Bernardi) (11:37): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (11:37): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Trade Support Loans Bill 2014
Trade Support Loans (Consequential Amendments) Bill 2014
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator KIM CARR (Victoria) (11:38): The Trade Support Loans Bill 2014 purports to implement a coalition election commitment. Indeed, it might be said that it was the only policy on skills and training in the Real Solutions manifesto that the then opposition touted during its campaign. This is a policy that promised that a coalition government:

… will provide better support for Australia's apprentices.

Of course, it sounded good, but the detail was particularly hazy. What was not mentioned in that manifesto was that the coalition as a government intended to scrap the $1 billion Tools For Your Trade program—which is a Labor program—and this has now been done as a result of the government's budget measures.

This is a kick in the guts for apprentices. What the program allowed for was $5,500 grants to be made for apprentices for the cost of tools, books and equipment. What is replacing it is the government's initiative of debt of $20,000. That is what the Trade Support Loans program established by this bill provides for—that is, a concessional, income contingent loan with a lifetime limit of $20,000, repayable when the individual's income reaches the HECS-HELP threshold. This bill provides for a 20 per cent discount on the loan on successful completion of the apprenticeship. If the loans, even with the discount, are promised then the claim that it was a 'better support for Australian apprentices' certainly looks, in my view, very limited in terms of any beneficiaries that would actually take advantage of this program.

Opposition senators and members have been inundated with messages from apprentices who are anxious about what these new debts mean and what they will involve for people over their working lives. In particular, those who started their apprenticeship before the election are angry that the goal posts have been moved and that they will go into debt to buy tools and other equipment they need for their training, which is not what they understood would be the case when they actually started their apprenticeship. This strikes me as another example of where the coalition was content throughout the election to give people the impression that something would occur that was in complete and sharp contrast with what actually has occurred in government. So I would ask for the simple meaning in the English language of 'better support'. Is it reasonable to interpret the term 'better support' to mean that apprentice electricians would no longer be able to buy expensive voltage-testing equipment and safety gear without taking out a loan? Would it be reasonable to assume that 'better support' would mean that apprentice chefs would no longer be able to buy the expensive knives that they need without taking out a loan? Would it be reasonable to assume that hairdressers would no
longer be able to buy their scissors, hairdryers, straighteners and curlers without taking out a loan? Would it be reasonable to assume that apprentice plumbers and mechanics would no longer be able to buy their expensive tool kits without having to take out a loan?

While Labor will not oppose the bill, we will, however, make it very clear that we only do so because there is no other financial support that is being provided to support apprentices. We will be proposing two second reading amendments—one that I will be moving and one that Senator Lines will be moving—which would address some of our concerns. I now move:

At the end of the motion, add:

but the Senate notes that the Government has failed to:

(a) advise apprentices before the election that they would be abolishing the Tools for Your Trade program, thus leaving Trade Support Loans as the only form of assistance for the purchase of tools;

(b) adequately ensure that clear and easily understood explanations of the loan, the indexing and the repayment requirements are provided to all apprentices in a consistent format, in particular for school-based apprentices;

(c) put in place adequate privacy protections for the large volumes of information that will be acquired through the Trade Support Loans Program; and

(d) offer:

(i) fair and reasonable transition arrangements for current apprentices; and

(ii) apprentices the option of lump sum payments in order to purchase expensive items.

This second reading amendment seeks to have the Senate acknowledge that this government failed to advise apprentices before the election that it would be abolishing the Tools For Your Trade program, thus leaving Trade Support Loans as the only forms of assistance that are available for the purchase of tools; secondly, adequately ensure that clear and easily understood explanations of the loan, the indexing and the repayment requirements are provided to all apprentices in a consistent format, in particular for school-based apprentices; thirdly, failed to put in place adequate privacy protections for the large volumes of information that will be acquired through the Trade Support Loan program; and, fourthly, failed to offer fair and reasonable transition arrangements for current apprentices and the option of lump-sum repayments in order to purchase expensive items.

We have concerns about the methods for achieving the approval for parents and guardians of apprentices under the age of 16. We may well see situations where 16-year-olds are required to take out loan arrangements, especially in the case of school based apprentices at the point of signing up for loans. Senator Lines will be taking up these concerns with her contribution. Paragraph (a) of the amendment acknowledges the lack of openness and honesty in the legislation and that the government did not tell—just simply did not tell—and apprentices that it would be axing the Tools For Your Trade program. It duped them by promising better support while intending to lump them with a massive debt. This is a low trick. It is in fact indicated by a number of apprentices who have understood what is going on and have advised the opposition, accordingly.

Paragraph (b) of the amendment emphasises the need for apprentices to be given clear and easily accessible information about the new loans. You would expect normal consumer protection arrangements would provide better arrangements than these—talk laden with terms such as ‘concessional interest rates’ and ‘indexation to the CPI’ is neither clear nor easily
accessible for most people. That is what we want to know. In simple and direct terms, I think we are entitled to know—and I expect to pursue this through the committee stages—what are the repayments? How are they going to be calculated? What is the effective interest rate and how will it be calculated? The government has failed to explain these measures, and it is information that apprentices have a right to know before they take out a loan. Instead, what we have heard from the Minister for Industry is that he has chosen to admonish apprentices. Without offering any proof whatsoever he has accused apprentices of spending their Tools For Your Trade programs on tattoos and mag wheels.

In estimates we asked for the evidence that supported these extraordinary accusations, but we could get nothing; neither could the department provide any evidence. We learned from the media reports—for instance, from The Courier Mail, 7 July—that the minister has 'collated a wide-ranging list from employers and training providers' that he believes justifies the replacement of the grants with loans. The accusations have varied in the alleged object of spending, although not in substance. Instead of mag wheels and tattoos, we have been told that apprentices allegedly spend their grants on surfboards, parties and hotel rooms. The newspaper reports have given no indication of the alleged number of people who are rorting the system. Even if the allegations are true, there has been nothing to substantiate the claims that the rorters are numerous, let alone typical apprentices. But the government would like us to believe that they are typical. To win support for the trade loans bill, it has now sprung these claims, just as it sprung these odious measures through this particular bill.

The truth of the allegations is that this is about sneering, appealing to a class-based prejudice and trying to generate support for stereotypical prejudice against blue-collar workers. It is shameful language for the minister to use and he should retract it, and the government should apologise. Australian apprentices, the skilled workers of the future, deserve to be treated with a bit more respect. Yet rather than do so, the minister preferred to take unsubstantiated cheap shots at them. He continues to avoid giving clear and concise information about the liabilities that apprentices will face under these new loan arrangements.

Paragraph (c) of Labor's second reading amendment deals with the concerns about privacy, which have been raised by the ACTU in its submission to the Senate Economics Committee, which looked at this particular legislation:

Under clause 75 of the Bill, a person only has to take an oath or affirmation to protect information they receive from apprentices. There do not appear to be any repercussions for a breach of these provisions of failing to adhere to an oath or affirmation. By contrast, under the Higher Education Support Act 2003 the person/officer dealing with personal information has more onerous obligations to meet and the penalty is two years jail.

The bill's explanatory memorandum notes:

A large amount of personal information will likely be acquired through the operation of the Trade Support Loans Programme … Apprentices will be required to provide tax file numbers and other sensitive information to apprenticeship centres. Yet there are no repercussions for breaches of privacy under this legislation. The issue has been raised on numerous occasions but the government has failed to address those concerns or to put any necessary protections in place.

Paragraph (d) of the amendment concerns the plight of apprentices who based their financial plans on the Tools For Your Trade program and the decision that the loans should be
paid in monthly instalments. The apprentices who made their plans expecting that the Tools For Your Trade program would continue did so in good faith. Of course, we now know that it was not justified because this is a government that has no good faith. This is a government that said in opposition during the election it would do one thing and in government said completely the opposite. In fairness, the government should have put transitional arrangements in place for the affected apprentices.

Senator Seselja interjecting—

Senator KIM CARR: You doubt that? Do you doubt the fact that this is a government that has throughout its campaign told lies.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Order, Senator Carr! Address your remarks to the chair.

Senator KIM CARR: This is a government that misled the Australian people throughout its approach to winning office. And when it got into office, it has chosen to repudiate those commitments in a whole range of areas throughout the education system. If you doubt that, then you were obviously not participating in the same election—

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator Carr, address your comments to the chair.

Senator KIM CARR: I will undoubtedly do that, but I think I was provoked by the ignorance of those opposite. Apprentices should have the option either of receiving the loans in monthly instalments or making financial arrangements that allow them to fulfil their commitments through lump sum payments. Lump sum payments would enable apprentices to buy expensive items such as tools, vehicles, uniforms and fees without having to borrow money commercially, and thereby repaying a loan with a loan. Paying apprentices monthly increases the risk that the loans may be treated as an income supplement rather than assistance in the purchase of expensive but necessary items.

Abolition of the Tools For Your Trade program is not the only decision by which the government has failed to honour its pledge to make life better for apprentices. The government has also scrapped the Australian Apprenticeships Access program, the Australian Apprenticeships Mentoring program and the Apprenticeships to Business Owner program. The mentoring program was aimed at apprentices or aspiring apprentices who face barriers to participation. It was particularly aimed at first-year apprentices, who are the most likely to withdraw from apprenticeships, but apparently the government is not concerned about providing 'better support' for them. It is not only concerned that Australia faces an increased risk of losing their talent, their youthful drive and their energy; it is not concerned that the nation's skilled workforce will not expand as quickly as it could have had we provided the support for apprenticeships which had been there under the previous government.

The Apprentice to Business Owner Program gave people who had recently completed their apprenticeships an opportunity to acquire the skills needed to run a small business. It provided training that led towards a nationally recognised qualification in small business management and included business mentoring support for up to 12 months, but not anymore. Yet again, the coalition has turned its back on small business. Despite all its rhetoric, despite its ideological pretentions, you see example after example of how this government has turned its back on
small businesses. It posed as the great friend of small business in the last election, but its record in government proves exactly the opposite.

The Australian Apprenticeships Access Program offered job seekers training and support in applying for apprenticeships. It helped job seekers to build on their existing skills and to decide which apprenticeship would be best for them. Scrapping the program is at least consistent—I must say this for the government—with the attention the government is paying to job seekers. The budget changes to Newstart will make it much harder, not easier, for young people to find work. Scrapping the Australian Apprenticeships Access Program will mean that fewer, not more, people will be able to increase their job skills.

The government talks of providing better support for apprentices, but it has a warped, truncated notion of what that means. It is telling young people to earn or learn and then axes the support measures that provide incentives to take that advice. That is a self-defeating strategy, which will have especially severe repercussions in rural and regional Australia.

In conclusion, as I have indicated, the opposition will support the bill because the trade support loans will now be the only form of support available to apprentices. It is the only measure that is available. The bill would be more palatable, however, if the coalition had not lied to apprentices by vowing during the campaign that it would make life better for them. Therefore we call on the government to acknowledge the concerns raised by apprentices, their parents, employers and industry, and to resolve satisfactorily the difficulties and inconsistencies in this bill, to go back to providing real support for apprenticeships in this country.

Senator RHIANNON (New South Wales) (11:55): The government is on the war path against a fair, accessible, higher education system and Tools For Your Trade is the latest program in the gun sites of this out-of-touch government. Tools For Your Trade started in 2010, providing assistance to most apprentices in the form of cash payments of $5,500 to help with training, purchasing tools and other costs. This is the reality, or rather was the reality as Tools For Your Trade finished on 1 July 2014. If you happen to listen to the Minister for Industry, Ian Macfarlane, you would hear his sensational talk about young men heading off to the tattoo parlour, getting mag wheels for their cars, having parties and generally misbehaving and misusing the money. He said he has proof of this. He still has not provided that proof. It is time he did so because he is insulting a large number of people who are taking on apprentices to become the skilled workforce that Australia very much needs. Talking about the loss of this scheme, someone with considerable insight said to me, ‘The Tools For Your Trade has nothing on all the allowances MPs get,’ but that is a story for another day.

I would like to emphasise that the minister has said he has evidence to back up his claims. He should really come forward with that evidence. I challenge him to produce it. About 50,000 people accessed the Tools For Your Trade program before it was wound up. It was available for any apprentices undertaking certain trades at certificate III or certificate IV level. The National Skills Needs List identifies trades for which there is a national skills shortage. That is one of the reasons the Greens have great concern about how this new way of managing apprentices will play out. Most people do not want to start life with a debt, the prospect of which can be a disincentive for people considering whether they should take on an apprenticeship.
As at 20 August 2013 there were 65 professions on that list, ranging from aircraft maintenance engineer to pastry cook, to telecommunications technician. Upon completion of their training, it is likely that the 50,000 apprentices will go on to provide services which are needed to build Australia, to contribute to us being a skilled, creative and innovative nation with a dynamic workforce. We all know how crucial this is to the very future of our country, to the fabric of our society and to our future economic growth. Not only will it keep Australia highly competitive in the international market but also it will allow our economy to innovate, to contribute and to achieve great things. Without a skilled workforce, we will not have efficient public transport, transition to cleaner energy and state-of-the-art telecommunications, all of which are necessary in our society at present, nor will we skilled mechanics, plumbers or builders—the list goes on and on. This is what the government is putting at risk. As a society we should be doing everything possible to ensure that people who want to learn a trade are supported and encouraged in every way possible and given the best chance to do so, and that is what was being taken away when Tools For Your Trade was wound up.

I said in my opening remarks that the coalition is on the warpath with public, tertiary and higher education. The government is now going after apprentices, and not just by scrapping the Tools For Your Trade program; they have also cut the Australian Apprenticeships Access Program and the Australian Apprenticeships Mentoring Program.

Tools For Your Trade is being replaced with a loan—that is what this bill does. The Trade Support Loans program will provide loans of up to $20,000 and is modelled on the HECS system for university students. The government knows this will be unpopular and has come up with a selling point, as we see so often when the government comes forward with some unpopular measure. In this case, the selling point is that, if an apprentice finishes their training, they will have 20 per cent of their loan knocked off. Why they are attaching this incentive is that—and, again, I give emphasis to this fact—the government knows that this scheme in itself is a huge disincentive to young people taking up apprenticeships. That is a huge worry because, at the moment—and I hear this time and time again—young people are often just thinking about when they can get a good pay cheque and where they can get a job that will give that to them, and if they can get such a job—and it is often the unskilled jobs that initially will provide much more money—that is what they will go for, and that is why the Tools For Your Trade was so important: that support was given from day one to people making the important decision to take on an apprenticeship.

If an employer decides to let an apprentice go after a few years, that apprentice will still be saddled with this debt and will not have a qualification. That is another problem with this program and how it could play out, and another part of the disincentive. Young people will be talking to each other. They will start to realise what could happen to them. They know that often employers' companies go belly up and people lose their apprenticeships and that they could still be left with this debt. It is so deeply wrong.

Apprentices will need to begin repaying their loan when their income exceeds a minimum annual threshold. In 2014-15, this was $53,345. One of the obvious problems here is that the government is taking away the $5,500 from apprentices and making them taking out a loan if they need assistance while studying. Most people will need assistance; we know that. About 50,000 apprentices who will still be enrolled will be disadvantaged right now because money that they had understood that they would receive—that was quite clearly set out, with that
$5,500—has now been wound up. We know that some of them would have been paid $800 at three months, $1,000 at 12 months, $1,000 at 24 months, and $1,200 at 36 months. And, upon successful completion, they would have been paid the final $1,500. But, as of 1 July, all payments to help support their studies have stopped. Now apprentices can either take out a loan, if they need assistance to finish their studies, and be saddled with a debt they had not planned for, or they could stop studying and be left with no skill or no trade qualification. What a position to be put in! Firstly, the money does not come through, when you had a clear guarantee—and, coming from the government, people would have thought that this was an absolute certainty. So, first, all the money does not come through, and now they find themselves in a very difficult position—forced into taking out a loan or possibly, through financial circumstances and the resistance a lot of people have to going into debt, dropping out. That is a terrible position to put young people in who are just starting out on their future career.

To add to this insult, the Abbott government is trying to portray itself as the champion of apprentices by boasting that this legislation provides better support for apprentices and trainees. That is something we see time and time again in the higher education debate, where the reality of what faces people coming into higher education is turned on its head and the government tries to be very deceptive with regard to the debt burden and the increasing costs. The government says that the trade loans will be indexed each year by the rate of the consumer price index. However, in the May Senate estimates, they did not rule out charging real interest rates on the debt accrued through the Trade Support Loans program. Given that the government has arbitrarily decided to increase interest rates on the debts of students who have already graduated from university and are currently in the workforce, it is not hard to work out that this could well be where the government is heading with regard to apprenticeships—another factor that will put apprentices under more stress and pressure.

The Department of Industry has also confirmed that they are investigating options to privatise the administration of the Trade Support Loans program—to put it out to the financial services sector. This plan also suggest a move down the track to a real interest rate. I cannot see why a private operator would take on the administration of the loans if the interest rate was not changed as, without this change, they could not make a profit. So this is where the government should come clean and put on the table—bring it into the debate today—what their real intention is with this interest rate.

The ACTU has provided some useful material on this. They have opposed the loans scheme and, in their submission to the inquiry on the bill, they stated:

…the answer does not lie with an apprentice loans scheme that only serves to shift the costs of an apprenticeship onto apprentices themselves and leaves them with a future debt to pay off when they finish their apprenticeship and start their career. Moreover, we do not support an apprentice loans scheme when it has been introduced at the expense of other initiatives and programs abolished in the recent budget that provided practical support to apprentices in dealing with the very issues that are proven to contribute to non-completion.

The Greens will bring forward a number of amendments to try and ensure that this program is not as damaging as it could well play out to be. Our amendments are designed to transform the loans scheme into a fairer system of direct government assistance. They would lower the cap on the total loan available to $10,000 and make up the difference through matching direct government assistance, and they would allow apprentices to earn more before paying off their
debts and to pay it back at a lower rate. I will go into more detail about our amendments when we go into committee.

One important aspect I wish to give emphasis to is that we insert a clause that would waive the debt for any apprentice that is dismissed from their apprenticeship or traineeship as a result of their employer. I would ask senators to give careful consideration to this. If you are serious—and I believe some people would believe the loans scheme can work and bring benefits to apprentices; I disagree with that but I imagine that some people honestly believe that—surely consideration must be given to the issue of what happens if an apprentice who has a loan is then dismissed by their employer. They should not then be left with this huge debt burden that is so wrong. It is wrong morally. It is wrong if we are trying to build up a skilled workforce, and I worry about the message it sends to young people who are considering what trade they will take on.

I acknowledge these in many ways are last-ditch amendments to help mitigate against potentially severe negative consequences of these schemes. I understand that they will be rejected by the coalition and Labor, and I find it disappointing that Labor will not support any of our amendments. We need to put on the record that, while we hear so many strong statements from Labor senators about their commitment to a skilled workforce and to the TAFE system, with Labor so readily working with the government to convert this into a loan scheme, it is a reminder about what happened to TAFE when Labor were in government. What we are seeing play out with state governments ripping the heart of TAFE has come about, because of the openings that Labor created with the COAG agreement and not tightening up the contracts when the money for TAFE and vocational education and training went to the states. Labor's policy opened up the whole possibility of the need for TAFE to go into competitive tendering, and we can see the damage that is occurring around the country to public vocational education and training. I have a real concern about the way this is playing out.

When you look at the meaning of the measures that are set out in this piece of legislation, the government does not have a clear vision for the Australian workforce for our future. It is limited by their own obsession with moving costs onto individuals. By going along with the government's legislation and refusing to support any of the Greens amendments, Labor has got caught up in that lack of vision for our future.

If we want to build a sustainable, innovative and clean economy, we need to invest in our apprentices. They are the absolute foundation of how this country works from our individual needs, our homes and own day-to-day life to how we build this nation from the infrastructure and the services to much of what makes Australia a wonderful country. I worry very deeply about how, without that skilled workforce and planning from this parliament, we ensure that that skilled workforce is maintained and expanded to meet the challenges of the 21st century. We are damaging the very fabric of this country.

Senator SESELJA (Australian Capital Territory) (12:11): It is quite a curious debate we having today, because I could have sworn from Kim Carr's speech that the Labor Party were opposing the legislation. He was relentlessly negative in his attacks on it. I understand the Labor Party will not be opposing the legislation, and that is a good thing. Perhaps it was just relentless negativity—opposition for opposition's sake—all the while acknowledging in his heart of hearts that it is actually a good thing and that he has to vote for it. I am pleased that,
despite his strong, harsh words and criticism of what the government has proposed, Kim Carr and the Labor Party will be voting for it. We thank you for that.

We had an interesting contribution from Senator Rhiannon. It is a curious debate in which the government is proposing a scheme where we would have many, many more places in higher education—something like 80,000 more places—and Senator Rhiannon starts by saying that the government is on the warpath regarding access to higher education. It is difficult to see in what kind of topsy-turvy world that is in fact the case. So we had another bizarre contribution from the Greens that we are on the warpath. Not only are we not on the warpath when it comes to higher education except to reform it and make it more accessible as is clear but these trade support loans are, again, about access to apprenticeships, making it easier and providing them to many, many more Australians. That has got to be a good thing.

Australian apprenticeships are incredibly important and play a key role in providing people with valuable and robust skills that will serve them well for the rest of their lives. We all know learning a trade skill is invaluable to the individual, the community and the economy, but there is no shirking away from the fact that learning a skill can also be an expensive endeavour.

Australia’s future productivity and competitiveness depend on maintaining our highly skilled and highly trained workforce. A strong workforce is paramount and integral to ensuring that we are able to respond to the changing economic and labour market needs of our nation. It is in recognition of the importance of Australian apprentices and those undertaking a trade and in order to ensure that we further develop our highly skilled and highly trained workforce that we are seeking to implement these Trade Support Loans for up to $20,000 over a four-year apprenticeship.

The Trade Support Loans program was an election commitment from the coalition and will work to complement the Industry Skills Fund that aims to streamline training and deliver close to 200,000 targeted training places along with training support services.

Our Trade Support Loans will provide additional financial assistance to support those who are learning a trade to meet everyday costs. The loans have been designed to provide financial support for apprentices to cover their costs of living and learning whilst in training. These loans will be provided at concessional rates indexed annually. Like the HELP loans provided to university students, these loans will only be repaid via the Australian taxation system once the individual’s income reaches a sustainable level, the HELP payment threshold.

In order to provide support where it is needed the most, the loan payments have been heavily weighted to the first two years of the apprenticeship where wages are at their lowest and need for financial support is at its highest. We believe that this is the best and fairest method for providing support to those learning these skills.

According to Australia-wide statistical data provided by the National Centre for Vocational Education Research, in the December quarter 2013 there were 392,200 apprentices and trainees in training. Of a labour force of more than 11.5 million people, this represents a significant number of people who are building the skills to secure a career and transition into long-term employment. This is a successful pathway. The Australian Industry Group report from June 2013 notes that 92.9 per cent of graduates who undertook their training as part of an apprenticeship or traineeship in a trade occupation course were employed after training.
What we do need to look at, however, are the statistics that we see coming from this NCVER data. In the 12 months to 31 December 2013 compared with the previous year, commencements decreased by 25.9 per cent to 244,700, completions decreased by 1.4 per cent to 189,800 and cancellations and withdrawals decreased by 16.4 per cent to 119,900. State and territory data for the 12 months to 31 December 2013 compared with the previous year also showed that here in the ACT commencements fell by 23.8 per cent. According to NCVER data, as at 31 December 2013, the ACT has 9,023 apprentices and trainees in training. For the 12 months ending 31 December 2013, the ACT had 3,158 completions, 4,458 commencements and 2,249 cancellations and withdrawals. Whilst these withdrawals are decreasing, the decreasing commencement and completion data is still indicative of the need to provide additional support to convince those currently training to stick with it and finish their apprenticeships; and to say to those looking to undertake this sort of training that we value their commitment and want to support them through it.

It is unfortunate that many apprentices do not complete their training. I am certain that in many instances this is related to the costs and financial burden associated with doing so. This is something that the Trade Support Loans program aims to address. There are considerable implications for industry if this trend is to continue. Master Builders Australia CEO Wilhelm Hamisch has indicated that Master Builders is concerned that the latest drop in apprentice commencements continues a worrying trend which will impact on the industry over the next five to 10 years. He also indicated that a review of measures to restore business confidence and initiatives to enhance the attractiveness of the apprenticeship system to both apprentices and employers is urgently required.

We need to look at what we can do to address this. I believe the most effective way to help provide this support is by making available the Trade Support Loans program, similar to the HECS-HELP system offered to students at university. This legislation places a great deal of importance on helping people finish their training. In fact, to provide further encouragement to apprentices to complete their training, their repayment amount will be reduced by 20 per cent on successful completion of their training. We want them to succeed. Senator Rhiannon had a bizarre critique of that particular part of the legislation, saying that it was somehow an acknowledgement that the scheme is not fair or is not a good scheme. It is nothing of sort. It is an incentive to finish. Those who finish will get a 20 reduction on their loan. Surely that is a good thing; surely that is something that should be supported. The program is more sustainable than the Tools For Your Trade program, which provided tax-exempt grants up to $5,500. Of course, due to the debt left by Labor we could not afford to keep this program. We had to ensure that our support for apprentices was sustainable over the long term.

It was timely to review apprentice programs following the Fair Work Commission's decision to increase apprentice wages, with some employers providing tools for their apprentices and with most awards including a tool allowance. These loans will help to ease the financial burden associated with undertaking an apprenticeship and ultimately assist in increasing completion rates. They are a helping hand, not a handout. In the interests of flexibility and in order to meet the needs of the individuals undertaking an apprenticeship or trade, these loans will be able to be applied for at any stage during the four-year apprenticeship. The flexibility is such that an apprentice can opt in for six months to buy their
tools and then opt out for any further payments. If circumstances change, they are able to opt in at a later year for the payment schedule for that year.

Trade Support Loans say to apprentices that we value them, the work they are undertaking and the skills they are building. Trade Support Loans provide them with additional support when apprentices need it the most. The program aims to ease financial burdens that apprentices may face while they are learning. Ultimately, this program allows them to invest in their future and allows us as a nation to do the same. We value the hard work that they do and the skills that they learn. This should be recognised through additional support for them. We are committed to building a high quality and nationally consistent Australian apprenticeship system, one which supports apprentices and responds to their needs, to employers and to the economy. I commend the bill to the Senate.

Senator LINES (Western Australia) (12:20): I foreshadow an amendment. I believe that amendment has been circulated in the chamber. It calls on the government to determine a method for achieving parental or guardian approval for apprenticeships under the age of 18. It is quite extraordinary that, as a country, we would allow 16-year-olds to be signing up for loans when we are not clear what role the apprentice will play in working out what the loan is. We are particularly concerned about approval for apprentices under the age of 18 and school-based apprenticeships at the point of signing up for loan amounts. I am foreshadowing our amendment.

Although Labor will be supporting this bill, given that the Tools For Your Trade participants have already been notified of the program closure, Labor cannot let that pass without the reminder to the government that this is yet another broken promise. This is a $2 billion broken promise for Australia's apprentices and workers. As we know, there has been a litany of broken promises. Before the election the now Prime Minister assured us that the coalition would provide better support for Australia's apprentices. Given the record of Liberal governments on this, I am not quite sure why people would believe that. Nevertheless, that was the commitment the coalition gave.

But it did not take Mr Abbott very long, once he became Prime Minister, to axe all of the vital support for Australia's apprentices and workers, putting our skill base and future job creation at risk. Right across our economy, we are seeing a real dumbing down, by the Abbott government, of the smart skills the Australian workforce needs to be competitive. We need to be a smarter economy, and that means we need to be looking to the future to develop up the skills and workforce that we need. We do not need the government to be ripping down every support scheme, completely deserting the field and somehow leaving it to the will of the market. The market will not provide the future skills necessary because most businesses are in the business of making a profit from today and very few are looking to our future needs. That is the role government has to play. It has to look at what smart skills we need for the future, how we as a country will develop those, and what the role of government is. It is not the role of government to completely desert the field.

We need to be competitive, absolutely. We need to support our economy and we need to provide our workers with real opportunities to earn a decent wage. The way to do that is to provide a skilled economy. But what we have seen the Abbott government doing so far is the complete reverse of that. They have made university degrees unaffordable, they have cut funds to TAFE, they have ripped funds from our school and, most recently, they have
attacked the benefits family use in relation to child care, which is absolutely critical. If we are to get men and women in Australia contributing to the economy, we have got to have affordable child care; but we have seen the government rip that apart too.

Unemployment is on the rise, particularly youth unemployment. In many places in Australia youth unemployment is a very, very serious problem. What is the government's response to that? What are they doing to support young people into work? Where is that support and assistance from government? 'Earn and learn' is not a support program; it is a punishment. Support programs have been cut, and earn and learn has taken the place of a whole range of those programs. It seems that the government's agenda is about a job at any cost. And what of the jobs in our economy? The biggest growth has been in health care and social assistance, important areas of our economy, critical areas. But what is happening to our manufacturing skills base? As companies close, as the car industry starts to tail down, what is the government's commitment to ensuring a skilled workforce in other areas of our economy for the future? Where is that development going on? What we are seeing now in the health and social assistance workforce is the emergence of low-paying jobs. The majority of the workforce in that sector, unless they are skilled—nurses, physios or doctors—earns about $22 an hour. Not only is that not enough to bring up a family; it is not enough to sustain an individual. Where is the government's commitment to the skilled jobs of the future? I am really struggling to find it. I do not believe they have that commitment; they are leaving it to the market.

Tools For Your Trade, no matter what spin the government tries to put on it, does absolutely nothing to create new apprenticeships. It is fine if you have already got an apprenticeship, because you might be able to enter into a loan—although Labor is very concerned about 16-year-olds entering into loans—but it does not encourage new jobs and it certainly does not encourage the development of new skills. Prior to the 2013 election Mr Abbott announced the Trade Support Loans. In doing so, he certainly did not tell our apprentices that the government was going to scrap Labor's $1 billion Tools For Your Trade program, which gave apprentices about $5,500 each to assist them with the cost of tools. Nobody would suggest that apprentices have the money to buy the sorts of tools they need to develop their skills, but this seems to be the only program the Abbott government has left in place. The government has changed the program and tailored it—and we are now going to have 16-year-olds entering into loans if Labor's amendment is not supported—but, in and of itself, it will not create one additional job.

Another promise Mr Abbott has broken was that Australia's 400,000 apprentices would get more financial assistance to help them learn their trade and find a good job. Well, where is that assistance? Tools For Your Trade does not find people a job and it does not create new opportunities for apprentices. After the election Mr Abbott has ripped away most of that support and broken his promise to apprentices. It would seem that, prior to the election, the coalition was prepared to promise anything; and then, on winning government, they just change their minds and pretend they have not broken a promise. But clearly, in relation to Australia's future workforce, the government has severely let them down.

This broken promise or omission of the full story by the Prime Minister now means that what was an optional loan available, in addition to the Tools For Your Trade payment, is now the only financial support offered to apprentices. If the coalition think that this is some kind of
job-creating scheme, they are sadly mistaken. Not only that, they are misleading Australia's future apprentices.

We know that many apprentices have huge costs for tools and equipment and, under the Abbott government's program, they will now be left with a debt rather than being provided with funds to purchase tools. Again, what we are seeing from this Abbott government is a complete misunderstanding of how the apprenticeship system works. Apprentices are on very low wages. They incur costs. Many of them are required to supply uniforms. They have to travel to and from work. They have general living costs. Mr Abbott and his government are now saying: 'On top of that low wage, you have to take out a loan. We don't know whether you'll have much say in that loan. It is a debt that could be privatised sometime in the future, but you will take out a loan and that's all the support that we're offering.'

Many of those apprentices who have already commenced their trade will now have the payments they were expecting to receive cancelled. That could mean a loss of up to $3,700 for first-year apprentices. Suddenly, because the Abbott government has failed to deliver on yet another election commitment, those apprentices have been left out in the cold. And $3,700 is a lot of money for anyone in this country, but it is a massive amount of money for a young apprentice who is earning maybe 50 or 65 per cent of the adult wage. It is a big loss and all we have to take its place is a loan, the details of which we are not sure.

The provision of the optional loan is not opposed by Labor, but it should not have come at the expense of the Tools For Your Trade scheme. It should have appropriate advice in place to ensure informed and voluntary decisions by apprentices, some of whom are school-based apprentices.

It really should be ringing alarm bells—it certainly is for Labor—that we can say to a 16-year-old, who is perhaps still at school, 'You're able to take on this loan,' when that person in the normal course of events is not able to sign contracts or vote. They have few opportunities to really exercise the rights we afford adults. Yet the Abbott government sees fit to say to these young people: 'It's okay for you to take out this loan. Just trust us, it will be all right. We'll hit you with a debt. At some future date we might privatise that debt and you will incur further costs. And, by the way, at the end of your apprenticeship we'll do nothing to help you get a job so that you can pay back the debt.' It is very alarming that we are saying to young people, at the age of 16: 'It's okay to sign up for a debt.' Will that happen without parental guidance? Who knows? If there is a default on the debt, will the parents of a 16-year-old suddenly be labelled with that debt? What happens when the apprentice perhaps fails and does not complete the apprenticeship? There are a whole range of unanswered questions and Australians have the right to be informed. But we know that the Abbott government is particularly good at lacking in transparency and certainly very good at breaking promises. What the Abbott government has probably been the best at to date is breaking its pre-election commitments and promises.

Not only do we now have uncertainty around this tools scheme, but the Abbott government has taken the axe to all of the support programs for apprentices. It is tough to be an apprentice in this day and age, to commit yourself to a low wage for quite a few years of study, at the end of which you will be rewarded with a job. It is a tough decision, when your mates are out being young people and you have got commitments, study and so forth. We should be doing
everything we can to promote and support apprentices in this country. But, again, from the Abbott government, that is not so.

As well as axing the Tools For Your Trade program, the Abbott government have also axed the Australian Apprentices Access Program, against the backdrop of very high youth unemployment. They have axed the Australian Apprenticeships Mentoring Program and the Apprentice to Business Owner Program. It seems as though the Abbott government are saying to business: 'Yes, we want you to increase the number of apprentices you have in your business, but guess what? We're not going to give you any support to do that. You are well and truly on your own.'

We know that businesses will not offer apprentices unless there is support. Support for tools does not support a business, it does not create the skills of the future and it does not create ongoing employment for apprentices once they finish their trade.

To make a loan of $20,000 available to a school-based apprentice needs some further explanation. Clearly, we need to see the detail of what is being made available. We need to see how parents or guardians sign onto that scheme. We need those checks and balances in place. What we do not want to see is people as young as 16 entering into loans and perhaps defaulting on those loans. But it seems at this point the government has failed to put in place any measure to protect children. And they are children at 16. They are not able to vote, to drive or do a raft of things in our community and yet the Abbott government sees fit to saddle them, seemingly without any protection, with a very expensive loan. We must have parental or guardian oversight of these sorts of loans.

On top of this, Mr Abbott says he wants people to work until age 70, while at the same time cutting investment in training for workers. His priorities and those of the Abbott government are severely twisted. If we want to be a skilled-up and productive economy, we must invest in training opportunities. We have to be the smart country, but there is no investment coming from the Abbott government. It has just been left to the market, which, as we have seen before, will not look at the opportunities for the future. And the government have indicated that that they are looking to outsource, to give away, the debt management for the trade support loans, so we could have young people with a debt being pursued by loan sharks, getting a black mark on their credit rating and not being able to take credit out in the future because of this ill-thought-out scheme which seemingly enables 16-year-olds to take on a massive debt. This is clearly not right and it is why Labor is foreshadowing an amendment to require parents or guardians to be signatories to these loans. To saddle 16-year-old children with $20,000 debts which are then put into the hands of private debt collectors is quite disgraceful.

The Australian Apprenticeships Access Program assisted vulnerable job seekers who find it difficult to enter employment with nationally recognised prevocational training, support and assistance. I do not understand why a government which says it is concerned about youth unemployment—across many parts of our country, there is very high youth unemployment—would axe that program and leave absolutely nothing to replace it with. We have just thrown young people aside, and all we have got is: 'You have to earn or learn, or you will be severely punished.' We know that many young people, particularly in areas of high unemployment, need additional support. They need prevocational advice and support, and they certainly need mentoring to stay in the workplace, to successfully complete their apprenticeships and to be
the highly skilled and well-paid workers that we need into the future to ensure that our economy remains productive. But, again, the Abbott government just seems to want to dumb this down. The Australian Apprenticeships Mentoring Program assisted young people who face barriers to participation. This is another program that has gone. So I really question where the Abbott government's commitment to young people in our country is. We have got a program of debt being able to be taken on, and we have got support and assistance programs slashed and burnt. I have foreshadowed the amendment that Labor wishes to move. I urge the government to take a serious look at it and support it.

Senator BACK (Western Australia) (12:40): It is my pleasure to rise to speak in support of the apprentice trades loans scheme as it has been put forward to the Senate today in the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014. The starting point in all of these activities is that, if it is broken, then you have got to fix it. We know the apprenticeship scheme around Australia at the moment is broken. Why do we say that? Because, firstly, there are not enough apprentices going into training; secondly, there are not enough who are completing their training; and, thirdly, those of them who do complete their training, and those who fall by the wayside, generally are dissatisfied because of the conditions under which they went into those programs and because expectations may not have been met.

My colleague Senator Lines, also from Western Australia, mentioned the Australian Apprenticeships Access Program. One of the failures of the access program was that, with a KPI of 40 per cent, it was only achieving 25 per cent—just half what its expected outcomes were. That gives you an indication of why this government had to make changes—and make changes we have. From my own background in business, I am very proud to say that I have employed apprentices at every opportunity. Sometimes they have stayed with us on completion. Other times, bigger companies have snaffled them, which has always been a cause of complaint to me. But I am proud to say that, almost without exception, those who started apprenticeships with me did conclude them and I was able to employ them.

This scheme is an investment of some $1.9 billion, following up support of some $476 million in the Industry Skills Fund. How is it being structured? It is being structured around a skills needs list, which I have in front of me, of over 70 areas that have been identified for apprenticeships. That does not take into account agriculture and horticulture, which, as you would expect, Mr Acting Deputy President, I would be very pleased to speak to separately. But, as part of my contribution, I do want to speak about school based traineeships and the success of this program and indeed how this new scheme is going to interleave with these school based programs. And, unless I am interrupted by my colleagues, I hope to get to what I believe to be very exciting information, which has only come to me in the last 30 minutes, from the director of the Kwinana Industries Council, on the industrial strip in Western Australia.

But let us go back and reflect. Why did the old Tools For Your Trade program, of $5,500, fail? I do not know whether you did the old course in bricklaying, as I did, Mr Acting Deputy President, but the cost of tools for bricklaying is meagre compared to the cost of tools required in other trade areas. It is sufficient to say that the quality of my bricklaying led me not to that trade but eventually into the Senate, but nevertheless it does make the point that the funds required for different trades are so substantially different that the figure of $5,500 is
excessive for some and meaningless for others. So what does this program do? First of all, it has a loans scheme for up to $20,000. It is structured as $8,000 paid on a monthly basis, some $666, in the first year of an apprenticeship. It reduces from $8,000 to $6,000 in the second year, then to $4,000 and then to $2,000. I make the point that it is not compulsory to take out this loan.

We hear comparisons being made by my colleagues on the other side going on about low-paid apprenticeships et cetera. They seem to overlook the fact that, when somebody is a student—studying a diploma, a higher diploma, a pre-university bachelor degree or a degree itself—they are not working at all unless they work during vacation time. Whilst an apprentice's wage may be low, it is infinitely higher than the nil wage of somebody who is studying for a diploma or a degree. So, in many instances, the need for a loan may not be there—or, indeed, they may not need to borrow the full $20,000 over the four years. But it gets better, as the repayment of these moneys during their traineeship or apprenticeship is nil—nothing; no money at all. Even if the person did not need the $20,000, at the interest rate that they will eventually pay—currently at 3.75 per cent—who would not take it out? Who would not take the loan at 3.75 per cent, when a personal loan at the moment is nine per cent or 10 per cent?

It is so generous that, during their period of training, there is zero cost initially. Only when they have concluded their traineeship or apprenticeship will they actually start repaying this loan—but only when their salary or their wage gets to, at the moment, some $53,000 a year. Of course, with CPI, that figure will increase—probably to $56,000 to $57,000 a year when a young apprentice starting out today would be likely to conclude, and they will not have to pay any of that back until that time. It has been estimated that, once they are fully qualified, the payback period would be about five years. I travel around the world a bit, and I do not know of any other scheme in existence where somebody can borrow with absolutely no impost on them at the time, pay nothing on graduation, upon completion, and only start paying back, under the tax regime, according to their income earned once they are on about $53,000 a year—or soon to become about $56,000 a year.

Who is eligible for this? Those doing apprenticeships or traineeships at certificate III or IV qualification leading to an occupation, as I mentioned, amongst the 70-plus occupations on the National Skills Needs List. What that does is focus the attention of young people into areas which have been identified by industry, by employers and by governments of both persuasions as being necessary—which, you would therefore expect to lead to not only employment but also useful, enjoyable careers for them. How tremendous is that perspective. Of course, an alternative is an apprenticeship or a traineeship at certificate II, III or IV levels in the agriculture and the horticultural sectors. Again, in that instance, there is no limit.

Mr Acting Deputy President Gallacher, you know my very keen interest in the field of agriculture, agribusiness and horticulture. I had the pleasure of chairing a Senate inquiry in 2010 into higher education and skills needs in the agriculture and agribusiness sectors of this country. At that time we identified very, very significant needs. It was always a great disappointment to me that at the time Labor Party ceased in government in September 2013 they still had not, under parliamentary and Senate custom, responded to the report of and the recommendations from that inquiry. I hope that is not an indicator of their lack of interest in regional and rural and, particularly, agriculture and agribusiness employment.
The interesting point that came out of that exercise was the need for traineeships rather than apprenticeships in agriculture and horticulture and the need for modules of learning and skills development which somebody could interleave around the demands of the working place—around seasonal conditions, seeding, harvesting, fruit picking et cetera. Traineeships were, by far and away, the more preferable avenue for those people. I completely applaud Minister Macfarlane and his staff for their initiative in allowing certificate II, III or IV level qualifications in the agriculture and horticulture sectors—and I would hope that they would extend to the agricultural machinery sector. In my home state of Western Australia and in other states, they are screaming out for young people to go into the agricultural machinery world. Time does not permit me today to reflect on the excellence of Australia's contribution to agricultural machinery development—going back to the stump-jump plough and the original McKay harvester. We have an incredibly proud history in this country of developing agricultural machinery that provide jobs and employment opportunities not only in this country but also around the world. I am very hopeful and I would expect that the agriculture and horticulture sector would extend to agricultural machinery training and apprenticeships for young people.

The conditions of this program include an opt-in provision. Every six months, the apprentice or trainee, and/or their parents if they are under the age of 18—and I intend to come back to that to address Senator Lines' frenetic and ill-founded criticisms that she spoke about a few moments ago—receive information as to the status of their loan. As I say, it is to be repaid equivalent to the higher education HECS-HELP scheme. Minister Macfarlane must have been predicting Senator Lines' concerns—and I quote:

Can school-based apprentices or trainees access the loan? The answer of course is yes, they can, including those under the age of 18 years. Australian Apprenticeship Centres will soon have information for apprentices and their parents to ensure they understand the responsibilities associated, consistent with other loans such as HELP.

But here is the point:

Note: When a minor (under the age of 18 years) signs up for an apprenticeship, their national training contract is co-signed by their parent or guardian, as the contract is a common law contract between an employer and an employee formalising the terms and conditions. Having co-signed the training contract, a parent will be aware that their child is in training and could be eligible for apprenticeship incentives.

I have vastly more confidence in 16-year-olds than Senator Lines appears to have when it comes to understanding these matters. I do not think there are too many 16-year-olds these days that do not have a credit card or do not have a mobile phone or do not have a mobile phone debt. If it was good enough for me in 1967 as a 16-year-old to sign a cadetship in veterinary science, I think 46 years later most 16-year-olds can, with their parents, sign the contract and understand what it is all about.

I speak if I may on the question of the possibility for these programs to include students still at school. As I mentioned earlier, I would like to share with the Senate a wonderful program which this particular trade loans scheme will feed directly into—that is, one given to me by the director of the Kwinana Industries Council in Western Australia, Mr Chris Oughton. It is a scheme that has now been undertaken for the last 15 years by participating engineering companies up and down the Kwinana strip south of Perth in WA. It involves full-
time students at the Gilmore College in Kwinana and training undertaken by the wonderful Challenger colleges in WA.

Mr Oughton told me less than an hour ago that they have had, over the last 15 years, a 98 per cent success rate. Students who start the program in year 11 go through the program to the end of year 12. At the end of that period of time, if my mathematics of multiplying 14 per year by 15 years is accurate, that is 210 students. Better than 200 of those 210 have found employment in the engineering area up and down the Kwinana industrial strip. For those of you who are not familiar with Kwinana, it is one of the highest unemployment areas in Australia. Confounding, isn't it, when you think of our industry south of Perth such as BHP, BP, Alcoa the big shipbuilding industries associated with Henderson. Yet it has been through the intervention of the Kwinana Industries Council, the Gilmore College, the students themselves and the Challenger college along with employers that this program has been undertaken.

Mr Oughton, when I explained to him that school based trainees will be able to participate, said to me that this is critically important. I will tell you why—and I hope I have recorded it accurately. He said to me that if a student is participating in a school based traineeship then the cost of the TAFE component of the program is met whereas if they are only on a work placement then they or their families have got to pay the cost of the TAFE training component. Look how this program is going to feed into that exercise. It has been a fact that there has been a dropping off of enthusiasm by some people. Some employers have not been in a position with the downturn of the economy to actually pay these students on their one day a week. In other instances the students themselves have required financial support.

Minister Macfarlane's program is going to open this up far more widely to that cohort of students. In a high-unemployment low-socioeconomic area, you can see where the coalition is focusing all of its training, its apprentice programs, its pre-degrees, its degrees and its higher-degree programs. But it gets even better as a result of what Mr Oughton told me. I think this will be a catalyst to accelerate. He had only just come out of an important meeting in Perth a few minutes ago—discussing this very matter as it happened—but he told me that they are going to extend this beyond engineering to include telecommunications technology, processed plant operations, business activities, hospitality and IT. So we are going to see in this area of enormous need for trades and other training the benefit of this program initiated by Minister Macfarlane and actually see this focused even further for school based trainees.

Exactly in line with the area I speak of in IT, several of our colleagues recently had the opportunity to see demonstrations by the 3D company here in Parliament House of the use of new printing technology. This technology—as you would be aware but others may not be—actually allows the printing of tools. It allows the printing of a home. In Holland recently, a complete house was built by printing technologies. They told me the other day that in New York this year, in the four days of the car show—Senator Mason is already booking his ticket—they are going to build a motor car and drive it away from the show.

As a veterinarian, I have an interest in tissue reproduction and I have an interest very much in the whole question of the availability of organs for transplant. Our wonderful Professor Fiona Wood in Perth, largely as a result of the shocking circumstance of the Bali bombings, and her team have developed a technique now of taking skin, growing that skin tissue in the laboratory, producing it as a spray and spraying it on to badly burnt victims. They were telling
me the other day—and this is very relevant to our discussion—that for a person requiring a kidney transplant, they will be able to take that person's kidney tissue, grow a new tissue by printing and put that kidney back in. Why is this relevant? They said to me the biggest limit to us remaining right out there in the forefront, where Australia happens to be at the moment, will be trained technicians. And they are already focussing on upper primary and secondary so that we can move into the skills development area because we will be needing thousands of young Australians to be trained in this particular technology. Don't worry about the future; the future for Australia has never been better. But we need to recognise that apprenticeships and traineeships and traineeships are as important to this country as higher degrees and graduate degrees. I for one think that the government is absolutely on the right path when it comes to elevating apprentices and trainees through the scheme we are discussing today.

Senator CAROL BROWN (Tasmania) (13:00): I agree with the previous speaker about the importance of apprenticeships. The Trade Support Loans Bill 2014 and Trade Support Loans (Consequential Amendments) Bill 2014 establish the Trade Support Loans Program for Australian apprentices. The establishment of this program was a commitment of the Abbott government in the lead-up to the last election. However, what Mr Abbott did not tell apprentices was that the coalition were going to scrap Labor's $1 billion Tools For Your Trade program. He was deceitful. That deceit now means that what was thought to be an optional loan available in addition to the $5,500 Tools For Your Trade payment is now the only financial support this government will offer to apprentices.

The Abbott budget has taken an axe to the vital supports for Australia's apprentices and workers. These short-sighted decisions put our nation's skills base and future job creation at risk. These cuts highlight the hypocrisy of Mr Abbott's 'earn or learn' ultimatum to young Australians, and it hits apprentices; those starting out in their careers, those who can least afford it.

One Tasmanian man—and I have mentioned this man in the Senate previously—contacted my office to say he was raising his grandson, who was lucky enough to have a bricklaying apprenticeship. His grandson is in his first year of his apprenticeship. He brings home $400 a week and pays board. He is worried that his grandson will not be able to purchase his tools without the support of the Tools For Your Trade program. He does not want to see his grandson take out a loan when his income is already very low.

These and other concerns are all reasonable. Yet the minister has been unable to explain the program and address the concerns which have been raised. In fact, the Abbott government gagged members in the other place from raising the very real concerns of apprentices, families, employers and industry—and the very real concerns that have been raised in this chamber and the other chamber by members of parliament.

Labor will support this bill because the Abbott government has axed all other support for apprentices starting out in their careers, and Labor will not leave apprentices with nothing. However, Labor thinks there are a number of important issues which do need to be acknowledged. A significant issue for those who have already commenced their apprenticeships is that there are no grandfathering arrangements for those who have made financial commitments based on the Tools For Your Trade scheme. Another issue Labor has raised is the lack of information about the total liability that apprentices will face under the
Trade Support Loans program. The minister has been completely unable to clearly and properly explain what this liability might be.

Given that Mr Macfarlane is unable to answer questions around financial liability, you can understand why people in the community might have concerns about young apprentices taking on a debt under the program. Labor is also concerned about inadequate protections for school based apprentices and other apprentices under 18 years of age. These concerns remain unaddressed by Mr Macfarlane. In the Senate committee inquiry and in the other place, Labor has also raised concerns about the adequacy of the privacy protections under this scheme.

Also of significant concern is the government's decision to offer these loans as a monthly payment rather than a lump sum option each year. Many apprentices already struggle to live fortnight to fortnight on low wages. Providing monthly payments will not be of assistance to these apprentices who need to outlay large sums of money up front to purchase expensive tools and equipment. This may lead to the situation where apprentices will need to take out loans from other institutions to be able to buy the tools and equipment they need to start their apprenticeships. What this means is that these apprentices will then be taking a loan out from the government to repay the other loan and may even lead to the temptation for many apprentices to use these loans as a wage supplement.

It is for these reasons that the shadow minister, Sharon Bird, sought to move second reading amendments in the other place, and that Senator Carr and Senator Lines will move second reading amendments in this place. These amendments seek to address a number of concerns that have been raised in relation to this scheme but that the government has failed to address. Labor understands that providing real support to apprentices and others who set out to train for a career is important. We understand the importance of creating opportunities for young people. But it is obvious, in spite of their rhetoric, that the Abbott government is not genuine about supporting young people into employment. In fact the budget cuts to education, changes to higher education, cuts to support for apprentices, cuts to Newstart and the punitive approach to young people who find themselves unemployed show the government has no real interest in supporting young people and developing their opportunities.

Youth unemployment is undeniably and unacceptably high, especially in my home state of Tasmania, where in some parts of the state it is as high as 20 per cent—that is, one in five young people without a job. Yet Mr Abbott has completely dismantled the crucial programs that support young people into employment. Not only does the budget cut nearly $1 billion in support payments under the Tools For Your Trade program—which, as I am sure, Mr Acting Deputy President, you would know, was an initiative of the Howard government—but it also slashes a further $1 billion in investment in skills and training.

The Abbott government has taken the axe to vital skills and training programs such as the National Workforce Development Fund, the Workplace English Language and Literacy program, the Australian Apprenticeships Access Program, the Accelerated Australian Apprenticeships program, the Australian Apprenticeships Mentoring Program, the National Partnership Agreement on Training Places for Single Parents, the Alternative Pathways program, the Apprenticeship to Business Owner Program, the Productive Ageing through Community Education, and the Step Into Skills program. These programs are critical in providing basic literacy and numeracy skills, supporting apprentices and upskilling existing workers to meet the needs of the modern workplace.
The government have tried to appease community backlash—and there has been considerable community concern—about these cuts by announcing a paltry $5 million for apprentice mentoring. This does not make up for axing $1 billion in investment in skills and training. If the government truly recognised the benefit of mentoring apprentices they would never have cut the Australian Apprentices Mentoring Program in the first place. The Abbott government have betrayed Australian apprentices and workers with these cuts. Investing in skills delivers a growing economy with strong employment and improved productivity. The Abbott government refuses to invest in Australia's workers, industries and regions. They are selling our future short.

Many apprentices have huge costs for tools and equipment. They will now be left with a debt under the Abbott government's program rather than being provided with funds to purchase tools. Many apprentices—including the young apprentice bricklayer I referred to earlier—who have already commenced their trade will now have the payments they were expecting to receive cancelled. This could mean that up to $3,700 for a first-year apprentice has been lost in future payments.

The provision of the optional loan is not opposed by Labor, but it should not have come at the expense of the Tools for Your Trade scheme and should have appropriate advice requirements in place to ensure informed and voluntary decisions by apprentices, some of whom are school based apprentices. The Abbott government took the axe to support for all apprentices. As well as axing the Tools for Your Trade program, they have axed, as I said, many other programs that are designed to support apprentices. Trade Support Loans of $20,000 will be available to school based apprentices aged between 16 and 18 years, and the government have failed to put in any measures to protect children, such as requiring a parent to accompany them. The government confirmed that they are looking to outsource debt management for Trade Support Loans and are potentially happy to saddle 16-year-old children with $20,000 debts and leave them in the hands of private debt collectors. This is one of the most savage cuts in the very long list of skills programs cut by this government.

In comments in The Australian, Tony Nicholson, the Director of the Brotherhood of St Laurence, makes the point that 'learn or earn' demands on young people require the government to provide the support and training programs needed to get young people the skills they need and get them into work. The Australian Apprenticeships Access Program assisted vulnerable job seekers who find it difficult to enter employment with nationally recognised pre-vocational training, support and assistance. The program is delivered by local providers who work with local employers to deliver training to meet industry needs, and participants receive individualised intensive job search assistance.

This government has taken the axe to support for all apprentices. There was no warning to young tradies about the cut to Tools for Your Trade before the election and they are quite right to be furious about these cuts. The budget also cut the Australian Apprenticeships Mentoring Program—a program for young people who face barriers to participation. The program helps apprentices successfully complete their apprenticeships and provides support to their employers or supervisors. Mr Abbott has slashed nearly $2 billion out of skills programs and over $1 billion of these funds supported apprentices. Labor put in place real support to help young people, particularly in rural and regional Australia, get and finish an
apprenticeship. Mr Abbott is ripping this support away. Young apprentices with the world at their feet will not get the support they need and deserve.

As I said earlier in my contribution, Labor will not oppose these bills. We ask the government to very seriously consider the issues highlighted in the amendments that Labor senators will put forward to make the scheme work effectively and fairly for apprentices, whom this legislation is intended to assist. I ask the government to seriously consider support for the second reading amendments that Labor senators will put forward to ensure that this scheme in some way works effectively and fairly for Australian apprentices, particularly apprentices from my home state of Tasmania.

Senator EDWARDS (South Australia) (13:13): As I skip into the chamber to join you, I reflect on what a wonderful day it is today for the French. It is their national day, Bastille Day—a celebration of 225 years ago, the march to the Bastille. The government led Europe at that stage in reform against the aristocracy.

Senator Cameron: The socialist march ahead. You'll have the red flag out in a minute!

Senator EDWARDS: Senator Cameron, we celebrate democracies across all nations. We acknowledge that there have been many dysfunctional regimes over many hundreds and even thousands of years. I like to treat everybody equally, but I also like to give people the opportunity to help themselves and not be helped incessantly by others to the point where society becomes dysfunctional because it becomes an expectation. You do not need to lecture me on the foibles of socialism, Senator Cameron, through you, Mr Acting Deputy President. I join with the French and the French Australians here today to celebrate their national day. Vive la France!

I rise today to speak on the Trade Support Loans Bill. I heard the last few minutes of the contribution made by Senator Brown. In her contribution, Senator Brown, indicated the Tools For Your Trade was started under the Howard government. That is quite right, but it was a voucher system. When Labor came into power—just like everything else—they turned it into cash-splash with relatively no accountability and no responsibility towards it. As a government, in the first nine months of our reign, we have sought, on the economics of this country, to implement these reforms in these very important trade areas, which will help our productivity grow, so we can reduce the trade deficit that we have with countries like France. We are half a billion dollars in deficit. We export somewhere in the vicinity of $600 million worth of goods to France. Yet, we import a bit over $1.1 billion worth of their goods. Anything we can do to make this country more productive and get it going after the sad six years of the Labor government, where we ground to a halt in a lot of these industrial areas, could only be seen as good.

We have heard many differing opinions this morning from the contributions made from the other side of the chamber on the Trade Support Loans Bill. However, I would like to correct a few of those opinions, particularly of Senator Carr and Senator Rhiannon, who join us in the chamber. The Tools For Your Trade payments failed. Under Labor's administration, this program had become unaccountable and out of hand. That did little to help apprentices complete their training because it was only given in the latter years rather than when apprentices needed it the most. Senator Rhiannon, who is in doubt as to the accountability of the program, will be reassured in the knowledge that this program will not only provide
financial support to apprentices but also provide financial incentive for them to complete their qualifications.

Firstly, let me set the scene. I can only take it back to my own experience in South Australia, to the electorate of Wakefield—which is also the electorate I live in, one of the areas of high youth unemployment in this country—nearly 45 per cent.

**Senator Cameron:** Don’t tell me you are going to stick up for South Australian jobs.

**Senator EDWARDS:** I will take that interjection from Senator Cameron because Senator Cameron would know that the seat of Wakefield is held by a Labor member, and was held by Labor member, Mr Champion—

**Senator Cameron:** He has been a ‘champion’ for jobs! You are talking about anything but jobs, eh? You are being pathetic—absolutely pathetic.

**Senator EDWARDS:** About the only thing that we can remember of Mr Champion, over the six years he was in government, was his call for the state Premier to introduce a minister for the northern suburbs, because he could not affect any change in that area. He was unable to influence any change. I do not need to remind you, Mr Acting Deputy President, of the assertions which Mr Champion had made prior to last year's election, saying that he had actually saved Holden until 2022. They know no bounds, across the other side, in what they will represent. It is like an eraser has been put across the six years of government—that Senator Cameron and his government, in which he was a minister in. They do not understand the drivers of manufacturing, which has driven a lot of manufacturing away from this country. A carbon tax drives jobs offshore.

Let me get back to the electorate of Wakefield. It covers an area of nearly 6½ square kilometres from Salisbury in the northern suburbs of Adelaide to the Clare Valley, 135 kilometres north. Wakefield is named after Edward Wakefield, whose theories of colonisation had a great impact on the formation of settlement in Western Australia and South Australia. The electorate covers industries ranging from commercial retail, technology-based industry, defence, manufacturing, cereal crops, sheep, cattle, market gardens and viticulture. As you can see and hear, it is indeed a very diverse electorate. As I said earlier to the interjections, it has the highest youth unemployment rate for not only South Australia but nearly the whole of Australia. I, for one, am not going to sit back like the member for Wakefield and his Senate colleagues like the former minister, Senator Cameron, in the Rudd-Gillard-Rudd governments. That probably gives you some idea of the dysfunction that presided over these increased levels of youth unemployment.

**Senator Cameron:** You would not do anything about it. Why don’t you talk about jobs in South Australia instead of all this nonsense.

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**Senator Cameron:** You would not do anything about it. Why don’t you talk about jobs in South Australia instead of all this nonsense.
to encourage more young people to take up a trade and complete their qualifications. We are committed to providing opportunities for a hand up and not a handout. We are committed to building a high-quality and nationally consistent Australian apprenticeship system, which supports our apprentices and responds to the needs of employers and the economy. Australia's future productivity and competitiveness depends on a highly skilled and trained workforce. We do the unemployed a great disservice by allowing them to languish on welfare. Trade support loans will provide real support for current apprentices to complete their skills training and to provide a stronger incentive for young Australians to become apprentices. One of the largest challenges in this field is completing a qualification. Nationally, only about one in two apprentices finish their training. I have firsthand experience in this: my son is a third-year carpentry apprentice and he finds it very difficult to get by. I know that this scheme is most welcomed by him and by his employer. I am sure all industry trades on the building sites in the south-east of South Australia will enjoy the benefit of this initiative from the Abbott government.

Investing in infrastructure and abolishing job-destroying taxes is the first step to growing jobs for a sustainable long-term solution for our unemployed. Trade support loans are a part of this strategy. This is the policy we took to the election and this is the policy we are implementing. This is one reason people voted for us on 7 September last year.

**Senator Cameron:** No, they didn't; they voted because you lied on everything.

**Senator EDWARDS:** Senator Cameron, I would be very interested to know where you got your money printing press from when you ran the government because you just kept printing money. It was true socialism and it all worked very well right up until you run out of everybody else's money.

I am passionate about the northern suburbs of Adelaide and it would do well for the current member for Wakefield to become the same way. The implementation of trade support loans will benefit this area greatly. The member for Wakefield has given up. He was quoted only late last year calling for a 'minister for the northern Adelaide'. That is his job, surely. He is the member for Wakefield, which takes in the northern suburbs. Why do we need a minister? We already have one elected member. Why does he not stay and do his job? Let us talk about his state Labor colleagues who cover the northern suburbs of Adelaide. What have they been doing for the past 12 years? They are still in government, into their 13th year. There are six state Labor colleagues out there in the northern suburbs presiding over one of the highest unemployment rates in the nation. If you look at the facts—

**Senator Cameron:** Just give up!

**Senator EDWARDS:** No, I will not give up, Senator Cameron, through you Mr Acting Deputy President. Giving up is very much in the vocabulary of those on the opposite side. They just give up and move along to the next issue, to something else: 'Can't do it, too hard, move along, just give up.' 'Give up' does not exist in our vocabulary but it is very much a part of Labor behaviour and the way in which they run their agenda. The Trade Support Loans scheme offers loans of up to $20,000 which are repayable through the tax system with a safety net—only when they are working and earning a sustainable income of more than $50,000.

**Senator Cameron:** A 20-grand debt for an apprentice.
Senator EDWARDS: Of course it is. Money is not free. When will you work out that money is not free, that you have to earn it? This is a hand up, not a hand out. This is going to help young people at the most critical time of their lives. It is no different from somebody starting a business when they need a loan for the business. It is no different at all. They get a loan for the business and repay the loan. We are equipping young apprentices with the money, with the ability to get to work, with the ability to buy a car and with the ability to buy the tools of trade. They can get this loan so that they can earn and then allocate money they earn. It is no different from anybody going to university and getting a degree. It is no different from HECS.

I want to empower the trades of this country. I do not know why anybody wants to put a block in front of people living effectively, working effectively and being able to get to work. Why would they not choose to train in a skill? This system will grow the pie, it will grow productivity and it will grow manufacturing because more and more people will be able to go into training knowing full well that they will be able to pay their bills. What can the loan money be spent on? These loans are designed to provide financial support for apprentices to cover their cost of living and learning while training.

Senator Cameron interjecting—

The DEPUTY PRESIDENT: Order on my left!

Senator EDWARDS: They must be coming quite confounded by what I am saying. It makes common sense, does it not?

Senator Cameron interjecting—

Senator EDWARDS: Thank you for the acknowledgement, Senator Cameron. How can it be disgraceful? It is just common sense. I am yet to hear from one of the union people on the other side of the businesses which they ran, when they took on trainees and apprentices and how it worked for them in the initial years. What do I hear? Nothing. There were no businesses run by those on the other side, were there? You have not run any businesses. You have just tried to run businesses for other people. I am talking about people who understand the way in which the economy works and understand the drivers of the economy. I would not expect to ever hear anything from you people on the other side about anything that makes sense in the business community because you do not understand it. You do not talk to business owners and you do not get it. Business is not in your DNA and it never will be.

I will give you some examples of what the money can be spent on. Apprentices are given the options to opt-in for six months to buy their tools and then opt-out of any further payments, or apprentices could save their first year’s payments to buy a second hand vehicle and then opt-out of further payments, or apprentices can take on the full loan to cover living expenses through their years of training and when they complete their qualification they will get 20 per cent off the $20,000.

It makes eminent sense. It just makes sense. If they finish, they get a reward—a reward for effort; not just a reward for nothing but a reward for effort.

How long will it probably take for an apprentice to pay off their loan? Well, that is what happens—you pay off a loan; you get a 20 per cent completion bonus. If you take that into account, it will be five years after the repayments start. So that leg up into a productive life—

Senator O’Neill: It's leg-up into debt—that's what it is.
Senator EDWARDS: a profitable life, a life with choices, is going to take about five years to repay.

Let us look at Labor's record on youth unemployment. Under Labor, the teen unemployment rate went from 19.6 per cent in November 2007 to 27.3 per cent in September 2013. I do not hear anything at all from the other side on that one! These are indisputable facts: from November 2007 to September 2013, what is disgusting is that they on the other side presided over a nearly 10 per cent increase in youth unemployment.

Senator O'Neill: That is not the case.

Senator EDWARDS: That is the case, Senator O'Neill—through you, Mr Acting Deputy President Back—and I will ask you to come back into the chamber and you can prove me wrong with your facts. Under Labor, the unemployment rate for young people rose from 9.9 to 12.7 per cent—55,000 more young Australians were unemployed after six years of Labor government. Fifty-five thousand more Australians were unemployed after you had finished with your wrecking ball of fiscal mismanagement and had gone through the budget, where we had $123 billion worth of accumulated debt and spiralling towards a $667 billion national debt. You cannot look at me straight in the eye and tell me that that is wrong.

We are about supporting communities. The coalition government is also looking to support those people who move, either to the city or the country, to take up a job in places where work is available. The Relocation Assistance to Take up a Job program provides $6,000 to relocate to a regional area, or $3,000 to relocate to a capital city, and an extra $3,000 if relocating with dependent children. That is a hand up, not a handout.

Apprenticeships are part of this program.

Senator Cameron: Are they lifters or leaners?

Senator EDWARDS: They would be lifters, Senator Cameron—through you, Mr Acting Deputy President Bernardi—because they are going out to find jobs. This has been such an enjoyable contribution! I personally know that there are jobs out there, that are available in places like Port Lincoln and Port Wakefield. The relocation support program—(Time expired)

Senator O'Neill: (New South Wales) (13:33): I am pleased to be able to speak in the chamber today on this very important matter. I come to it as a sister to brothers who were very much committed to becoming part of the trade part of our economy, who gathered their skills through undertaking trade qualifications. That has led them into being able to run small businesses and employ many people with the skills that they got as young men who sought a trade qualification. Apart from the ripping apart of TAFE, what so concerns me about the agenda of those opposite is that they really do not understand the nature of the kind of access to money that was happening under the former government, when we were enabling our young tradies to get the money that they needed to get a ute and be able to get on and do the sorts of work that they needed to do.

Labor is absolutely committed to making sure that our young Australians have the support that they need to stay in education, to stay in training and to develop the skills they need to get to stay in work or to achieve work. I could not tell you how proud parents and teachers were of all the trade training centres that I was able to see in my time in the 43rd Parliament that...
were delivered by the Labor government, which understood the nature of learning and young people and understood parents.

I am sure that there are some people sitting here in the gallery today and certainly people listening to this broadcast who go to sleep at night worrying about what job their son or daughter might be able to undertake, and whether they will be able to keep them at school through years 11 and 12 because they know, instinctively and because of the factual record, that, if you can stay at school and you can get a qualification, you are going to be able to improve your life. You will earn so much more money with these qualifications. There are parents struggling with, 'How do I get my 17-year-old son out of bed this morning and get him to go to school when he hates the learning experience there, because all he really wants to do is to become a tradie?' That yearning of Australian parents and young people who needed access to that learning was answered by the trade training skill centres that were established in schools—established in contexts where professional teachers, well trained, were able to continue to wrap care around these young people, where school counsellors and careers guidance were available in a school community where they were known, and where they could keep their friendships and the supports for their learning as they commenced their training to become masters of trades, vital to our economy and vital to our life.

We understand the importance of training and care in this sector, and I am very concerned about this bill, but we will not be opposing this bill—and that was made very clear by Senator Carr earlier this morning—because we are not going to stand in the way of everything that this terrible government is trying to do. But we are doing our best to put some brakes on what is a very bad proposal by a government that is only here because it lied to the Australian people. There are a lot of lies that are hidden in the detail that they do not want us to discuss about this bill that is before the chamber today, the Trade Support Loans Bill 2014.

Our efforts at this time are dedicated to fixing a number of serious concerns and problems that were raised following the introduction of this particular piece of legislation. The Abbott government is trying to put a bandaid on a problem that the former Labor government was already addressing. Access to support while you are gaining a trade is clearly an issue.

If you come from a regional area of Australia, as I do, where there is no adequate public transport system to move young people to jobs, one of first things you have to do—certainly in New South Wales—is undertake 120 hours training with a parent or a significant adult to help you get your licence. Because there is no bus from Copacabana at six o'clock in the morning to get you to your trades job where you are doing your training at Ourimbah by seven in the morning. It simply does not exist. You have to have enough money to go and buy a ute and you have to have a ute to put your gear in. These practical realities are something I understand—I have lived in communities where the trades sector is the most important part of the economy—and they have to be attended to.

Those opposite have come up with this scheme of: 'We will loan you $20,000 and put you in debt.' But they have not explained if having a lump sum payment is even going to allow someone to buy a $4,000 or $5,000 ute—and they are pretty hard to come by even when I see the cars by the side of the road as I drive up and down the Central Coast roads—that is going to be reliable enough to get you to work so you do not lose your job. Four or $5,000 is not a lot of money. What this government is proposing is not going to address that first-base need and that is evidenced by how out of touch those opposite are with what is really required.
However, after the backlash from apprentices, their parents and employers who have tried to wake this government up to the reality of what their failed implementation process is, the government have decided to come over with a few goodies, to put a little display in the window, to take away the stench of what they are doing. We have had $914 million axed from the Tools for Your Trade program. We have had $32 million axed from the Australian Apprenticeships Mentoring Program. We have had $18 million axed from the Australian Apprenticeship Access Program and $11 million dollars axed from the Apprentice Business to Owner program. Despite nearly a billion dollars of cuts, these guys think they are doing something—or pretending they are doing something—good for the country by offering $5 million to support our apprentices to take out a loan.

It is a shameful revelation of just how twisted the priorities of this government are, and which are on display day after day in this place. They are replacing Labor's very popular and effective Tools for Your Trade program—and this is a program Tony Abbott did not tell voters he would be cutting. He is bringing in the Trade Support Loans program. The problem is it is not flying with the people, because this government has a trust problem. It is clearly evident in this chamber; we could not have seen it more clearly than we did last Thursday. No-one trusts this government. No-one trusts Tony Abbott, because they have been nailed between the eyes with the lies that have been coming forth day after day.

Apprentices should not trust this government either, because a $20,000 loan for a 16- or 17-year-old who is still at school is an absolute crock. It is a disgraceful, and there is no sense of any public good. It completely belies the fact that some young people at 16 or 17 might not exactly know the perfect trade for them. What if they want to be an apprentice hairdresser and they have dreamed about it forever? They finally get there. They set themselves up with this loan and, three months in, they realise that this is not their dream profession but they are then saddled with a debt that this terrible government has inflicted upon them.

Right now, following the government's failure to have the Trade Support Loans Bill 2014 debated, apprentices around the entire nation are in limbo because of this shambolic government's decision to end the Tools for Your Trade program in June. They just do not know where they stand. We have got young people across the country who have got a debt from buying a vehicle to get themselves moving. All of a sudden, this government have come in—the adults in the room—and, pardon me, no apprentices know what you are doing. You are not supporting these vulnerable young people at a critical point in their lives. Not only has the Liberal government hurt our apprentices by cutting a billion dollars from the budget; they are being left in the lurch, because no support is coming from this government. It is just a legislative mess, and it is messing with the wrong people. It is messing with young people who have a right to a vision for their future that is far, far more positive and outreaching than this government that is seeking to shut things down left, right and centre.

As recently as 29 June, we had the Prime Minister say: And from this week, there’ll be new concessional Trade Support Loans available to apprentices learning a trade.

It sounds very good. He went on to say: This will help apprentices complete their studies.

But the problem is: it was wrong. It was a lie and it is disappointing to see the Prime Minister get such a simple fact wrong about such a vital program for young people in our community.
He is giving false hope to those apprentices who thought they might have seen the light at the end of this gloomy, Liberal induced tunnel.

If these loans are not available, the minister must step up and reintroduce the Tools for Your Trade program, because apprentices who are operating and who planned their financial future with assistance from their families and the Tools for Your Trade program are now going to be suffering even more with no assistance, while the government sorts out this mess of a program that they are trying to push through this place today.

As I said earlier, Labor will not be in opposition for opposition's sake, but we have a government that is trying to gag debate on this issue. It is shameful. Why do they want to gag it? Because they do not want to have the media and me standing up and identifying the one billion dollars worth of cuts that they have inflicted on Australia and our young people. They are trying to hide from some very simple but important and effective amendments that we want to move. The fact that they want to shut down debate shows how hypocritical this government is and how disgraceful they are in seeking to shut down important debate and amendments to improve the lives of ordinary Australians. They just do not care, and they do not get it.

The Abbott government gagging members in the House and here raises my concerns that this government does not want scrutiny applied to its shameful policies. It is a slap in the face to the thousands of apprentices who will be worse off under Tony Abbott's cruel cuts to education. When the minister was asked a question in the House of Representatives, it was like a move that would have been applauded in a State of Origin game—weaving, dashing left and right all around the place trying to hide from the scrutiny of questions about financial liability. All he had to say was accusation after accusation about these young people who are just trying to get out and have a go, talking about them being irresponsible with money. He could not explain or make it perfectly clear the total liability that the apprentices will be facing if they take on these Trade Support Loans. This is why we have some very real concerns that need to be addressed in this place today.

As I said, we are not opposing the legislation, despite this shambolic way it has been handled. But these are some of the questions that we need answers to. How are apprentices going to access the loans if there is no legislative framework in place? To make this happen, you have to have a legislative framework. That is a minor point, but it might need attending to. Have protections been put in place for school-based apprentices who are under 18? If you are doing an apprenticeship course at school and you are aged 15 or 16, can you get a loan? Should you be giving a loan to kids at school, putting them in debt to the tune of $20,000? Is there something morally repugnant about that? Certainly there is to me, but we just do not know about those opposite. Saddling the least privileged with high levels of debt is the model of education that this government is set to inflict on this country. Have the privacy provisions in the legislation been strengthened to ensure that apprentices' personal information is protected? We have no answer. They are not answering those questions and are trying to cut debate on this.

Right now, we feel that there are inadequate protections for school-based apprentices and other apprentices under the age of 18 years. This is something that has been forgotten or ignored by this government. It is not just a $5,500 support payment as it was under Labor. That was the government helping you to get on the road, to get your gear and to get your
trade. That is what it was; it was $5,500 to help apprentices. This is entirely different. This is applying for a $20,000 loan, a loan that the government will be extending to apprentices and some who are still at school and under the age of 18 years.

The next semester of TAFE will commence very shortly. Apprentices are going to need books and equipment. They need to know where they stand in relation to the Trade Support Loans. But we have no clarity from a government that is in disarray, that got to office on the back of a set of policy lies and very little competency. That is being revealed here. Under Labor, apprentices had the certainty and the flexibility of having the payment. They did not have to worry about repayments. It was an investment in young people. Having worked as a teacher for nearly 20 years and having taught teachers, I have confidence in the young people of Australia. With a bit of support they can do amazing things. This government has a very different view. They have a miserly, mean and debt-ridden view for the future of the youth of Australia. What they are trying to inflict on our country is a disgrace.

Another major issue we have on this side of the chamber is around the government's decision to give these loans only as a monthly payment. That is not going to help the person who needs a lump sum to buy that ute to get going. It simply does not match. There is a gap between the wild rhetoric of those opposite. Their holier-than-thou attitude clearly indicates that they think they can impose this on young people without listening to them, their families or their employers; without looking to the future with inspiration and vision to see an educated, enabled group of young people who have got their trades—vital to our economy.

The benefit of Labor's Tools For Your Trade program that invested in young people was around providing that lump sum. It is expensive to get a trade. My brother Sean, who is no longer with us, delighted in his first years of being a plant mechanic. Tools, boxes to put those tools in and a ute to get to work in were vital things for him. It was very difficult for him, but his life would have been improved with $5,500 support from the government. A $20,000 debt, on the other hand, would have been a liability hanging around his neck.

The monthly loan payments proposed by those opposite really do one shameful thing. We have even heard it in the speeches today. They do not even realise how bad it is, what they are saying here. They are saying that monthly loan payments are going to be used by apprentices to prop up their wage. That is what this is about. It is: 'If you want a trade, you had better know that you are going to get a really, really low wage. You just have got to accept that.' And if it is too hard for them to manage on a really, really low wage, the wages will not be improved the wages. No, that is not their plan—go out and get a $20,000 loan. That is what this legislation is about—a $20,000 rock necklace for the youth of Australia. The government have no vision for education. They have no sense of investing in young people. They only have a sense of, 'You want it, you pay for it, and we will punish you and leave you with that liability hanging around your neck'. It is a shameful view of the future.

As the legislation stands currently, apprentices would not be able to purchase that new vehicle for work, that van or that ute. Apprentices would not be able to purchase a new set of knives or a professional set of hair scissors. Make no mistake about it: these loans proposed by those opposite are a salary supplement that young tradespeople will have to pay back at the end of their training. In the House of Representatives, the minister made the point over and over again, demonising the young people undertaking education, that Labor's Tools For Your
Trade was not spent on what it was intended for—and without Labor's suggestions, neither will the Trade Support Loans.

The reality is that the Abbott government has revealed in its budget that it is determined to be unfair, to hurt the easiest target and to marginalise the most vulnerable. For young Australians, whether they go to university or TAFE, this government wants to take away opportunities and burden them with incredible levels of debt—because it sees only a dystopian view of the future where the rich are richer, the poor are poorer, and young people do not even have a place. If this government was actually listening to the young people of Australia, to their parents, who worry about them as they go to sleep at night, and to the employers, it would not be putting this shambolic piece of legislation before us; it would continue Labor's support program as it was—enabling the young people of this country. *(Time expired)*

**Senator XENOPHON** (South Australia) *(13:53)*: I do not oppose this bill as a means of supporting apprentices but I believe that there are some serious defects with it and it needs to be amended quite significantly. I also have serious reservations about the immediate and long-term consequences of recent funding cuts for TAFEs. Worrying figures from the National Centre for Vocational Education Research show that, since 2012, national apprenticeship commencements have declined from 330,500 to 244,700. In my home state of South Australia apprenticeship commencements have fallen to from 25,600 to 15,700 during the same period—that is, a very significant and worrying reduction of more than 30 per cent. These figures show it is clear that we need measures to encourage the take-up and completion of apprenticeships. Equally as important, however, are measures to assist workplaces and training institutions to provide opportunities for apprentices.

TAFE Directors Australia, the peak body representing Australia's 58 TAFE institutions, have raised concerns with me about the real cost of the proposed Trade Support Loans. Unlike current HECS or FEE-HELP loans, which are paid directly to Commonwealth registered institutions, the Trade Support Loans are paid directly to students. As with university study, there is often no guarantee of employment following qualification. Combined with a labour market that has been tightening, there are some concerns about apprentices' ability to service their debts to the Commonwealth and the long-term consequences of their indebtedness.

The labour market is tightening, and it is getting worse. Rossi boots, an iconic South Australian company, missed out on a Defence procurement tender because there was a cheaper import. That does not take into account the whole-of-life costs and the social and economic benefits of making something here in Australia. Where people are employed locally they spend their money in the local community and they pay their taxes—and the company pays its taxes. That is very different from just exporting jobs using Australian taxpayers' dollars.

I acknowledge the analysis conducted by the Australian Greens which has shown it could take a carpenter up to 34 years to repay their loan, a welder up to 13 years and an automotive engineer up to 23 years. The government has disputed these figures and tells us it will take apprentices about eight years on average to repay the loans. Even if the government's figures are correct, with no restrictions on how the loan money is spent these loans could be a very expensive exercise for apprentices in the long term.
I have serious doubts, too, as to whether this loan scheme is the most effective use of public money to correct the worrying reductions in apprenticeship commencements, particularly in the face of recent budget cuts to other programs. These cuts include programs that target disadvantaged and migrant Australians by preparing them for TAFE and other apprenticeships. These programs have demonstrated track records in creating enormous opportunities for vulnerable Australians to enter and remain in the workforce. Although funding to help apprentices with living expenses may assist them to see out their apprenticeship, I am concerned that this measure may come at the cost of programs that encourage apprenticeship take-up. Of further concern is the cessation, without warning, of the Tools For Your Trade grant program. Thousands of apprentices across the country have entered into three- or four-year training contracts on the understanding and belief that they would receive grants of up to $5,500 over the course of their apprenticeship. For apprentices who are in the final years of their course, this news has been a particularly hard blow.

I am concerned that we need to look at this piece of legislation in the context of other amendments that are being proposed. It is important to note that the opposition has called on the government to determine a method of parental approval for loans taken out by apprentices aged younger than 18, which I strongly support; it is a question of appropriate consent for a minor. The Australian Greens have an amendment to include in this legislation a requirement for parental consent, which I think is very appropriate. I congratulate Senator Rhiannon for moving those amendments because they are entirely appropriate. There are a number of other Greens amendments which will be dealt with in the committee stage. I am broadly supportive of ensuring that, if you are going to slash TAFE, you have some safeguards in place.

I also note that the Tools For Your Trade program is having all sorts of consequences: it is retrospective in nature; it was done without warning; apprentices have already started. I note that Senator Day has just entered the chamber. He has a very credible and well-recognized home building company and has been passionate about apprentices as well. I am concerned that, if the government takes away funding like this, it will have a very, very negative impact.

I will not vote against this bill, but I will be supporting a number of amendments that I believe will make this bill fairer. Overall, I do not support the massive cuts to TAFE; we are going in the wrong direction if you want to support the whole issue of apprenticeships; we are slipping behind. If we want to build up skills in this nation and ensure that young Australians have a chance to learn and practice a trade, then slashing money from TAFE and taking money away from apprenticeship programs is a negative step. Having a loan program with certain limits and safeguards may be a way around it, but it is only a short-term solution. The government needs to acknowledge the economic costs of this. What modelling has the government done of the impact this will have on apprenticeship numbers—in particular, taking away Tools For Your Trade, which may have negative consequences in terms of the number of apprenticeships in this country? I look forward to the committee stages of this bill.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:00): by leave—Senator Ronaldson will be absent from the Senate for question time from today, Monday, 14 July to Thursday, 17 July owing to ministerial business overseas, which includes an invitation
from the French government to celebrate Bastille Day but also, importantly, reinterring ADF personnel. Senator Johnston will represent the Minister for Veterans' Affairs and the Minister Assisting the Prime Minister for the Centenary of ANZAC. I will represent the Special Minister of State and Senator Cormann will represent the Minister for Industry.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator WONG: I thank the Leader of the Government in the Senate for his indication of ministerial absences. We in the opposition do accept that there are occasions on which ministers do need to be absent from question time and that occurred under our government as well. I would make just a couple of points, if I may.

This will mean that on not one sitting day in this fortnight will the government have presented a full ministerial line-up to the Senate. I understand Senator Cash was unavoidably absent, Senator Brandis was overseas for, I think, three or four days last week and, obviously, Senator Ronaldson will be absent this week.

I understand there are times when late notice is given but, on occasions where a minister has an overseas trip that has obviously been scheduled ahead of time, I would respectfully request of the Leader of the Government in the Senate if we could have a little more notice than shortly before question time of a week's absence. We would appreciate it. I do not seek to make a big political point about this; I am simply requesting that from the Leader of the Government in the Senate.

(Time expired)

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:02): by leave—My quick response is simply this: I think the Leader of the Opposition does make a fair comment in relation to notice being provided and my office will seek to do better in the future.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Senator SINGH (Tasmania) (14:02): My question is to the Minister representing the Prime Minister, Minister Eric Abetz. I refer to the government's agreement to include a so-called price pay-through mechanism in its carbon price repeal legislation. Has a regulatory impact statement been undertaken? And how many entities will be subject to this new regulatory regime?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:02): The honourable senator asks about a very important piece of legislation which, hopefully, will come back before the Senate later this week and that is a pack of legislation which will, once and for all, remove the toxic carbon tax from Australia's economy.

In relation to a regulatory impact statement to the specific amendments, I would anticipate that no such regulatory impact statement has been undertaken. But in relation to the other part of the honourable senator's question as to, I think, how many entities might be impacted, from
recollection—and if I need to correct this after question time, I will—about 60 entities will be impacted.

But let us make no mistake that the amendments to which the honourable senator refers relate to a package of bills on which 66 of the 76 senators in this place were elected on, namely, the repeal of the carbon tax. I think one of those 66 had a nuanced position about the repeal and Direct Action. So even if we were to have—

Senator Kim Carr: A nuanced position! It's a pity they didn't tell you about that.

Senator ABETZ: I am referring to Senator Xenophon. Don't open your mouth when you do not know what the debate is about, Senator Carr. You, Senator Carr, went to the election with this brochure, which told us that Kevin Rudd and Labor removed the carbon tax. Well, they did not.

Senator Singh went to the election in 2010, saying 'No carbon tax,' and went to the election in 2013, saying, 'We will remove the carbon tax.' We would invite Labor to join us in that task and repeal the carbon tax. (Time expired)

Senator SINGH (Tasmania) (14:05): Mr President, I ask a supplementary question. We would invite the government to join us in ensuring that an emissions trading scheme starts in this country—

The PRESIDENT: The question, Senator Singh.

Senator SINGH: I refer to the commitment made by the Prime Minister's parliamentary secretary, Mr Frydenberg, on 26 March this year:

… genuinely consult with those parties who are most affected by any new regulation.

Can the minister outline the consultation process on the government's price pass-through mechanism?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:05): First of all, can I inform the honourable senator that, even with my reading glasses on, I cannot see in this brochure, when referring to the removal of the carbon tax, that it was subject to an ETS being implemented. You left that out somewhere in the fine print.

Senator Moore: Mr President, my point of order is on direct relevance. We are talking about a consultative process. The minister has come nowhere near that in his answer.

The PRESIDENT: The minister has so far had 15 seconds to answer the question. I remind the minister of the question.

Senator ABETZ: I am sure Senator Singh well recalls the introduction to her question, which one is allowed to address, suggesting that somehow there was this caveat on the repeal of the carbon tax, conveniently not mentioned in the Labor Party's propaganda. So let's be very clear in relation to the Labor Party's stance on this: flip, flop, flip, flop, saying—

The PRESIDENT: Pause the clock.

Senator Wong: Mr President, the minister was asked about the consultation mechanism process and the government's price pass through. He has not answered that question.

The PRESIDENT: There are 17 seconds left remaining to answer the question. I remind the minister of the question.
Senator ABETZ: The difficulty the Labor Party has is, when you have smart alec introductions to your question, the minister is entitled to respond.

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

The PRESIDENT: Pause the clock.

Senator ABETZ: But in relation to the specifics—

The PRESIDENT: I have paused the clock, Minister. Senator Moore, there is eight seconds left, and I think you could hear the minister was getting to the answer. Do you still want to pursue it?

Senator Moore: I just wanted to make sure the minister was getting close there, Mr President.

The PRESIDENT: I will not take it as a point of order at this point in time. Minister, you have eight seconds remaining.

Senator ABETZ: Just learn how to draft your questions and you will be a lot better off. Can I say that we have consulted with relevant business organisations to ensure that the flow-through will be effective. (Time expired)

Senator SINGH (Tasmania) (14:07): Mr President, I ask a further supplementary question. I ask again: can the minister outline that consultation process on the government's price pass-through mechanism? I also ask: can the minister confirm that its proposed pass-through laws will apply only to electricity and energy suppliers and not to grocery and other major retailers?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:08): It stands to reason, with my answer previously, that, if it only applies to about 60 entities, it will not apply to those to which the honourable senator has just referred. I would have thought that would be pretty obvious in relation to my previous answer. But that is one of the difficulties when you have prewritten supplementaries without listening to the answer.

Carbon Pricing

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:08): My question is also to the Leader of the Government in the Senate, Senator Abetz. Is the minister aware of strong support in the community and by business for repealing the carbon tax?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:08): There is a loud, consistent and very sound chorus of voices from the Australian community calling for the world's biggest carbon tax to be repealed. It is time for the Senate to heed those voices. The government, in its endeavour to repeal the carbon tax, has received support from many quarters, be it the Australian Chamber of Commerce and Industry or the National Farmers' Federation, from BlueScope Steel to Wesfarmers. But, more importantly than those with potentially a particular interest, over 10 million Australians voted for a variety of political parties all committed to the repeal of the carbon tax—and one of those political parties was the Australian Labor Party. At the last election, even Labor pretended that they had repealed the carbon tax.
This morning, Gary Heilmann, a fishing business operator, told his fellow Australians, courtesy of the ABC, of the carbon tax impost on his operation:
The carbon tax alone cost us around about $30,000 per year here. Plus the other major impact was the $72 per kilo that it added to the refrigerant gases that we use for our refrigeration plants, both on the boats and in the factory.
He went on:
Effectively we went from a situation where a failure on a boat or piece of equipment would cost $2000 worth of refrigerant, to … $10,000 every time.

Senator Kim Carr: So his prices are going to come down now?

Senator ABETZ: In relation to prices coming down, he also said this:
Qantas has been the first cab off the rank. They have written to us and advised us that, effective the first of July, they are taking the carbon tax surcharge off our freight … showing that there will be a flow-through for all businesses. *(Time expired)*

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:10): Mr President, I ask a supplementary question. Will the minister outline the benefits of repealing the carbon tax for families, businesses and the economy?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:11): I thank Senator Fawcett and understand his longstanding interest in the cost of living, especially for families in Australia. Repealing the carbon tax is the single most important act the Senate can perform to take pressure off families, save Australian jobs and strengthen the economy. If the Senate repeals this toxic tax, it will save the Australian economy from a $9,000 million jobs-destroying sledgehammer. Removing this tax will take the pressure off business and secure jobs. It will also deliver average savings of $550 per year to each and every household across the nation, according to Labor’s own Treasury costings whilst they were in government. This carbon tax hurts jobs, hurts families and does nothing for the environment, and that is why the government is committed to its abolition.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:12): Mr President, I ask a further supplementary question. Will the minister advise the Senate whether there are other measures that senators will be asked to agree to in order to build a strong and prosperous economy and a safe, secure Australia?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:12): The government is seeking to implement its legislative agenda that will strengthen our economy, attract investment and create more jobs for more Australians. Part of that agenda is the re-establishment of the Australian Building and Construction Commission, to improve productivity in our building industry. We also have reforming the Qantas Sale Act, to level the playing field in our aviation industry; abolishing the mining tax, to restore the international competitiveness of our resource industry; and repealing over 1,000 spent and redundant pieces of legislation across 10 portfolios, to cut red tape for businesses across Australia. The reason we are pursuing all these economic reforms is so that we can win not some academic prize in economics but the prize that is the social dividend of jobs and security that will flow to our fellow Australians. *(Time expired)*
Future of Financial Advice

Senator DASTYARI (New South Wales) (14:13): My question is to the Acting Assistant Treasurer, Senator Cormann. I refer to the financial advice regulations that Labor tabled last Thursday, and I refer to comments by Mr Michael O'Neill, the CEO of National Seniors, that these changes 'clearly put big business ahead of consumers' and 'these regulations wind back vital consumer protections introduced after corporate collapses left thousands of elderly Australians destitute'. Minister, are National Seniors correct?

Senator CORMANN (Western Australia—Minister for Finance) (14:14): I thank Senator Dastyari for that question. As much as I hold National Seniors in very high regard as an organisation, they are wrong in relation to this. Our changes clearly do not do that. Our improvements to the future of financial advice laws maintain all of the consumer protections that matter. They maintain the requirement for advisers to act in the best interests of their clients. They keep the ban on conflicted remuneration in place, including in relation to general advice provided by bank employees in the context of product sales.

What we are doing is removing the unnecessary and costly red tape which pushed up the cost of advice, which was imposed by Labor at the behest of commercial vested interests; namely, the industry super funds. An example is the requirement for clients to re-sign contracts with their advisers on a regular basis, imposed on small business financial advisers but not imposed on Senator Dastyari's friends in the industry funds movements. Another example is the retrospective application of an additional annual fee disclosure requirement, which of course we agree with prospectively but not retrospectively.

Also, we happen to think that clients and their advisers should be able to agree the scope of the advice, which is why we have put beyond doubt the capacity of advisers and their clients to agree to the subject matter—which, incidentally, is also something that industry funds are able to do. In fact, under the special deal Mr Shorten did with Industry Super Australia, industry funds can provide advice, general and personal; they can charge for that advice and not disclose the charge for that advice and they are exempted from the opt-in requirement that applies to everybody else. It was a special deal that is completely inappropriate in the circumstances. We do not believe that Australia should be the world champion in financial services red tape. We think we need to have the right balance between appropriate consumer protection and access to affordable advice.

Senator DASTYARI (New South Wales) (14:16): Mr President, I have a supplementary question. Minister, I also refer to comments by Mr Alan Kirkland, the CEO of consumer advocacy group CHOICE, who said:

Now more than ever, consumers need professional financial advice to help them save for their retirement, not advice distorted by hidden fees and advisers pushing products that don’t meet their needs. Minister, now that you have already said National Seniors is incorrect, is CHOICE incorrect too? Is every other consumer group in this country also wrong, or are you wrong, Minister?

Senator CORMANN (Western Australia—Minister for Finance) (14:16): I actually agree 100 per cent with the quote that Senator Dastyari just read out. Consumers do need access to professional advice. And guess what? Not every bit of red tape is good for consumers. Not every bit of red tape actually helps to ensure that consumers can have access to professional
advice. What we need is a robust but efficient regulatory system in which people across Australia saving for their retirement, managing their retirement or managing financial risks through life, can access high-quality—

Senator Dastyari: No-one believes you.

The PRESIDENT: Senator Dastyari, you have asked your question.

Senator CORMANN: advice they can trust but which is also affordable. Of course, the regulatory system ought to be competitively neutral as well as being robust and efficient. We are making some balanced changes in the public interest. You made changes that were driven by the vested commercial interests of union funds. We are focused on the public interest. (Time expired)

Senator DASTYARI (New South Wales) (14:17): Mr President, I have a further supplementary question. Can the minister name a single consumer group—that is, a group that looks after the interests of those who have been the victim of corporate collapses—that supports the changes that the minister has made to water down the FoFA reforms? Just name one, single group that is a consumer advocate that supports you?

Senator CORMANN (Western Australia—Minister for Finance) (14:18): I completely reject the premise of that question. We are not watering down consumer protections; we are keeping all of the consumer protections that matter and we are making sure that consumers can have access to advice which is affordable and which they can trust.

Senator Wong interjecting—

Senator CORMANN: We will be able to have a very long debate about these things—no doubt, very soon—if you do indeed follow through with what you flagged last week.

Budget

Senator EDWARDS (South Australia) (14:18): My question is also to the Minister for Finance and the Minister representing the Treasurer, Senator Cormann. Can the minister advise the Senate of support by prominent Australians for the need to repair the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:19): Two months ago the government delivered a budget to build a stronger economy, to create more jobs and to deal with the debt and deficit legacy that we inherited from the Labor Party. The budget that we delivered was designed to protect living standards on a sustainable basis into the future and it was designed to build opportunity and prosperity in the future.

Last week I was able to share with the Senate some relevant quotes from former UK Prime Minister Margaret Thatcher, who is held in very high regard by a whole number of us in this chamber. But today I thought I would choose some quotes that are a bit closer to the heart of people on the opposite side. On the weekend I came across this particular quote, and those opposite should listen:

So coming back to surplus is about making sure we help those people sitting around the kitchen table when they're figuring out how they will make ends meet.

Opposition senators interjecting—

Senator CORMANN: And then there is this one. You should listen very carefully:

Returning to surplus also ensures we're not generating price pressures in the economy.
Who do you think said this? It was none other than former Treasurer Wayne Swan. Wayne Swan might never have been able to get to a surplus—he might never have been able to reach the destination—but at least he was a believer. I believe that Mr Swan believed that a surplus was important. At least he understood that it was in the national interest for us to balance our books. He might not have been able to get there but Mr Shorten and Mr Bowen do not even believe that we should get to a surplus. They are just making a complete mess of it. The Rudd was badly managing money. The Gillard government was badly managing money. The Shorten opposition is more reckless than either of them.

Senator EDWARDS (South Australia) (14:21): Mr President, I have a supplementary question to the minister. Will the minister advise the Senate why it is so important for the parliament to support the government's efforts to repair the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:21): I thank Senator Edwards for that question. If we want to improve opportunities for our children and grandchildren we need to pass the budget the government delivered two months ago. If we want to stop borrowing from our children and grandchildren, we need to pass the budget that we delivered two months ago. Right now what is happening in Australia is that we continue to borrow from our children and grandchildren in order to fund our consumption. That means that we are forcing our children and grandchildren to pay higher taxes or accept lower services, low benefits, in order to pay for our consumption today. Those on this side of the parliament do not agree with that proposition. Those on this side of the parliament want to build opportunity for people to get ahead; we want to build opportunity for our children and grandchildren. We do not want to put our hands into their pockets to fund our lifestyle today; we want to make sure that we can live within our means and that is why we need the budget that we delivered.

Senator EDWARDS (South Australia) (14:22): Mr President, I rise to ask a further supplementary question. Is the minister aware of any alternative plans to repair the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:22): No, I am not. There is no alternative plan. The Labor Party are playing politics. The Labor Party are jumping up and down. They are opposing $40 billion in savings measures including $5 billion in savings that Senator Wong initiated and banked in her last budget. If you want any evidence that the Labor Party is playing politics with our nation's future, look no further than to the Labor Party which is opposing Senator Wong's own savings measures. How reckless and how irresponsible can you get?

I say again to the Senate, you might think that the budget we delivered is tough but, if we do not make those decisions today, those decisions required in the future will only get tougher. If we continue to borrow from our children and grandchildren today, if we keep our hand in our children's pockets, we will have to make more difficult decisions down the track and that is why there is no alternative to the budget that we have delivered. Indeed, Mr Shorten and Mr Bowen have not put forward any alternative. They are just playing politics. They do not care about the national—(Time expired)

Carbon Pricing

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:23): My question is to the Minister representing the Prime Minister, Senator Abetz. Given that the Prime Minister
has promised that Australian families will be $550 better off with the abolition of carbon
pricing and your confirmation today that that $550-figure was from Treasury modelling, will
you now admit that the $550-figure included $250 for food, clothing and rent and that these
will not be covered by the government's pass-through provisions? Will you now admit that the
$550-promise to Australian families is a lie?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting
the Prime Minister for the Public Service and Minister for Employment) (14:24): I can
confirm to the honourable senator that the sort of language she uses does not reflect well on
her but is also incorrect. Earlier today, if the honourable senator would have listened, she
would have heard me respond to a question with information from a small businessman—I
think from Mooloolaba—who confirmed that Qantas had already written to advise that,
effective from 1 July, the carbon tax surcharge would be removed from freight. So there is—

Senator Milne: Mr President, I rise on a point of order: relevance. I am asking about the
Treasury modelling that includes $250 for food, clothing and rent that will not be passed on
under your provisions. Is that true or not?

The PRESIDENT: There is no point of order. The minister has only just got a quarter
through his question and he is being relevant to the question.

Senator ABETZ: The question was: would the savings be passed through? I am giving
the honourable senator a real life example where the savings are already being passed through
in anticipation of the repeal of the carbon tax. But of course the senator does not want to hear
that. She wants to scare the Australian community so midstream of my answer she has to raise
a point of order hoping that that information will not get out to the Australian people.

The Treasury modelling that was undertaken by the previous Labor government said in
general terms that the average Australian household will have an impost of $550 per annum
as a result of the carbon tax. It stands to reason that part of that $550-impost will be higher
energy prices but also costs that will be impacted on the chain on the way through. For
example, one would hope that fish can now be delivered cheaper in Australia because of
Qantas doing its bit. As a result, there will be cheaper prices for Australian consumers when
they want to eat their fish and chips.

Senator MILNE: Mr President, I ask a supplementary question. This is also to the
hopeful minister. Can he now confirm that that Canberra business Frozpak, which the Prime
Minister and Minister Hunt said would pay an extract $60,000 a year because of synthetic
greenhouse gases, will be subject to penalties if it does not pass on the total $60,000 in so-
called savings?

Senator ABETZ: I am not aware of this particular business but I do understand—

Senator Milne: The Prime Minister is.

Senator ABETZ: Senator Milne interjects and says 'the Prime Minister is'. I say there are
lots of things that the Prime Minister is aware of that I am not necessarily aware of. I am more
than willing to wear that. If the Prime Minister wants to provide more information then I will
come back to the Senate in relation to that. As I understand the amendments, synthetic
greenhouse gases being imported into Australia will be part of the proposal, the swag of
amendments that will be considered later on today in the House of Representatives.
Senator MILNE (Tasmania—Leader of the Australian Greens) (14:28): Mr President, I rise to ask a further supplementary question. Minister, given that Woolworths has said that it avoided price rises when the carbon price was introduced so it has no cost savings to pass on, and Qantas has said that it did not increase airfares so it cannot pass on any savings to passengers, will the Prime Minister guarantee that every family will now be $550 better off?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:28): These are the sorts of immature word games that the Greens love to revel in. What we have always said is the 'average Australian family' will be $550 better off. Senator Milne, by a sleight of hand, translates that to 'every Australian family'. It stands to reason that when you say 'the average Australian family', some families will get even more of a benefit than $550 per annum and some will get less. That is what the term 'average' actually means. You know that, I know that so why you would seek to deceive the Australian people by that sleight of language is for you to explain but it does you no credit.

Asylum Seekers

Senator SMITH (Western Australia) (14:29): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Will the minister advise the Senate of the need to ensure appropriate rules apply to people on bridging visas?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:29): I thank Senator Smith for his question and for his ongoing commitment to securing Australia's borders. This government is of the opinion that, if we are going to release people into the community who have arrived illegally by boat from very different backgrounds—who do not speak English as a first language, who come from cultures that are fundamentally different to our own, who have no prior exposure to the Australian community at all—it is basically an obligation that we should tell them what is expected of them in terms of Australian community standards. That is why we have introduced a code of behaviour. It provides the framework for the government to address community concerns about the behaviour of illegal maritime arrivals who are in Australia temporarily on bridging visas.

The code of behaviour is particularly relevant where IMAs have engaged in antisocial or violent behaviour that does not result in criminal charges. Common issues reported include: intoxication, fighting between residents at accommodation, sexual harassment, threats of violence, acting aggressively towards departmental or service provider staff, and refusing to cooperate with attempts by the department to resolve a person's immigration status. The code of behaviour sets out clear standards of behaviour and expectations relating to the values that are important to the Australian community. It also makes clear that bridging visa holders are expected to cooperate with the Department of Immigration regarding the resolution of their status.

The grant of a bridging visa to an IMA is a privilege not a right. The government has a zero tolerance approach to those who violate the privilege they have been granted in the Australian community. We make no apologies for introducing the code of behaviour. (Time expired)
Senator SMITH (Western Australia) (14:32): Mr President, I ask a supplementary question. Can the minister advise the Senate of the government's and the community's expectations of people on bridging visas?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:32): As I was saying, the government and the community have a zero tolerance approach to those who violate the privilege they have been granted to live in the Australian community. The code of behaviour itself consists of six dot points, and everything in the code of behaviour should quite frankly be common sense to all of those in this chamber. It includes:

- You must not disobey any Australian laws including Australian road laws; you must cooperate with all lawful instructions given to you by police and other government officials;
- You must not make sexual—

Honourable senators interjecting—

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

Senator Williams: Mr President, I am trying to listen to the answer from the minister and all I am getting is the screaming interjections from the Greens. Could you bring them to order, please.

The PRESIDENT: I remind all senators not to interject and not to make a noise during the answering of a question. Senator Cash, you have the call.

Senator CASH: Thank you, Mr President. It includes:
- You must not make sexual contact with another person without that person’s consent, regardless of their age; you must never make sexual contact with someone under the age of consent;
- You must not take part in, or get involved in any kind of criminal behaviour in Australia, ...

The expectation of the government and of those in the community is that those on bridging visas should abide by the standards of behaviour expected of Australian citizens. (Time expired)

Senator SMITH (Western Australia) (14:33): Mr President, I ask a further supplementary question. Can the minister advise the Senate how many people are currently living in the community as a result of Labor's policy failure and how many illegal maritime arrivals form Labor's case load legacy?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:34): I think the Australian public are well aware that under the former government in excess of 50,000 people arrived here illegally by boat. The situation under the former government was this: the detention centres in Australia were quite literally overflowing. There was no capacity and no money to open any further detention centres, so the government quite literally dumped approximately 30,000 people into the community and did not process their claims.

We currently have approximately 25,000 people living in the community who are part of the legacy case load of 30,000 people who arrived illegally by boat under the former Labor government. The previous Labor government quite literally dumped people into the community without any care or responsibility. What we assumed on coming into office was a
messy problem on a scale which, quite frankly, Australians had not seen before, and we are cleaning it up yet again. *(Time expired)*

**Defence Procurement**

**Senator XENOPHON** (South Australia) (14:35): My question is to the Minister for Defence. The minister may be aware of a front page report in today's Adelaide *Advertiser* that Rossi Boots, an Adelaide based bootmaker since 1910, has lost a tender for the supply of up to 100,000 pairs of boots for the ADF over the next five years. In a briefing from the Defence Materiel Organisation last week, Rossi Boots was advised that the boots would be imported because the imports represent 'better value for money'. Can the minister advise whether the DMO considered the social and economic benefits of having these boots—up to 100,000 pairs of boots—being made in Australia, including the benefits of local jobs, personal local taxes paid and the attendant multiplier effects on the local economy? If not, will the minister seek to reopen the tender process?

**Senator JOHNSTON** (Western Australia—Minister for Defence) (14:36): I thank the senator for his question. To a degree I share much of his concern about government contracting going to Australian manufacturers. There are many commercial-in-confidence matters that I am about to talk about, so bear with me.

This was a tender released on 27 June 2013 for the supply of three types of boots: fireman safety boots, faun coloured safety boots and black coloured safety boots. At the time the tender was released, there was no expressed requirement for Australian content in the tender. The tender was conducted as a routine procurement that did not exceed the threshold requirements that necessitated notifying the minister's office. So all of what has happened with respect to this particular tender was without my knowledge or the knowledge of any other member of the government.

The previous safety boot requirement was established on 19 July 2011 for two years with Lymington Pacific who manufactured the boots in China. We all know that there have been some serious issues with respect to soles coming off parade boots.

Ten tenderers replied with 14 offers for three types of boots. Regarding the particular boots tendered from Rossi, I confirm what you said to be correct, and that is that value for money was one of the principal considerations. The procurement rules that Defence was complying with are those that have been supported by the previous Labor government and the coalition. Indeed, they do not, pursuant to rule 5.3, discriminate by way of country with respect to the running of the tender. There is a balance to be struck. I am concerned that the amount of money involved is such that this, as you have seen me argue with DPCU, might well have gone to an Australian manufacturer. *(Time expired)*

**Senator XENOPHON** (South Australia) (14:38): Mr President, I ask a supplementary question. Can the minister guarantee that the imported boots will be as durable and well made as the Rossi Boots? Further, what tests and measures are carried out to ensure the comparative durability and whole-of-life costs for such a procurement? Does the minister consider that rule 5.3 needs to be reconsidered? Can the minister advise in percentage terms, even if it is a range of percentages, how much cheaper the imports were compared to any unsuccessful local manufacturers who tendered?
Senator JOHNSTON (Western Australia—Minister for Defence) (14:38): Senator, if I am going to look at this and oversight what intervention I might be able to conduct, I do not want to get into the commercial-in-confidence aspects of percentages and what have you. Rule 5.3 is potentially a problem for Australian manufacturers. That is why we are bringing down a white paper that deals with industry policy, and these matters will be considered in the broader context of the way we do our business in Defence.

In terms of the quality, I think you have answered that question yourself, because you said it was a matter of value for money. If there had been a deficiency in any great and measurable degree in terms of quality, I think your constituent would well have been told precisely that. This was about the differential between manufacturing here and manufacturing overseas. Given the high dollar and all of the other issues, I am very concerned about this particular aspect. (Time expired)

Senator JOHNSTON (Western Australia—Minister for Defence) (14:39): Let me say, I certainly understand the anger of many Australians over this issue. Indeed, I have taken Defence to task at Senate estimates, while in opposition, on the defence combat disruptive pattern uniform. We manufacture that in Wangaratta and Bendigo and we are competing with Chinese manufacturers where the cost is less than one quarter of manufacturing that particular product here. So I am concerned. I will investigate this for you, Senator. I want to see the basis upon which we have discriminated in terms of the ultimate winner of the tender. If it is a matter of price and if I can do anything, I will come back to you with what can be done. But, can I say, this is below the radar. They appear to have complied with all the rules. The rules are there for good reason. We do not discriminate by way of country. I want to positively look at how we can help Australian manufacturers going forward. That is the issue for us in Defence and, of course, there is a balance to be struck between value for money and how we support Australian manufacturers. (Time expired)

Education

Senator BACK (Western Australia) (14:41): My question is to the Minister for Human Services, Senator Payne, representing the Minister for Education. I ask: will the minister advise the Senate how the government's higher education reforms will increase opportunities for all Australians?

Senator PAYNE (New South Wales—Minister for Human Services) (14:41): I thank Senator Back very much for the question and for his extensive interest in this particular area of policy. The government is clearly of the view that every Australian will have better opportunities in life if they can gain the skills and knowledge that equip them best for the career that they want. That is why we are committed to expanding opportunities for Australians, which this higher education reform package and other associated measures will do. For the first time ever, all Australian undergraduate students in registered higher education institutions will be supported for all accredited courses, from higher education
diplomas to advanced diplomas, associate degrees and bachelor degrees. This is going to support Australian students in choosing the course that is right and best for them.

As I have previously said to the chamber, this means that over 80,000 additional students a year will be supported by the Commonwealth by 2018 as a result of these reforms. In fact, the private returns that students receive from higher education have been written about in a number of places, not least of which was the book Battlers and Billionaires by Dr Andrew Leigh, the shadow assistant treasurer. I want to quote very briefly from that book. It says:

It's easy to see why education is the great equaliser when we look at individual benefit.

... ... ...

Compared with someone who finished Year 12 but has no post-school qualifications, a diploma boosts earnings by nearly 20 per cent, while a bachelor’s degree boosts earnings ...equating to more than a million dollars over a lifetime.

Higher education will often be the best investment that a person can make in themselves and, most importantly, in their future. We welcome the opportunity to work with this new Senate to increase opportunities for all Australians in this area.

Senator BACK (Western Australia) (14:43): I thank the minister. Mr President, I ask a supplementary question. Will the minister advise the Senate how extending support beyond bachelor degrees will provide more pathways into higher education for Australian students?

Senator PAYNE (New South Wales—Minister for Human Services) (14:43): This is a very important aspect of the reforms that Senator Back has asked about, because the government has accepted the recommendation to expand the demand-driven system to higher education diplomas, to advanced diplomas and to associate degrees. These qualifications, in many cases, are stand-alone qualifications, but they also equip students for the jobs of the new economy. Some of them also help students to study in areas which are very important to promote—the uncapped support for diplomas of modern languages, for example, which help to promote language study, which we all know is so important to Australia's future. Perhaps most importantly, higher education diplomas and other sub-bachelor qualifications provide thousands of students with a pathway into university they currently do not have. That enables them to enter a degree course and prepares them to do their university degree studies as well as they possibly can. Those pathways into university can truly transform the lives of those Australians. (Time expired)

Senator BACK (Western Australia) (14:44): Mr President, I ask a further supplementary question. Minister, how will expanding government support to non-university higher education institutions increase options available to Australian students?

Senator PAYNE (New South Wales—Minister for Human Services) (14:45): As I was saying before, for many Australians that path will cover those students, often from low SES backgrounds. In relation to expanding the options available to as many Australian students as possible, both the Bradley review and the more recent Kemp-Norton review recommended that the government should be extending Commonwealth support to non-university higher education students, whether they are TAFEs or private colleges. That supports Australian students in obtaining the higher education options that are best for them. So we support them in gaining the skills and knowledge which opens opportunities for them wherever they choose to study. It is about choice for students; it is about treating all Australian students equitably,
flexibly and fairly. It is about making more flexible pathways possible—partnerships between TAFEs, colleges and universities. I can only imagine that in their submission to the House of Representatives inquiry on TAFE—(Time expired)

**Carbon Pricing**

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) (14:46): My question is to the Minister representing the Prime Minister. I refer the minister to an article by Simon Benson in *The Daily Telegraph* last Friday that quotes a coalition minister, describing one of the Senate's newest members as 'completely stark raving mad'. Did the minister or any of the government's Senate leadership team describe one of their fellow Senators in this way and provide this quote to the journalist?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:46): I can confirm that I have not used such language in relation to any new senator, but I do confess that I may have used such language in relation to the Deputy Leader of the Opposition in this place from time to time—of course with no hard feelings, whatsoever! I can indicate that I have not used that language in relation to any new minister. As far as my colleagues are concerned, I am not aware but I would not assume so. If that descriptor was used in relation to the Deputy Leader of the Opposition, it would be unkind, it would be uncharitable and it would be unparliamentary but chances are it would be true.

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) (14:47): Mr President, I ask a supplementary question. During the government's shambolic efforts to repeal the carbon tax last week, did the minister describe the amendments being put forward by the Palmer United Party as, 'crazy, crazy, crazy', or was the minister referring to the Palmer United Party senators again?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:48): The only reference that I made to the Palmer United amendments was 'belts and braces'. In relation to 'shambolic efforts', can I simply remind the Labor Party that they went to the last election on the basis of repealing the carbon tax. If the Australian Labor Party would have come across, as per their commitment to the Australian people—

**The PRESIDENT:** Pause the clock. Point of order.

**Senator Conroy:** Mr President, on a point of order: with half the time gone, the minister has not denied the allegation.

**The PRESIDENT:** It is not a point of order. The minister is addressing the question. And the question, I might say, is borderline. Minister, you have the call.

**Senator ABETZ:** As I indicated, if there was a shambolic situation last week, it was the Australian Labor Party refusing to abide by their electoral commitments—and need I reach for it again, this document on which they went to the Australian people, saying that they would get rid of the carbon tax—(Time expired)

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) (14:49): Mr President, I ask a further supplementary question. Given the shambles the coalition presided over in this place last week—isn't Senator Macdonald also right when he says:
Sometimes I wonder what the strategies are and we wonder just who is calling the shots there?
Does the minister agree with Senator Macdonald that:
... the leadership needs to understand a little bit better just how it all works in the Senate.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:50): Senator Macdonald and I are on a heated unity ticket on the need to get rid of the carbon tax, and that is all that Senator Macdonald and I are concerned about. It would be fair to say that the leadership of the Australian Labor Party has to make a determination as to where they stand on the carbon tax. Having gone to two elections promising no carbon tax, they have come back and have continued to vote to support the carbon tax. In relation to leadership and bringing people with them, the Labor Party leadership needs to determine its position where it is going to land in relation to the carbon tax. But both Senator Macdonald and I campaigned at the last election for the repeal of the carbon tax. I can understand Senator Macdonald's disappointment that we were not able to achieve that last week. Senator Macdonald and I are hopeful that we can achieve it this week.

Aboriginal Hostels Limited

Senator SESELJA (Australian Capital Territory) (14:51): My question is to the Minister for Indigenous Affairs, Senator Scullion. Will the minister advise the Senate of the work by Aboriginal Hostels Limited and the important contribution it is making to enhancing the lives of Indigenous Australians?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:51): I would like to thank Senator Seselja for his interest in the positive work that is being undertaken in this area. There are many unsung heroes working in the community. Today, I would like to congratulate Aboriginal Hostels Limited, AHL, for 40 years of continuous service to Aboriginal and Torres Strait Islander Australians. It opened its first hostel in Yumba in Brisbane in 1974. It is now operating a national network of accommodation facilities. It has over 2,000 beds available to Indigenous Australians each night of the year. AHL provides safe, affordable, culturally appropriate accommodation for Aboriginal and Torres Strait Islander people who need to be away from home to access services. In meeting Indigenous Australians in urban, regional and remote Australia, many of them relate to me their stories and fond memories of being away from home spending time in AHL hostels. Whether that was to attend school or training, whether they were looking for work or accessing health and medical services, it is clear that the contribution these hostels have made and are continuing to make is a strong and lasting one. The company also makes a contribution through its 11 medical facilities for those requiring renal dialysis and general medical and antenatal care. I take this opportunity to congratulate AHL on their 40 years in business. There is no point governments of all types providing services when people cannot access those services because of the impediment of a lack of accommodation.

Senator SESELJA (Australian Capital Territory) (14:53): Mr President, I ask a supplementary question. What role does Aboriginal Hostels Ltd play in working with the government's commitment to education, employment and creating safer communities?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:53): It is not only the tens of thousands of residents each
year who benefit from the AHL service offering. The company is a leading employer of Aboriginal and Torres Strait Islander Australians, providing development opportunities in tourism, catering and other areas of the hospitality industry. AHL has the highest proportion of Indigenous employees of any Australian government organisation at some 73 per cent of their employees. One particular story is very noteworthy. A student from the remote community of Doon Doon in north-west Australia who was diagnosed with cerebral palsy has never let his condition affect his life. The tough decision was made that he should leave home and move to the hostel in Kununurra to complete school. I understand this has been a fantastic decision. This particular student is now excelling at the school. He has rarely missed a day and is determined to complete year 12. Again, congratulations to AHL.

Senator SESELJA (Australian Capital Territory) (14:54): Mr President, I ask a further supplementary question. Can the minister provide examples of how the government is encouraging Aboriginal Hostels Ltd to become responsive in embracing change and efficiency?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:54): AHL has undertaken to work with the government to meet our key priorities in education, employment and creating safer communities. It is interesting to note that their new strategic plan from 2014 to 2017 will ensure that a consistent standard of service excellence applies right across those 2,000 beds every night in Australia. It will also increase focus on opportunities for new and innovative approaches to support through-life opportunities where they are needed most. One of the greatest tests of a program or a facility is to think: if you took that away, what would happen? Sadly, sometimes that is nothing, but certainly in the case of AHL it is significant. The Trilby Cooper facility in Kalgoorlie needed to undergo some renovations for a period and sadly many were adversely affected during that time, but I am very pleased to say that the facility reopened on 14 July, indicating what an absolutely essential service this is.

Budget

Senator KETTER (Queensland) (14:55): My question is to the Minister for Employment, Senator Abetz. I refer to the assessment of the Commission of Audit that Australia's minimum wage is too high and its recommendation that the minimum wage should be cut. I refer to the statements made by the Treasurer and the Minister for Finance on budget night that, ‘issues around the minimum wage will be considered following the 2014-15 budget’. How is the government considering the Commission of Audit recommendation to cut the minimum wage?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:56): I congratulate Senator Ketter on what I believe is his first question. I wish him a long and distinguished career but on that side of the chamber. I welcome his contribution to this place and acknowledge his longstanding interest in matters of workplace relations.

The Commission of Audit made certain recommendations about the minimum wage. As soon as those came out, I indicated, as Minister for Employment, that we had no intention whatsoever to change the manner in which the minimum wage was set in this country, namely via the Fair Work Commission. I understand my colleague Senator Cormann, in the finance aspects of Senate estimates, reconfirmed the government's position. We have indicated that
the longstanding history in our nation of minimum wages being set by the independent umpire, formerly the Australian Industrials Relations Commission, now the Fair Work Commission, should continue. While the Commission of Audit report was to government, it was not a report of or from government and the government moved exceptionally quickly to close down that suggestion.

An opposition senator interjecting—

Senator ABETZ: I hear an interjection that supposedly it found its way into a media release after my statement on behalf of the government. If that occurred, that is regrettable. The government's position remains as I stated it very shortly after the release of the Commission of Audit report.

Senator KETTER (Queensland) (14:58): Mr President, I ask a supplementary question. I refer to the current minimum wage of $16.87 per hour, which supports many women workers, young workers and lower socioeconomic families. Does the minister guarantee it will not be cut?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:58): As far as I am concerned, the minimum wage will not be cut. I cannot see the minimum wage being cut in this nation. The only manner in which it might occur— and I confess this is an extreme hypothetical— would be if the Fair Work Commission were to so rule in its wage determinations. I would doubt that, but squaring off all bases, given that the Fair Work Commission makes these decisions, it is out of the hands of government and I do not expect or suspect that the Fair Work Commission will seek to decrease the minimum wage in this country.

Senator KETTER (Queensland) (14:59): Mr President, I ask a further supplementary question. I refer to Senator Day's proposal that the minimum wage not apply to young job seekers and the minister's appraisal of the idea as 'an interesting one'. Has the government commenced negotiations with Senator Day to remove the minimum wage safety net for young job seekers?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:59): The proposal of Senator Day's was in fact put to me in an interview, and I responded by saying it was interesting.

Senator Conroy: Keep those kids at home longer!

Senator ABETZ: Sometimes I suggest that Senator Conroy's behaviour in this place is 'interesting'—it does not mean that I condone his behaviour or support his behaviour.

Senator Day has not put a formal submission to us. But, as we are duty-bound as a government to do, we will consider any submission, give it due consideration, and respond at an appropriate time. But, as I have indicated to the honourable senator, the government is committed to ensuring that the wages are determined in this country not by the government but by the Fair Work Commission, and that was one of the principled positions we took in relation to the cleaning standards that I removed just before the end of the financial year.

The PRESIDENT: Thank you, Minister. Time for answering questions has expired.
Senator Abetz:  Mr President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Carbon Pricing

Senator CAMERON (New South Wales) (15:01): I move:

That the Senate take note of the answers given by the Minister for Employment (Senator Abetz) to questions without notice asked by Senators Conroy and Singh today relating to the proposed repeal of the carbon tax.

Senator Abetz should think back to what happened for the coalition back in 2001, when the former Liberal president, Shane Stone, described the coalition as 'mean, tricky and nasty'. What I would be putting to the Palmer United Party is that nothing has changed since 2001—absolutely nothing. And if any of you are surprised that the coalition would be mean, tricky and nasty, then you have not thought about the history of this Liberal Party in this country. Shane Stone not only said in 2001 that the Liberals were mean, tricky and nasty; he also said that they were 'dysfunctional' and 'out of touch with the Liberal base'. He went on and said that they were not listening to the Liberal base and they had to be dragged screaming to fix mistakes.

I think the PUP know that that last point, about having to be dragged screaming to fix a mistake, is quite clearly their experience of last Thursday when this Senate descended into the most dysfunctional Senate that we have seen for many, many years in this place. The Prime Minister said, 'We have got situation normal.' Well, I do not know what was normal about last Thursday. When I had a look around, we had coalition negotiators running around here like chooks with their heads cut off—quite clearly running around the place not knowing what was going on, having completely lost control of the Senate. We had the coalition senators after the debate in what was described to me as a 'catatonic state'. I was not sure quite what a catatonic state was, but it is described in the dictionary as 'muscular rigidity and mental stupor'. Well, there was clearly a catatonic state amongst the coalition senators last Thursday! As to what happened, you see it time and time again here in question time: you see Senator Abetz blaming the Labor Party for all of the problems in this country. He blames everyone else. They do not blame themselves. So what did they do with the PUP? They blamed the catastrophic failure of the coalition leadership in this place to be able to negotiate their bill through the Senate on the inexperience of the new senators. So they immediately went to the blame game—they blamed the new senators.

Then we had Senator Lambie blame Senator Abetz. She said: 'The crossbench will make him pay for his silly games.' So, quite clearly, Senator Abetz was out there playing silly games. Senator Lambie also came out and said to the Prime Minister, 'You should sack Senator Abetz immediately.'

Senator Abetz:  Very sound advice!

Senator CAMERON:  'Sound advice' says Senator Abetz—well, maybe Mr Abbott, the Prime Minister, will carry it through, given that Senator Abetz is saying that that is sound advice!

Then Senator Lambie went on to say: 'I think they are disgraceful. They need to put someone up there who has communication skills and is not prepared to try and trick you, because that is not the way forward.' Can I say to Senator Lambie: I know you are new in
here, but you should learn very quickly about Senator Abetz; you got him in one, and you have certainly belled the cat in relation to Senator Abetz. What you said was: 'We tried to give him a little bit of trust, and they have blown it out of the water. So I guess it is just open slather.' But why would you think that Senator Abetz would do anything other than mislead you? It was a political shambles. It was arrogance and incompetence. They sought to put the guillotine in and then they tried to filibuster their own guillotine. This was a pathetic performance by the coalition, and I think it epitomises everything that is wrong with this government. It is about a government that lied its way to power. It is a government that would lie to other senators. It is a government that would mislead senators as they misled the country. (Time expired)

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (15:06): Whatever else you say about me, I am not catatonic! So I thank Senator Cameron for his contribution, and I might confine my contribution to Senator Singh's question. As Senator Abetz said in his excellent opening answer in question time today, 66 out of the 76 senators elected to this place were elected on the basis of 'no carbon tax'. Yet here we are, seemingly in a parallel universe, still debating the same issue, after all this time. You talk about legislative mandates—and perhaps that is thrown about a bit too much in this place. But if there has ever been a legislative mandate in the time I have been in this parliament, it is to repeal the carbon tax. Even today The Australian on the front page had a survey: again, the vast majority of Australians say 'Get rid of the carbon tax.'

Why? Fundamentally, the carbon tax will not lower global temperatures but it will lead to higher costs for Australian industry and Australian consumers and will make for a less competitive economy. That is why we have had this debate between the coalition, the Greens and the Labor Party over the last eight or nine years.

To summarise: Labor and the Greens lost, and the coalition and the Australian public won. This tax will go. Any impost of $9,000 million to the economy coming from a carbon tax has to go. This is at a time with escalating public debt—a public debt trap left by the Labor Party after their six years in office—skyrocketing public debt and, at the same time, they are opposing getting rid of the carbon tax, which makes it harder for Australian industry. The hypocrisy and the lack of responsibility is absolutely breathtaking.

I saw last Friday a quote in the editorial in The Australian from Dr Martin Parkinson who, as you know, is the Secretary of the Treasury. He said that if we remain on this public debt trajectory, Australia will be in inevitable decline. That is a fact, and yet this lot want to make it harder to get rid of the carbon tax. That is pretty sensible, isn't it? Only the Australian Labor Party would do that.

The entire genesis of Labor's failure to deal with carbon policy goes right back to the moral vanity of Kevin Rudd. If he had not been so stupid and so morally vain as to seek to impose on this country—my country—before anywhere else in the world an ETS, we would not be in this ridiculous situation that we are in now. He was far more concerned with running around with Al Gore and Ban Ki-moon all those years ago than he ever was about sensible carbon policy. It is the most disgraceful, self-centred and morally vain performance by a Prime Minister in my time. I have never seen anything like it, and it was pathetic. He so skewed public debate in this country that he we are right now still debating this issue.
The politics of photo opportunity and moral vanity took over from sensible public policy. It was absolutely pathetic and that should be engraved on the tombstone of Kevin Rudd's political career—the absolute moral vanity to commit Australia to an ETS prior to the Copenhagen climate change conference, and that act of political bastardry has set this nation on this course over the last six years. It is a disgrace, and we should never, ever forget the genesis of this entire debate. I certainly will never let the Labor Party or Kevin Rudd forget it.

In the end, if it was such a good idea, we would have all those other countries, those resource-rich countries, those trade exposed countries like Brazil, Russia, India, China, the United States and Canada in favour. Not one of them has made a commitment in the last seven years. Why would that be? Because they know it is not in their national interest, and this lot hate that they have not been able to sell the fact that this policy is in the national interest because it is not. It harms our national interest and it is a disgrace that they still oppose the carbon tax. (Time expired)

Senator FAULKNER (New South Wales) (15:11): Rarely have I heard a Senate contribution so lacking in insight as the one I have just heard from Senator Mason. I am going to approach this debate a little differently: I am going to be rational, because nobody can pretend that managing this Senate chamber is easy. As the Manager of Government Business for the majority of the life of the Keating government and also as Leader of the Opposition in the Senate for the best part of a decade, I know this as well as anybody who sits in this chamber.

It is true: we now have a higher proportion of crossbenchers than at any time since 1910. I have got to be honest—and I am disappointed to say this—and I should acknowledge that the Australian Labor Party's representation is at the lowest proportion of Labor senators we have seen since 1938. I do not pretend it is easy for anyone—the government, the opposition, the minor parties or the Independents—to fulfil their chamber management responsibilities. But the principles of chamber management are clear, and we have known them for a very long time.

Much of the negotiation in this chamber of course has to happen off the floor and, in that negotiation, a government has to be clear. It has to be forthright. It has to be frank and straightforward in what it says and what it puts to all non-government senators. A government cannot afford to engage in trickery, shenanigans or double-dealing in this place.

This means that any motion or amendment that the government wants to put to the chamber it has to provide with adequate notice to every non-government senator. It must fairly and openly share information with all parties. The government of course also should use all the resources it has at its disposal, particularly with the advantages of incumbency from agencies and the Office of Parliamentary Counsel who are expert in drafting amendments so they can meet all the technical and legal requirements of amendments.

I would have more respect for the coalition minister who apparently described the new senator as 'stark raving mad' if instead of saying it to a journalist that they had said it to them. I would have more respect for a minister if they said an amendment was 'crazy, crazy, crazy' if they were to say it directly to the chamber. I would also strongly suggest that a government should never waste time by moving procedural motions when it does not have the numbers to pass them or, if it does have the numbers to pass them, then finds its own proposal unhelpful to its own management. Of course, that is what happened last week.
What we saw last week was the government move and lose two procedural motions on Monday as well as have a suspension of standing orders motion lapse before question time that day. They lost a motion to have the package of carbon bills declared urgent on the Wednesday and had eight carbon price repeal bills and schedule 5 of the clean energy legislation repeal negatived. This is the worst, most amateurish and ham-fisted chamber management I have seen since I have been here.

But, as I said, I do not want to be like Senator Mason; I would like to finish my contribution on a positive note. So, finally, let me say this: we are lucky that the Senate Clerk's office provides such a professional and impartial service to all senators—government, opposition, minor parties and Independents in this place, because I would say that without their integrity we would be lost.

Senator SMITH (Western Australia) (15:16): Of course, I add my remarks in support of what Senator Faulkner said at the very end of his speech. And I am sure that other senators will join me in acknowledging the great work that the Clerk and the Clerk's office do for this Senate and for this parliament as a whole.

Senator Cameron started his contribution by talking a little bit about 'catatonic'. For those who missed the word, 'catatonic' was first described in 1874, if I remember correctly. He used the word 'catatonic', which is a state of neurogenic motor immobility and behavioural abnormality manifested by stupor to describe the actions of some people in this place. I prefer to use the psychological expression 'state of denial'.

'State of denial' was first used by Sigmund Freud and it describes someone or something—or some people, I am sure—who refuses to accept the truth. It is a phrase used to describe a person who is faced with a fact that is too uncomfortable to accept and rejects it, instead insisting that it is not true despite what may be overwhelming evidence.

So let us just cast our minds back to post September last year—

Senator Bilyk: Are you describing your budget?

Senator SMITH: You will enjoy this Senator Bilyk; please let me finish in the time I have available to me.

What did Labor members say following the September 2013 election? What did the Labor member for Wakefield, Mr Nick Champion, say? He said in an interview on ABC radio's AM program on 11 September 2013 with regard to the carbon tax:

I don't see why the Labor Party should necessarily stay wedded to this concept when everybody else has walked away from it in one form or another.

That is what the Labor member for Wakefield said immediately following the federal election.

Senator Bilyk: Why are you wedded to your budget? Everybody else isn't!

Senator SMITH: Senator Bilyk, I can accept that one comment from one Labor member may not be enough. So let me give you another. Let me give you the comments of Mr Richard Marles, the member for Corio, on 12 September. He was reported in the *West Australian* newspaper—very reliable journal that it is. He said that Labor needed to choose its battles carefully, and:

We do need to acknowledge the fact that Tony Abbott won the election and we lost, …
Of course, some Labor senators might prefer to hear from former Labor members—indeed, former Labor premiers. So I might share with you what Bob Carr had to say some years ago about the electorally-sensitive matter of political mandates. What did Bob Carr have to say? He was talking on Channel 9 in 1998 about the Howard government— their re-election and the importance of their mandate.

**Senator Bilyk:** Why not go back to the 1800s again?

**Senator SMITH:** Would you like to listen to what former Labor senator and Labor premier, Bob Carr, had to say? Mr Carr said:

My view is that a government with a majority in any lower house ought to be able to implement its program not subject to frustration by an upper house, … That is what Labor senator, Bob Carr, had to say.

What we have seen since September 2013 is a perpetual state of denial by most Labor members and, indeed, all Labor senators. And I think it is just worth reflecting on what was happening one year ago today. I would just like to talk about an article in the *Sunday Telegraph*. It was headlined 'Carbon tax to go as Rudd eyes poll'. This was Sunday, 14 July 2013—12 months ago. The article goes on to say:

KEVIN Rudd will announce plans to scrap the carbon tax within days as he clears the decks for an election.

Kevin Rudd, planning to abandon the carbon tax.

What we had yesterday was not criticism of Independent and minor party senators; it was a criticism of the Labor Party and its decision to stand in the way of repealing the carbon tax. Let's be clear: the coalition is critical of Labor senators who in one breath say that they will repeal the carbon tax and in another breath say that they will keep the carbon tax. Labor in the Senate is operating in a state of denial and it is now time to reflect the proper mandate of this government, demonstrated by its overwhelming election at the polls in September 2013. The time is right to repeal the carbon tax; to free Australian businesses and to allow jobs to be created. *(Time expired)*

**Senator SINGH** (Tasmania) (15:21): I also rise to take note of answers to questions I and Senator Conroy asked of Senator Abetz. I start by speaking in support of Senator Cameron's remarks on this debate, when he outlined Shane Stone's comments on the coalition as being mean, tricky and nasty; nothing has changed, as Senator Cameron noted.

I also rise to support Senator Faulkner's comments on the principles of chamber management. What we saw last week from the government was the trampling of the Senate's principles of chamber management and, through that, the lack of government authority in this place. We did not see the sort of adult government that the Prime Minister had outlined—

**Senator Conroy:** Promised!

**Senator SINGH:** had promised he would deliver under his leadership. We saw the absolute contrary: we saw a childish government, in so much as there was certainly no authority in the government. Then we saw the name-calling—which has been reported in the media—by coalition ministers, senators and representatives, based on the fact that they could not get their way and therefore could not manage the standard of parliamentary business that was expected of them; they resorted to the tactic of calling those new senators names. If that
was anything like adult, then I do not know what adult is—because that was certainly schoolyard behaviour to me. That was childish behaviour in the first degree.

What we also saw last week, throughout all of these chaotic shenanigans that were going on on the government benches, was a government that actually did not care about the policy at hand. That started early on in the week. That started when, on Monday, the government tried to force through the Senate the debate on the repeal bills immediately, even though it was clear the government knew that the Senate committee report into those bills was not due for another week. After breaching those rules and failing in its first attempt, the government eventually persuaded enough crossbenchers to suspend standing orders and bring on debate immediately. Labor senators spent the week advocating our policy of moving from a fixed carbon price to an emissions trading scheme that would put a cap on Australia's greenhouse gas emissions. That was the policy at hand. That was what was important to the debate. But during the second reading debate on those bills on Tuesday, Labor made it very clear that we would be moving amendments to seek to move to an emissions trading scheme—something not supported by the government.

The coalition then spent the week trying to repeal carbon pricing, to leave Australia with no serious policy to tackle climate change. I asked Senator Abetz today, in relation to the price pass-through mechanism, questions about consultation. He clearly did not give any answer as to whether the government's price pass-through mechanisms have actually been consulted on at large. Instead, he tried to play politics with that answer.

I then further tried to ask whether the proposed pass-through laws would only apply to electricity and energy suppliers and not to grocery and other major retailers. Again, there was an unclear answer—if it was any answer at all—from Senator Abetz. I know that in the other place today, similarly, there was a lack of an answer from the member for Sydney when the question was asked of the Prime Minister; he failed to guarantee that grocery prices would fall.

There has been a complete disregard today for providing answers, to the Senate and to the Australian community, about what the government is going to put on the table when it comes to the amended repeal bills that will be presented to this place this week. Instead, we could almost expect to end up with another chaotic shambles like we had last week. That is something that is still on the table. We all know where that ended up last week: with Thursday's farce, when we saw a humiliating defeat for the Prime Minister as the government's bullying turned into a debacle when the government finally secured its deal with the crossbenchers to impose a guillotine. (Time expired)

Question agreed to.

**Carbon Pricing**

**Senator MILNE** (Tasmania—Leader of the Australian Greens) (15:26): I move:

That the Senate take note of the answer given by the Minister for Employment (Senator Abetz) to a question without notice asked by Senator Milne today relating to the proposed repeal of the carbon tax.

We have had so many lies told around Australia about the impact of carbon pricing. We had the Minister for Agriculture, Barnaby Joyce, telling people that a lamb roast would be $100 more. We had the Prime Minister telling the people of Whyalla that they would be wiped off the face of the earth. We had the Prime Minister telling people that building a new home
would cost $6,000 less if the carbon price goes. I asked Senator Abetz today where this $550 figure comes from; it comes from Treasury modelling, and the Treasury modelling included $250 for food, clothing and rent. None of those things—none of them—are captured by the government's pass-through provisions: that is, there will be no requirement for anyone selling food and clothing or renting a property to talk about the impact of carbon pricing or otherwise. And if anyone is deluded enough to think that food prices are suddenly going to go down, or rent is going to go down, or clothes are going to get cheaper, then they need to really look at this situation because it is just not true.

The reality here is: people are not going to save money. They are, in fact, going to be a lot worse off. I want to put to the Senate that this goes particularly to the issue of the value of homes and the value of insurance. Already Choice has brought out a report this year, *Buyer beware: home insurance, extreme weather and climate change*, which points out a number of high-risk locations around Australia where insurance is already unavailable or unaffordable. In places like Roma, for example, it is practically impossible to afford insurance. Around Australia, anywhere that is subject to storm surge, extreme weather events, or more extreme fires, people are struggling to be able to get home insurance, and that means that there is a revaluation of their assets happening right now based on climate risk.

People are being told they are going to be better off, but you have Woolworths saying: 'No, conveniently, we didn't actually price any increase on food into our prices in our supermarkets. Therefore, there will be no cheaper prices because we didn't put it through in the first place.' Qantas are also out there saying: 'Yes, we put on a fuel excise but now we've taken it off. We're not passing it on to passengers because actually we absorbed it ourselves.' Part of the reason that Qantas and Virgin have been in this downward spiral of pricing is that they both absorbed any costs themselves, and so it is not going to be passed through to passengers. They are going to pay exactly the same as they are paying now, if not more, as time goes on.

So all of this talk about cost savings is just a complete nonsense, and it is just outrageous in Australia that people have been told so many lies. I refer to one business in particular: Frozpak in Canberra. The Prime Minister went there with the now Minister for the Environment, Mr Hunt—he was in opposition at the time—and they stood there and said, 'This business will incur a $60,000 increase in costs because of carbon pricing in one year.' And a large percentage of that was because of synthetic greenhouse gases, apparently. Now, however, we find that that business is unlikely to incur any penalty. It is one of the areas that will not have penalties. It is only suppliers of electricity and gas that will be subject to the penalties in the Palmer amendments, it would seem, and that does not include that particular business.

But I am sure everybody will look at all of the businesses that Mr Abbott went to where he said that they would incur increases in prices like $60,000. It will be interesting to see how that business explains to its customers why it cannot pass on anything like $60,000. These absolutely exaggerated and ridiculous claims were made by the Prime Minister, and the $550 is going to turn out to be another lie. It will be another broken promise. I can tell you, people from around Australia will be sending an invoice to the Prime Minister's office saying, 'Where is my $550, Mr Prime Minister?'

Question agreed to.
NOTICES

Presentation

Senator Bernardi to move:
That the Finance and Public Administration Legislation Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Wednesday, 27 August 2014, from 3.30 pm.

Senator Gallacher to move:
That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on its inquiry into illegal fishing be extended to 29 October 2014.

Senator Edwards to move:
That the time for the presentation of reports of the Economics Legislation Committee be extended, as follows:
(a) Competition and Consumer Amendment (Misuse of Market Power) Bill 2014—to 4 December 2014; and
(b) Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013—to 4 December 2014.

Senator Milne to move:
That the Senate—
(a) resolves that it is committed to the continuation of the Australian Renewable Energy Agency (ARENA);
(b) notes that on this day, 15 July 2014, the final two board members’ contracts expire, leaving the Secretary of the Department of Industry isolated as the only remaining member of the board; and
(c) on the basis of paragraph (a) above, calls on the Government to immediately appoint board members to assist the Secretary of the Department of Industry in developing new and emerging clean energy technologies for Australia to export to the world.

Senator Hanson-Young to move:

Senator Madigan to move:
That the Senate—
(a) notes that:
(i) the campaign to eliminate the spiritual practice of Falun Gong practitioners began on 20 July 1999, and 20 July 2014 marks the 15th year of persecution,
(ii) in violation of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment the persecution of Falun Gong in China continues,
(iii) in the first half of 2014, there have been 49 verified deaths of Falun Gong practitioners as a result of persecution, and
(iv) there are continuing reports that organ transplants are taking place in China without the free and informed consent of the donor, and remain a cause for grave concern; and
(b) calls on the Government to oppose internationally the persecution and organ harvesting of Falun Gong practitioners.

**Senator Polley** to move:

That the amendments to standing orders set out in Attachment B of the Procedure Committee’s *First report of 2014* (see below) be adopted, with effect from the next day of sitting.

*Extract from Attachment B of the Procedure Committee’s First report of 2014*

Standing order 24(1)(a): After “Senate”, insert “or the provisions of bills not yet before the Senate”.

Omit standing order 24(1)(b), substitute:

(b) The committee, for the purpose of reporting on its terms of reference, may consider any proposed law or other document or information available to it, including an exposure draft of proposed legislation, notwithstanding that such proposed law, document or information has not been presented to the Senate.

At the end of standing order 24(1), add:

(c) The committee, for the purpose of reporting on term of reference (a)(iv), shall take into account the extent to which a proposed law relies on delegated legislation and whether a draft of that legislation is available to the Senate at the time the bill is considered.

Omit standing order 24(5), substitute:

(5) The committee shall elect as deputy chair a member appointed to the committee on the nomination of the Leader of the Government in the Senate, and the member so elected shall act as chair of the committee when there is no chair or the chair is not present at a meeting of the committee.

Standing order 24(7): Omit “in private session”, substitute “and transact business in public or private session”.

After standing order 24(8), insert:

(8A) The committee shall be empowered to print from day to day any of its documents and evidence. A daily Hansard shall be published of public proceedings of the committee.

After standing order 25(2), insert:

(2A) The legislation committees, when examining bills or draft bills, shall take into account any comments on the bills published by the Standing Committee for the Scrutiny of Bills.

**Senator McKenzie** to move:

That the Senate

(a) congratulates Central Queensland University on the partnership with TAFE [technical and further education] and notes that, as a consequence of the Demand Driven Funding System, a number of universities have forged partnerships with regional TAFEs to develop:

(i) new courses,
(ii) new regional university centres,
(iii) pathway programs in areas relevant to local regional industry, and
(iv) pathways to higher education; and

(b) recognises that further expansion to higher education access for all students, whether studying at universities, TAFEs or private colleges, will provide a further boost to regional economies by ensuring:

(i) greater student accessibility to higher education,
(ii) a more skilled regional workforce, and

(iii) the opportunity for education institutions to expand and thereby employ more people and invest back into the local community.

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CHAMBER
Senator Rhiannon to move:
That the Senate—
(a) notes that:
(i) the New South Wales Coalition Government has:
   (a) announced the sale of 293 public housing properties at Millers Point and The Rocks in Sydney, with the move expected to displace more than 400 public housing tenants,
   (b) made the announcement without notifying the tenants first,
   (c) left residents without answers about the disruption to their community and their lives,
   (d) failed to undertake a complete assessment of the housing stock in question, and
   (e) failed to require provision of any serious amounts of affordable housing units in the state’s largest construction site at Barangaroo, adjacent to The Rocks;
(ii) the 1970s Green Bans organised by local residents and the Builders Labourers Federation won protection for the low cost and public housing in the Millers Point and The Rocks area, and
(iii) affordable and appropriate housing is a basic human right and there is already too little social housing stock within Sydney’s CBD and surrounds; and
(b) calls on:
   (a) the New South Wales Government to cease selling public housing in Millers Point, and
   (b) the Federal Government to increase funding for affordable public housing.

Senator Xenophon to move:
(1) That the Senate:
   (a) notes:
      (i) the failure of the Minister for Defence (Senator Johnston) to comply with the order of the Senate of 9 July 2014 for the production of the report of the review of the Air Warfare Destroyer project,
      (ii) the statement by the Minister claiming public interest immunity on the basis that the report was prepared for Cabinet and informed Cabinet deliberations, and
      (iii) the public comments by the Minister citing the report, thereby placing the report in the public arena and abrogating such claims to public interest immunity; and
   (b) orders the Minister to comply with the order by 4 pm on Thursday 17 July 2014 or make a claim of public interest immunity which is in accordance with those accepted by the Senate; and
(2) That, in the event that the Minister fails to meet the requirements of paragraph (1)(b), a senator may immediately move without notice a motion in relation to the Minister’s failure to either comply or provide an acceptable claim of public interest immunity.

Senators Dastyari and Whish-Wilson to move:
That the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 102 and made under the Corporations Act 2001, be disallowed [F2014L00891].

Fifteen sitting days remain, including today, to resolve the motion or the instrument will be deemed to have been disallowed.
Postponement

The following items of business were postponed:

Business of the Senate notices of motion nos 4 to 6 standing in the name of Senator Leyonhjelm for today, proposing the disallowance of instruments, postponed till 26 August 2014.

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:33): I seek leave to amend government business notice of motion No. 1 standing in the name of Senator Ryan as circulated in the chamber.

Leave granted.

Senator FIFIELD: I move the motion as amended:

That consideration of the business before the Senate on the following days be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable senators to make their first speeches without any question before the chair, as follows:

(a) Wednesday, 27 August 2014—Senator Rice; and
(b) Wednesday, 3 September 2014—Senator Day.

Question agreed to.

MOTIONS

Address by the Prime Minister of Japan

Senator BUSHBY (Tasmania—Government Whip in the Senate) (15:34): At the request of Senator Macdonald, I move:

That the Senate—

(a) expresses its appreciation to the Prime Minister of Japan, His Excellency Mr Shinzo Abe, for his visit to Australia and to the Australian Parliament;
(b) notes the long history of Japanese diplomatic relationship with Australia commencing with its first Consulate in Townsville in 1896;
(c) assures the Japanese people of Australia's ongoing goodwill; and
(d) notes the importance of Australia's relationship with Japan, enhanced by the signing of the Economic Partnership Agreement between Japan and Australia and the agreement concerning the transfer of defence equipment and technology.

Question agreed to.

Education Funding

Senator WRIGHT (South Australia) (15:34): I move:

That the Senate—

(a) notes the motion passed by the NSW Nationals’ Annual General Conference calling on the Federal Government to honour the 6 year Gonski funding agreement between the Commonwealth and Government;
(b) acknowledges rural schools will continue to be significantly disadvantaged as a result of the Abbott Government's decision to fund only the first 4 years of this agreement; and
(c) supports the NSW Nationals' courage in standing up to the Federal Government in the interest of their communities.
Senator WILLIAMS (New South Wales) (15:34): Mr President, I seek leave to make a brief statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator WILLIAMS: Under the New South Wales National Party's constitution, motions that are passed through state conference are not binding on the parliamentary team. However, an explanation must be given to the person or persons moving the motion on why it is not adopted as a compulsory policy position. The National Party supports totally the government's election promise and subsequent action to provide school funding for the next four years. We note the government exceeded its commitment by restoring $1.2 billion in funding taken out by Labor. The budget needs to be brought back to order. The National Party understands that and it is a National Party priority. We do not need to mortgage our children's future. The debt building must stop and the budget must be returned to balance. The supposed $30 billion cut from the funding being portrayed by the opposition is totally untrue. ABC Fact Check proved opposition shadow minister Kate Ellis's assertions to be hot air. The Nationals will support the four-year funding, as in the budget forecast.

Senator WRIGHT (South Australia) (15:36): Mr President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator WRIGHT: I am greatly disappointed that the national representatives of the National Party in the Senate are not prepared to support this motion because it is, in fact, calling on the Senate to note the very interesting motion that was passed by the New South Wales Nationals' annual general conference calling on the federal government to honour the six-year Gonski funding agreement between the Commonwealth and the New South Wales government. That was certainly an agreement that was supported by the New South Wales Nationals education minister at the time, Mr Piccoli, because it is very clear from the Gonski review that rural and country schools in particular are disadvantaged by our current funding system and that there is a big gap between the achievements of rural students and those in urban areas, that funding over a period of six years is certainly needed and that if that funding is not forthcoming then those sorts of students in those areas will suffer significant disadvantage. So we support the New South Wales Nationals' courage and we would have thought that their national colleagues would have done so too.

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

The Senate divided. [15:41]

(The Deputy President—Senator Marshall)

Ayes ....................32
Noes ....................29
Majority.................3

AYES

Bilyk, CL
Cameron, DN
Collins, JMA
Dastyari, S
Faulkner, J

Bullock, J.W.
Carr, KJ
Conroy, SM
Di Natale, R
Gallacher, AM
Future Fellowships Scheme

Senator BUSHBY (Tasmania—Government Whip in the Senate) (15:44): At the request of Senator McKenzie, I move:

That the Senate—
(a) recognises:
   (i) that research and development is critical for Australia's prosperity, economic growth and social wellbeing,
   (ii) that investment in, and application of, research and development can lift productivity in Australia, and
   (iii) the need for continued research and development to meet the goal of increasing Australia's productivity, economic growth and employment in the 21st Century; and
(b) congratulates the Government for providing $139.5 million over 4 years to continue the Future Fellowships scheme for outstanding mid-career Australian researchers to:

(i) enable Australian researchers to conduct their research in Australia,
(ii) attract and retain the best Australian mid-career researchers, and
(iii) support research into areas of crucial national importance.

Senator MOORE (Queensland) (15:44): I seek leave to make a short statement.

Leave granted.

Senator MOORE (Queensland) (15:44): The motion that Senator Bushby has put forward on behalf Senator McKenzie suggests that there has been quite a bit missed during the past three months, in particular the budget. Senator McKenzie, in her motion, wants to give the government a pat on the back for continuing Future Fellowships, a program to help midcareer researchers that Labor set up when we were in office, but she ignores the devastation that the government has wreaked on Australia's total R&D capacity by its budget cuts: a massive $5.8 billion ripped from the higher education sector and more than $2.5 billion gone from the industry department, including $845 million allocated to innovation programs that the government has axed. The $139.5 million for the Future Fellowships over four years scarcely compensates for the damage the budget has done to Australia's R&D potential. To pass this motion—and we will be opposing it—would be like applauding vandals who have trashed a public building for building a facade that conceals the damage they have done.

Question negatived.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (15:46): I seek leave to move general business notice of motion No. 317 in two parts: (a) and then (b).

The DEPUTY PRESIDENT: Senator Hanson-Young has effectively sought leave to put the motion in two parts. Senator Hanson-Young, when this sort of request is normally received it is because a senator indicates they want to vote differently. As they are both part of your motion, I suspect you will not be seeking to vote differently on them.

Senator HANSON-YOUNG: I am asking for the motion to be put in two separate parts because I have received indications that some people in this chamber will be voting differently on each part.

The DEPUTY PRESIDENT: By leave, of course, we can nearly do anything. Is leave granted?

Leave not granted.

Senator XENOPHON (South Australia) (15:48): I seek leave that, in respect of notice of motion No. 317 standing in the name of Senator Hanson-Young, part (a) and part (b) of the motion be put separately to the chamber.

The DEPUTY PRESIDENT: This is to enable you to vote differently on each part of the question?

Senator XENOPHON: You're not being psychic, are you, Mr Deputy President? That is the case.
The DEPUTY PRESIDENT: No, I am just trying to put some consistency into the proceedings.

Senator XENOPHON: There is some consistency in my thoughts on this, and that is why I seek this.

Leave granted.

Senator HANSON-YOUNG (South Australia) (15:48): I move:
That the Senate—
(a) requests that the Government:
(i) update the chamber on operations undertaken on the high seas which relate to the two asylum seeker boats intercepted by Australian authorities in the past 2 weeks, and
(ii) disclose the whereabouts of the 153 people, including 37 children, who are believed to have left India over 3 weeks ago by boat; and
(b) calls on the Government to cease the current 'on water' screening and transfer practices which fall short of Australia's international protection obligations.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:49): I seek leave to make a short statement in relation to both parts of the motion, to save the Senate time.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator CASH: In relation to part (a) of the motion, on the issue of the 153 asylum seekers, the government notes that the matter is currently before the High Court and accordingly will be making no further statement. We respect the court's processes and await the court's decision. We will work constructively and in good faith with the High Court. In relation to the return of 41 Sri Lankan nationals who attempted to arrive illegally by boat to Australia as part of a maritime people-smuggling venture, the Minister for Immigration and Border Protection issued a statement on Monday, 7 July 2014 in relation to this matter.

In relation to part (b) of the motion, the government does act and will continue to act in accordance with our international obligations, including applicable international conventions and to protect the safety of life at sea. We are continuing with the measures introduced by the former Labor government, who used these measures on at least 30 occasions to return people to Sri Lanka where they were found to not engage Australia's obligations. At the same time, we will not allow people smugglers to try to exploit them and manipulate Australia's support of these conventions as a tool to undermine Australia's strong border protection regime—that is, stopping the boats and deaths at sea.

The DEPUTY PRESIDENT: Before I put the question, I will revisit the discussion we had earlier so that everyone is clear for future cases. It is not a matter of seeking leave if a senator wishes to put a question separately; it is a matter for the chair to use their discretion. The general practice of the Senate is that if a senator indicates that they want to vote differently on any part of a motion or question, that is justification for the chair to exercise their discretion under those circumstances. I hope that clarifies that matter for any future situations.

The question is that part (a) of general business notice of motion No. 317 be agreed to.
The Senate divided. [15:55]
(The Deputy President—Senator Marshall)

Ayes ................. 37
Noes ................. 28
Majority ............ 9

AYES

Bilyk, CL
Cameron, DN
Collins, JMA
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lambie, J
Leyonhjelm, DE
Ludlam, S
Lundy, KA
McEwen, A (teller)
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Wang, Z
Whish-Wilson, PS
Xenophon, N

NOES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Macdonald, ID
McKenzie, B
O’Sullivan, B
Reynolds, L
Ryan, SM
Seselja, Z
Smith, D

PAIRS

Brown, CL
McLucas, J
Urquhart, AE
Wong, P

Bernardi, C
Bushby, DC (teller)
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
McGrath, J
Nash, F
Payne, MA
Ruston, A
Scullion, NG
Sinodinos, A
Williams, JR

Cormann, M
Abetz, E
Brandis, GH
Ronaldson, M

Question agreed to.
The DEPUTY PRESIDENT (15:57): The question now is that general business notice of motion No. 317 part (b) be agreed to.

The Senate divided. [15:59]

(The Deputy President—Senator Marshall)

Ayes ......................30
Noes ......................30
Majority ...............0

AYES
Bilyk, CL
Cameron, DN
Collins, JMA
Di Natale, R
Gallacher, AM
Ketter, CR
Ludlam, S
Lundy, KA
McEwen, A (teller)
Moore, CM
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Whish-Wilson, PS

Bullock, J.W.
Carr, KJ
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lines, S
Ludwig, JW
Madigan, JJ
Milne, C
O'Neill, DM
Polley, H
Rice, J
Singh, LM
Waters, LJ
Wright, PL

NOES
Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Leyonhjelm, DE
McGrath, J
Nash, F
Payne, MA
Ruston, A
Sculion, NG
Sinodinos, A
Williams, JR

Bernardi, C
Bushby, DC (teller)
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
McKenzie, B
O'Sullivan, B
Reynolds, L
Ryan, SM
Seselja, Z
Smith, D
Xenophon, N

PAIRS
Brown, CL
Conroy, SM
McLucas, J
Urquhart, AE
Wong, P

Cormann, M
Mason, B
Abetz, E
Brandis, GH
Ronaldson, M

Question negatived.
NOTICES

Postponement

Senator WRIGHT (South Australia) (16:01): by leave—I move:
That business of the Senate notice of motion no. 3 standing in her name for today, proposing the disallowance of the Migration Amendment (Offshore Resources Activity) Regulation 2014, be postponed till 16 July 2014.

Question agreed to.

COMMITTEES

Privileges Committee

Senator XENOPHON (South Australia) (16:02): I move:
That the following matter be referred to the Standing Committee of Privileges for inquiry and report:
In the context of an inquiry by the Rural and Regional Affairs and Transport References Committee into aviation accident investigations:
(a) whether disciplinary action was taken against either a witness before the committee or a person providing information to the committee; and
(b) if so, whether any contempt was committed in respect of those matters.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

The ACTING DEPUTY PRESIDENT (Senator Marshall) (16:03): A letter has been received from Senator Moore:
Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:
The Abbott Government's decision to wind back Future of Financial Advice reforms making consumers more vulnerable to dodgy financial advice.

Is the proposal supported?

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

Senator SINGH (Tasmania) (16:03): This is an important MPI, an MPI where the government attempts to wind back Labor's financial advice reforms. These advice reforms give protection to consumers against dodgy advice, reforms that were to come into effect on 1 July this year. Among many other things, these reforms would have banned commissions in any form and required financial planners to write to each client telling them how much money was being silently removed from their accounts to pay ongoing commissions. On Thursday last week, Senator Faulkner asked the Acting Assistant Treasurer, Senator Cormann, a question without notice. He asked him to come clean on his opaque actions with regard to the tabling of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014 and whether the Treasury had issued specific instructions to delay the tabling of them. Such a delay might be used to frustrate scrutiny of the regulations, the subject of much controversy, and be considered an attempt to avoid the exercise of the Senate's power to disallow those regulations.
Senator Cormann was unable to provide any justification for such a delay. Senator Cormann was unable to provide any explanation of why the FoFA regulations were provided to the Senate Table Office on 1 July, ready for tabling on 7 July, the next sitting day; but then, subject to a request from the Treasury, were not tabled. There was no justification in Senator Cormann’s answer to Senator Faulkner’s question about delaying the tabling of these regulations.

In this case, we saw Labor senator, Senator Dastyari, table these regulations with the support of the Senate and thus ensure that they could be properly considered. This was despite the coalition trying for days to avoid such Senate scrutiny. The opposition is not alone in seeking to hold the government to account for the errors and the bad policy in its FoFA reforms, which, as outlined in this MPI moved by Senator Moore today, clearly outline that dodgy practices will be able to go on if these reforms were to come into effect. Labor is not alone at all. In fact, Labor is joined by a huge sway of civil society, which represents consumers and seniors, including National Seniors Australia, representing some 200,000 seniors or more across the country. National Seniors have called on the parliament to disallow the government's regulations. National senior chief executive Michael O'Neill said: ‘These regulations wind back vital consumer protections introduced after corporate collapses left thousands of elderly Australians destitute.’ In light of what Michael O'Neill has stated, why would a government want to introduce regulations that do exactly that—that wind back those regulations that ensure that those consumers, those seniors, will be protected from dodgy financial advice?

Michael O'Neill is not the only one joining with Labor in opposing the government's dodgy FoFA reforms. The consumer watchdog Choice is also opposing these provisions. In a media release on 20 June, Choice called on all federal politicians to oppose regulations that will wind back these essential protection for consumers seeking financial advice. The Chief Executive Officer of Choice, Alan Kirkland, said, ‘Conflicted and poor financial advice has cost consumers billions and in too many cases led to people losing their homes and their life savings.’ This is why consumer protections were originally needed and exactly why they should not be removed. This is why Labor acted. This is why the landscape in relation to financial advice would have, and should have, changed on 1 July. But through attempts by this government we are now left in this situation. And the government has been left in the embarrassing situation of having us debate this MPI today to put on record how clearly backward the government's proposals are—proposals which, as Choice and also National Seniors have outlined, take this country backwards.

Labor's reforms, I want to make it very clear, were introduced in the wake of the collapse of Storm Financial and others and the subsequent parliamentary inquiry into financial advice products and services. They were the most significant reforms in financial services for a generation and included several measures designed to protect investors and help the industry professionalise. That parliamentary inquiry went to great lengths to come forward with recommendations. What came out of that were significant reforms, adopted by Labor, including: the best interest duty, which required advisers to act in their clients' best interests; requiring advisers to get their clients to opt in to receive ongoing services every two years; requiring statements to be sent to clients annually disclosing fees and details of services
performed; and a ban on conflicted remuneration such as commissions paid to financial product providers and financial advisers.

The whole basis for introducing the FoFA reforms was to restore faith in a sector rocked by a high-profile collapse, a poor culture of product sales over advice, and now, with some $1.8 trillion of savings, to ensure that Australians are getting advice and services that are in their best interests. During the reform process, over many years, there was extensive and intensive industry consultation that clearly identified the path to achieve growth, protect consumers and restore trust by changing the culture of the last 20 years, by lifting standards and professionalising, and, most importantly, by acting in the clients' best interests.

Then the government announced its changes to the FoFA reforms which basically did the opposite. That is why the reforms have been opposed so strongly by consumer groups and seniors groups. What do they do? They remove the essential catch-all provisions in 'best interest', which adds a loophole for advisers that means 'best interest' will become ineffective; they scrap the opt-in requirement, allowing advisers to continue to charge fees; they amend the annual disclosure requirement such that advisers only have to provide annual disclosure to clients who commence with them after 1 July; and they lift the ban on conflicted remuneration. The ban on conflicted remuneration will only apply to commissions on general advice; other forms of conflicted remuneration will be allowed, including as part of a balanced scorecard approach for both general and personal advice. All the government's words and comments on their changes to FoFA are about certainty for the sector perhaps but not for the consumer; they are certainly weighted in the wrong direction.

The minister says people who are opposed to the changes are vested interests with political motivations. Is the minister saying that National Seniors, the Council on the Ageing, Choice and even Alan Jones are part of some vested interest, some political conspiracy? The government makes much of the fact that it is banning commissions. The commissions were already banned—by Labor—so the way they carry on about banning commissions is nothing but a stunt. Senator Cormann told the Financial Review that 'at no point has the government sought to reintroduce commissions or conflicted remuneration for financial advisers'. Well, a simple glance at page 28 of the explanatory memorandum to the bill proves that reintroducing conflicted remuneration is exactly what the government has sought to do. By getting rid of the opt-in provision the insidious practice of charging fees without people's consent, or even knowledge, is back on to reduce their life savings—and that is immoral. (Time expired)

Senator WILLIAMS (New South Wales) (16:13): I would like to set the record straight in relation to what Senator Singh has just said. Senator Singh, when you were in government, where was the regulatory impact statement? You were required to do that, but you got an exemption from the Prime Minister at the time—I forget who that was; they changed pretty often. But I want to make this point. Conflicted remuneration and commissions are banned for professional advice and for general advice. That is a fact. There is no removal of that.

Labor's changes to FOFA when they were in government went too far and imposed too much costly and unnecessary red tape. Here is the point. Today, one in five Australians seek professional financial advice. We need to make it affordable and of the highest quality. I wish Senator Singh had been on the ASIC inquiry, with Senator Dastyari. Former senator Mark Bishop did a magnificent job when speaking on that TV program. I cannot understand why he
is not still sitting in this chamber; that is beyond me. But, anyway, those are the political games that the Labor Party play.

The recommendations of the Senate inquiry we just completed were: get good advice; provide good financial products; and good, honest financial planners. I believe, Senator Moore, that most financial planners do their best. Sure, there are sharks out there and we have heard a lot of stories about them. When in government, the Labor Party unnecessarily pushed up the cost of advice for investors. Here is the problem: why the opt-in arrangement? That submission was put in by who other than industry super funds. I wonder who industry super funds are very close to. I wonder why, when you brought in your FoFA regulations, you did not have regulations on commissions from some of those insurance products. I look forward to finding out where some of those commissions and rebates on insurance products actually go. Many people say they go to the Labor Party. I look forward to doing some investigation on that.

Labor also introduced changes forcing consumers to re-sign contracts with their financial adviser every two years. The more time you spend, the more it costs. Mr Medcraft, the boss of ASIC, told the inquiry that compliance costs were huge. We had a session of bad advisers in bad products, doing the wrong thing and some even committing forgery and fraud. No doubt you will hear more about that in the future.

But our small changes to the FoFA regulations remove red tape and costs and do away with the opt-in arrangements. To say that the best interests test does not remain is simply outrageous. Look at section 961B—and of course A, B, C, D and F remain. Section 961G is removed because, in some cases, it leaves the legal advisers and financial planners open to being sued, as well as further costs and further regulation.

As I said, the interests of the client remain first and foremost. General advice, personal advice, no commissions—will those on the other side of the chamber please get that into your heads. There are no commissions or conflicted remunerations, whether it be on general, professional or personal advice.

I make the point that we want people across Australia who are saving for their retirement, managing their retirement or managing financial risks and opportunities throughout their lives to have affordable access to high-quality advice that they can trust. This is most important, especially when it comes to self-managed super funds, with almost $1.8 trillion of superannuation funds now stacked away for Australians for when they retire. Almost 30 per cent—around $600 billion—is in self-managed super funds.

Those people managing their money need the best advice to grow their investments, not to have it lost on risky financial products or on bad financial advice. You do not just get advice to put on a favourite at Randwick this Saturday, but some of the advice we have seen has just about been on a par with that. These people need the best advice so that they can collect their money when they retire, collect an income and not be a burden on the taxpayer. This is most important, but ASIC also need to do a job to see that those financial products out there are not shonky products.

I was on the original Parliamentary Joint Committee on Corporations and Financial Services, with Mr Bernie Ripoll. Storm Financial was doomed to fail. It was geared so high. People were mortgaged up to the hilt. And once we had a 15 to 20 per cent reduction in the
stock market which, of course, happened during the GFC, in 2008, Storm Financial hit the brick wall. The sad thing is that so many people, particularly elderly people, who had mortgaged their houses and who had worked all their life, reared their children, educated their children, paid for their house, put a nest egg away and saw it was all at risk. The financial stress on them was terrible. I first met with them in January 2009, at Redcliffe, when I had been in this job for just seven months. It was a terrible situation. I believe no-one in this chamber ever wants to see that happen again, regardless of what side of politics you are on.

I would just reaffirm that the best interest test stays locked in concrete. The government are simply trying to remove some of the red tape and costs so that the compliance and administration costs of financial planners do not grow and grow and grow where they get to the stage where they have to charge so much whereby people will simply not seek professional advice. I will give you an example. A good friend of mine is a financial planner. He lives in the Hunter Valley. Recently, a gentleman came to him and said, 'I've got $20,000 I wish to invest.' The financial planner had to charge him $1,000—$600 for compliance costs and a $400 fee. Now, $1,000 is a lot of money out of $20,000. It is five per cent. But there was $600 in compliance costs. As I said to Mr Medcraft during our Senate inquiry, we need to license each and every financial planner. Each and every planner needs to be licensed with their history put on the internet, so you can check them out. Do they move from place to place? Do they keep losing their jobs and shifting organisations? We also need ASIC to have the power where, with one phone call, they can suspend that licence. Of course, a planner can have the right to appeal. Everyone has the right to appeal to the Administrative Appeals Tribunal. But I believe that these measures, in conjunction with the FoFA regulations, will give us a very good financial planning industry out there, because we have damaged them.

Through this inquiry we have damaged the reputation of the financial planners. It is most important that we restore that reputation, because only one in five Australians seek professional advice. I believe, as I said at the start here today, the huge majority of financial planners do the right thing in the best interests of their clients. These FoFA modifications, announced by the Assistant Treasurer, do very little as far as putting people's finances at risk. They do not put people's finances at risk. The best interest test does remain.

You get a financial statement every year. Do you have to see your planner every two years? Do we have to spoonfeed every Australian? Surely, when you get your statement every year, you can see your costs and charges and how you are performing as far as the return on your money paid to that financial planner I concerned. Give the planner a ring, have a chat with him, have a meeting with them. But no, you want it locked in law that the planner has to chase you up every two years. For a start, they have to give you a statement of your costs, of what they have charged. To go totally over the top will just mean more costs and we know what happens when the costs go up, people will not buy the product—in this case, buying the professional advice that so many people do need.

At the FoFA inquiry there were, in total, 16 recommendations in the dissenting report of the coalition. We are adopting two or three of those. To say that these FoFA regulations have been wound back, leaving it open to open warfare out there in relation to financial advice, is simply wrong. The scaremongering must stop.

As I said—and I am sure Senator Whish-Wilson would be on par with me here—some of the recommendations from the ASIC inquiry that we have just completed, along with the
FoFA regulations, will give us a very strong financial planning industry, an industry that the people of Australia can afford to trust—and not only afford to trust but afford to pay for, so people will seek professional financial planning and benefit from it. At the moment, far too many people do not seek advice from financial planners. As I said, four in five do not. As time goes on and that massive wealth of superannuation grows to some $3 trillion, $4 trillion or $5 trillion in the future—and it will—self-managed super funds more than ever will require that advice. So to say that the government is putting people at risk and winding everything back is simply wrong. There are a couple of changes to remove red tape and costs. The best interest test does remain in section 961B. I am sure Senator Dastyari agrees with me totally on that point. Senator Dastyari, I am sure you would. He returns a smile.

Senator Canavan: I think it's a yes!

Senator WILLIAMS: The interjection is from Senator Canavan, who said he thinks it's a yes. In summary, we are not winding back the regulations; we are not removing the regulations; we are putting strict regulations in place, and they will stay. (Time expired)

Senator WHISH-WILSON (Tasmania) (16:23): I will read from the Senate inquiry report what the original aims of FoFA were:

…to improve the quality of financial advice while building trust and confidence in the financial advice industry through enhanced standards which align the interests of the adviser with the client and reduce conflicts of interest.

So they were pretty simple: to restore confidence and trust in the financial planning industry. I agree with Senator Williams when he says there are a lot of good smaller financial planners out there. There are. These laws were designed to restore trust and confidence in their industry and to grow their industry—to get more people seeking the provision of financial advice. The FoFA laws were not designed to protect the profits of big banks and to raise red tape for financial planners. At the end of the day, they were designed to strike the right balance on what was necessary to get more people in this country seeking financial advice, interested in getting financial advice and financially literate so that they can understand the balances they get at the end of the year on their superannuation.

The problem with getting your annual statement is that a lot of people do not look at it properly or they do not understand it. And a lot of them do not have ongoing relationships with their advisers. In smaller financial planning firms, like the ones I met with in Tasmania, there are a lot of good people that do have good relationships with their clients. You can see that. It is really obvious. But they are fee for service—they charge a set fee and they provide advice. What is wrong with the idea of putting in an opt-in, a box that needs to be checked at the end of every two years, along with your annual statements? What is wrong with actually asking clients to have a look properly at their statements and make a simple decision: 'Do I want to continue with this financial adviser? Am I happy with my returns? Should I seek an appointment with my financial adviser?' What is wrong with encouraging that direct interaction?

You may say that it adds to the costs of the provision of financial services. The Greens felt very strongly, from the evidence that we got from attending the inquiry and meeting over a dozen financial planners in Tasmania, that there is no evidence that this increases the cost of provision of financial services. It may be the case in the future, but, at this point in time, it is all conjecture and speculation. I accept there are some valid concerns that this may increase...
red tape, but there is no evidence based approach to this, because these FOFA reforms are either very new or they have not been introduced yet.

But we have a government introducing a weakened version of the original FoFA laws specifically to support the big banks. The evidence was there in the Senate inquiry. It is black and white. The Australian Bankers' Association got up and said that they had done a deal with the government to have these laws changed, to have these amendments brought in before 1 July, because that was what they had agreed to in their discussions with the government. Senator Bushby was there sitting next to me when it occurred. They also said they had had discussions with the previous government about getting these changes in before 1 July. They talked about compliance costs and said, if they did not get the changes delivered by 1 July, it would significantly enhance their compliance costs. But the real elephant in the FoFA room is not the fact that the FoFA laws in themselves, without the amendments, would increase compliance costs of financial planners or the big banks; the real elephant in the room is that the big banks especially, and the big financial services companies, believed that the FoFA laws, in their original intention, would impact on their profits. That is it.

When we talk about culture, it was very disappointing to see the previous head of the Commonwealth Bank using Senator Cormann's own slogan, 'a few rotten apples'. That is not the case. What the FoFA laws were designed to do—and I go back to it again—was to increase confidence and trust in the financial services industry, by changing culture. I used to teach a case study to my first-year finance students about the collapse of Barings Bank. Some of you may have seen the movie Rogue Trader. When Barings collapsed, it was one of the biggest financial scandals in market history—a couple of billion dollars wiped off, a bank sold for next to nothing. It was caused by a rogue trader. At least, that is what you think if you see the movie and you do not understand the depth of corporate culture. One guy, Nick Leeson, got away with trading on the one hand and running the compliance of the office on the other hand. He was writing enormous profits for Barings Bank over a long period of time and he was doing a lot of dodgy stuff. The reason it never got picked up by Barings management until it was too late was to do with culture. They were a profit-seeking organisation and he was their star trader, writing tens of millions of dollars worth of profits every year. But nobody stopped to ask the simple question: 'How is it possible to continue to generate these profits given the risk-return of the industry he is operating in?'

That is exactly what we uncovered in the ASIC inquiry around the Commonwealth Bank. Their star financial planner, Don Nguyen—who has been well and truly canvassed in Four Corners and other programs—was writing a lot of business for Commonwealth Bank. The parallels are uncanny. No-one was asking the question: 'How is it possible that this guy—and not just him; there were others—managed to write so much business and was their star financial planner for so long?' As it turned out he was committing fraud and acting unethically. He was putting clients into products that they did not know that they were being put into, because he was writing income and generating profits for the banks. Banks have moved into the financial planning industry for good reasons: it diversifies their risk return, it generates non-interest income where banks have traditionally made their money and it generates billions of dollars a year.

Looking across the FoFA laws, particularly the FoFA amendments, and focusing on this idea of conflicted remuneration, I made it very clear at the very first Senate inquiry I went to
that we should be using the words 'financial incentives' and that this idea of commissions or conflicted remuneration was too narrow. It is that sales incentive and that culture in vertically integrated large financial service organisations that generates this culture of sales—selling product under general advice to customers. You could argue that that is not a bad thing—and I know Senator Bushby and the coalition probably do argue that a bank should have a right to make profits by selling financial products to customers—but think back to what these FoFA laws were originally designed to do. After a long period of consultation and a long history of financial collapses following, especially, the GFC—and we have seen more stuff wash through our Senate inquiry since then—this series of laws was designed to restore trust and confidence. The fact that consumer groups such as CHOICE and National Seniors Australia do not believe that these FoFA amendments strike is very serious.

The politics of this is very interesting. I hear in this chamber, and I heard it in the Senate inquiry and I actually got it from financial planners, that this is somehow a union industry superfund versus the banks issue. That is not the case. This is about protecting consumers and whether you put protecting consumers ahead of allowing banks to make more profits. That is really what it comes down to. In our dissenting report to the Senate inquiry we said that the Greens believe that all forms of conflicted remuneration should have been banned—not rebadged as Senator Cormann seems to have done. But we believe the other four amendments, such as opt-in and best interest, should be kept and studied and reviewed after five years to see whether they are adding to compliance costs and uncertainty in the industry. There is no evidence that that is the case now; there are only projections and concerns.

If we were bringing these laws in to protect consumers of financial services in this country, we should have at least given them a go. I believe that this sneaky attempt to bring in regulations the day before 1 July needs to be repealed. We need to bring back to this parliament legislation that can be debated in here so that we—including the new crossbenchers, who are now part of this—can have a good, close look at it. We need to go back to the start and look at whether we have struck the right balance between protecting consumers or protecting the profits of big banks that make billions of dollars of profits a year from selling products to clients.

**Senator GALLACHER** (South Australia) (16:33): I rise to make a contribution on this matter of public importance—and it could not be a more important issue. With superannuation approaching $1.7 trillion and likely to continue on that exponential growth phase, I think there is nothing more important than making sure that the financial services sector is bound by some prudent guidance and regulations.

Interestingly enough, Senator Cormann categorises it all as red tape—'just a world championship effort at red tape'—but I would like to apprise the Senate of some information put before the Senate estimates on 4 June 2014, where the compliance department of ASIC gave a report on some of the work that they do on a regular basis. ASIC said:

The origins of the work that led to that letter were very broad concerns about the quality of advice being provided across the board in the financial planning industry. We had done a number of shadow shopping exercises that identified that, generally speaking, and it was repeated from one exercise to another, about 20 per cent of the advice was of very poor quality or legally inappropriate.

When asked what shadow shopping was, ASIC—the regulator that reports to the Assistant Treasurer—said:
That is where we engage real potential clients of financial planners and they would go to financial planners of their own choice, generally speaking, to get a financial plan. Then we had a panel, which was really made up of industry experts, that would look at the plans and do an assessment of the quality of them. Each time we did that we produced a public report setting out the results, and the results, to be frank, were very concerning because of the scale of the problem across the industry. It was not that we had isolated pockets of poor behaviour or anything; it was that there was an industry-wide problem of very poor quality advice. A lot of it associated—and this was again in the reports from those shadow shopplings—with problems of conflicts of interest.

So there we have it from ASIC, those who advise the Assistant Treasurer—and he comes into this chamber at question time and repeatedly says, 'It's red tape. It's nonsense. We don't have a problem here; look somewhere else.' ASIC have done consistent and prudent work in this area and they have found a consistent level of poor performance, questionable legality and potential and real conflicts of interest—which have been proven to them with these shadow shopping exercises. So why would we accept what is coming from the government front bench? I certainly do not accept it. It is not often that I would be on a unity ticket on this issue, but Senator Whish-Wilson's comments were very pertinent. This is about the banks grabbing back the big end of town, about wholesaling financial advice and about maximising their profits.

There has been much made of industry super funds. I have got an interest: I am a member of an industry super fund; I have been a director of an industry super fund; I have even chaired an industry super fund for a short period of time. Most of those people in industry super funds are not going to go out and buy a financial plan, not at the early stages of their career when their 9.25 per cent to 12-odd per cent is going in. It is usually the last thing on their mind. They are in a default option, they will get a financial plan when they are ready and usually with competent advice from their industry super fund. The big deal here is the self managed super funds where there is over $500 billion. Reasonably high-net worth people will now be right in the firing line for unscrupulous and dodgy financial advice. They will be out there to make a quid and there will always be someone out there willing to take advantage of the need to make decent return on an investment.

Senator EDWARDS (South Australia) (16:38): I rise to speak this afternoon on the matter of public importance and the FoFA bills here in this chamber. I take up some of the points that Senator Williams made here earlier when he talked about the terrible damage the reputations of financial planners have suffered on the whole for a number of bad eggs. I think it is probably fair to say that financial adviser associations around the country have been obviously keen to ensure that their reputations are enhanced and they stem any flow of any more bad news about their industry.

The Australian Association of Financial Advisers has been involved in this process for many months and it dealt with the previous government dating back as far as 2011.

I heard this quote earlier:

The Abbott government's decision to wind back Future of Financial Advice reforms is making consumers more vulnerable to dodgy financial advice.

This is the very thing that keeps getting said around here. As Senator Gallacher put it, it is a $1.7-trillion industry and there are many hundreds of millions of dollars going in through contributions every year. So this industry is not fading away. It is not going anywhere.
When the previous government announced the detail of its Future of Financial Advice law change back in April 2011, the coalition's position was very clear. We expressed our concern that investors receiving financial advice would face more red tape, increased costs and reduced choice if those laws were passed in full. Our fundamental concern was and remains that over time fewer Australians would be able to access or afford high-quality financial advice under Labor's FoFA. We made it clear that we supported sensible financial advice reforms which increase access to affordable, high-quality advice as well as transparency, consumer choice and competition. Labor's FoFA changes did not strike the right balance. As the then minister, Bill Shorten—now the Leader of the Opposition—must have known they did not, given he refused to put those FoFA changes through the former government's own required regulatory impact and cost-benefit assessment at the time.

We, however, took to the last election: the complete removal of the requirement for an investor to keep re-signing contracts with their advisers on a regular basis; the simplification and streamlining of the additional annual fee disclosure requirements; and the improvement of the best interests duty. I know there have been a lot of mistruths spread about the watering down of the best interests duty. We also took to the last election certainty around the provision and availability of scaled advice. We and Minister Cormann remain committed to implementing the improvements to the Future of Financial Advice laws we took to the last election. That is what we got elected on.

The two areas which have generated most of the public debate on our proposed changes to financial advice laws centred around two key propositions; both are wrong. There was an inaccurate assertion that we were somehow abolishing or significantly watering down the best interest duty for financial advisers. Even the Australian Association of Financial Advisers welcomed Minister Cormann's release, which said that it will be clear that there are some protections that may have been stripped away or that the best interests duty has been removed. Mr Fox from the AFA said:

The best interest duty is enshrined in section 961B1 and it remains unchanged. Senator Williams sat on the inquiry that delivered the 500-odd page report into these issues which we are now debating.

It has further supported the best interest test by sections 961G, 961H, 961J and 961L. If you want to go and have a look at that, you will get that on the website of the best interest section. There is no watering down of the best interest duty for financial advisers.

We heard from Senator Whish-Wilson about Nick Leeson, and there is the 'wolf of Wall Street'. There is a recent occurrence in Adelaide, my home city, of an accountant who seems to have defrauded some of his clients of money. It is like a lawyer that steals from his trust account. If there is a clear intention to defraud—to take advantage of somebody else's money or take advantage of somebody else's property—you will not be able to stop them. You have to stop them getting into those businesses or you have to monitor them. That ability has not been watered down at all. I know that organisations like the Commonwealth Bank and Macquarie Private Wealth have all been active in reviewing since January 2013, and are going forward. They have actually sacked people that have not complied with the governance or who have not acted in what they felt was the best interests of their clients.
Like all things in life—you have big companies in the business world; you have second-tier companies; you have small companies; you have privateers—people are going to have to try and work through— (Time expired)

Senator DASTYARI (New South Wales) (16:46): I rise to address the quite astonishing claims by Senator Cormann in this chamber that the groundswell of disgust with the dismantling of the consumer protections in FoFA is some sort of Labor conspiracy.

Senator Cormann has shifted his lines of attack in the past fortnight. He has pivoted from claiming to be reducing red tape to now claiming that the concerns of consumer advocates such as Choice, National Seniors and the Council on the Ageing are some sort of stitch-up by the labour movement. I can assure this chamber that the pensioners and everyday Australians rallying against Senator Cormann's changes do not have any vested interests—they do not stand to profit—and they do not represent a grand conspiracy against this government. Senator Cormann's allegations are absurd.

I want to take some time this afternoon to put the comments of a broad coalition of concerned consumers on the public record. You will notice a common theme in the comments. Each one is offered in the best interests of consumers. Take Michael O'Neill from National Seniors. In a June 20 media release, he states emphatically: 'The Abbott government has clearly put big business ahead of consumers'. He went on to reinforce that:

Australians should not be paying commissions for advice they do not receive; every investor should see full fee disclosures annually; and we all should know that the nice lady at the bank is being well-rewarded for that product she’s just encouraged us to buy.

I challenge Senator Cormann to stand up here today and to state for the Hansard record that National Seniors are acting as a front for the labour movement.

Alan Kirkland of Choice, Australia's leading consumer advocacy organisation, was equally blunt:

CHOICE is calling on federal politicians to oppose all legislation and regulation that will wind back essential protections for consumers seeking financial advice.

Mr Kirkland reminds senators that:

Conflicted and poor financial advice has cost consumers billions and in too many cases led to people losing their homes and life savings … This is why consumer protections were originally needed and exactly why they should not be removed.

Indeed it has been removed by these regulations. I challenge Senator Cormann to stand here today and state for the Hansard record that Choice is acting as a front for the union movement.

Ian Yates from the Council on the Ageing, known as COTA, put out a statement on 20 June with a headline that summed it up quite nicely: 'Wind-back of FoFA protections still threatens future of financial advice industry and older Australians' assets and income'. Indeed, to avoid the slurs we have heard from Senator Cormann, COTA went to great lengths to state:

To be very clear, COTA is not siding with any special interests in this debate and resents any such suggestion - we are acting on strong legal advice about the impact of these reforms and deep concern expressed by members, and we would oppose the FoFA changes whether proposed by the government or Labor …
COTA went on, calling out very clearly who wins and who loses from Senator Cormann's sweetheart deal with the big banks:

The Big Four Banks and their push-selling business model will be one of the major winners if the legislation is watered down at the cost of their customers being vulnerable to less than optimum financial outcomes.

Is Senator Cormann happy to come into this chamber today and say, just as he has been saying with everyone else, that COTA is somehow part of some grand conspiracy of the labour movement? Alan Kohler, one of the most respected financial journalists in the country, today said:

The system of financial advice is inherently and deliberately deceptive because the most effective sales environment is where the customer doesn’t realise he or she is being sold to. Banks use the term ‘adviser’ or ‘planner’ as a synonym for ‘salesperson’; clients think an adviser advises. It is, at heart, simply a matter of semantics.

The Coalition government is in on the caper. Finance Minister Mathias Cormann has made some changes to the proposed Freedom of Financial Advice (FoFA) amendments to clarify his undying opposition to sales commissions for advisers/planners, but there are still plenty of carve-outs that allow banks to reward them for selling.

Is Senator Cormann going to come into this chamber today and claim that Mr Kohler is acting as part of a grand conspiracy in the labour movement?

There is Simon Hoyle from Professional Planner Magazine, who last week talked about the absurdity of the ‘trade off’ underpinning the government's logic for dismantling FoFA. He said:

The interests of individuals are being traded off against “business”, against the enrichment of individual financial planners, and against bank shareholders. At some point someone has to stand up and say that the most important people in this saga are the people who own the money. Not financial planners. Not financial planning businesses. Not the banks. And not the banks’ shareholders.

I do not think anybody could be any clearer.

Criticism of Senator Cormann's actions does not stop with those acting on behalf of consumers, even though not a single consumer organisation in this country responsible for dealing with victims of a financial crisis has supported it. Professor Dimity Smith from the University of New South Wales Faculty of Law concluded in February:

There is a big gap between requiring an advisor to act in a client’s “best interests” and that the advice be merely “appropriate”.

Paul Latimer, an Associate Professor at Monash University, in his submissions to the Senate Economics References Committee, plainly stated:

The proposed amendments to weaken the best interests duty have been barely noticed by the public not aware of what might be at stake for standards of professional advice on their investments and their life savings.

Senator Cormann's slur against the good people of these organisations is as offensive as it is ridiculous. What does Senator Cormann think is going on here? That these comments are the result of some kind of sweetheart deal with the labour movement, the ACTU perhaps, and every other conspiracy? As I said before, they are ridiculous and offensive.

Make no mistake: there is only one side of this place that is acting on behalf of a handful of vested interests. These regulations are expressly and blatantly designed to enrich the bottom
line of the big banks at the expense of the bank balances of ordinary consumers. This is the best deal the banks could ever have imagined, courtesy of a government that will do anything to placate their mates, no matter who loses along the way. It is doubly offensive that Senator Cormann has decided to introduce these changes just a week after a devastating Senate report into the scandalous behaviour of Commonwealth Bank financial advisors.

The regulatory changes introduced by Senator Cormann will see the return of many of the practices that we on this side of the chamber—and at one point both sides of the chamber—tried to end. It is little wonder there is a queue a mile long of regular concerned citizens, pensioners, consumer advocates, financial journalists and law professors calling on the government to abandon these changes.

The people in this chamber have a responsibility to those who do not have voices for themselves—not the big banks, not the big financial planners, not the handful of people who are eagerly awaiting a return to the good old days of financial planning, where they could clip the ticket on the way through. We have greater responsibility than that. It is unfortunate and sad that Senator Cormann has decided to make this some kind of debate about a Labor conspiracy. There is no Labor conspiracy. You have CHOICE, you have the Council on the Ageing and you have National Seniors. Every consumer organisation in this country is opposed to these changes. I call on all senators to do the right thing by their constituents, disallow the government's changes and make sure that the voices of those who cannot be heard are heard. (Time expired)

Senator BUSHBY (Tasmania—Government Whip in the Senate) (16:56): I listened closely to Senator Dastyari's comments. Clearly, he did not listen closely to the comments that Senator Edwards and, before him, Senator Williams made, because it is absolutely clear that the proposals that the government have in relation to FoFA will not dismantle consumer protections, do not wind back essential protections for consumers on financial advice and specifically and deliberately do not allow the return of practices outlawed under FoFA, which caused very dire outcomes for many victims due to the misconduct of financial advisers that we saw in recent years.

Similarly, I had listened to Senator Gallacher. He talked about the shadow shopping exercise undertaken by ASIC. The FoFA reforms do not impact on the quality of the advice that financial advisers give. Those reforms were aimed at impacting misconduct or incentivising poor, deliberate behaviour that was not in the best interests of clients. Quality is a matter of competence and, unfortunately, there remains in most industries issues of competence with professionals. I would note in that regard that some of the recommendations that were contained in the recent economics inquiry report into the performance of ASIC, referred to by Senator Dastyari not long ago, will help to address some of the issues of competence in the financial services industry.

That raises the threshold question in this debate about the value to Australians of the financial advice industry. We have to question whether we want to have good quality advice available to as many Australians as possible. The chair of ASIC, Mr Greg Medcraft, had an opinion on that. He noted that only about 20 per cent of adult Australians over their lifetime have access to financial advice. He thinks that more like 50 per cent of Australians would benefit from having quality financial advice. I tend to agree with him. I think Australians having access to good quality financial advice is a good thing and, if they can get hold of that,
it makes their financial lives while they are working and also in retirement a lot easier. If you accept that is the case, then you have to look at the question: what regulation do we need to maximise the likelihood that we will have good quality advice? As I mentioned, some of the recommendations in the economics committee inquiry into ASIC addressed some of those things. But, a few years back, the Joint Committee on Corporations and Financial Services held a very detailed inquiry into the financial advice industry, following the very high profile collapse of financial advice firms such as Storm Financial, Trio and Westpoint which resulted in many victims losing an awful lot of money and in almost all cases we saw misconduct by the people involved. That inquiry was very comprehensive, in-depth and went on for some time. I am pleased to note that the inquiry's findings of the joint committee were unanimous. All senators and members who took part in that inquiry came up with the same conclusion and a long list of recommendations of changes that could be put in place which would improve the operations of the financial advice industry and increase the likelihood that Australians who receive advice from financial advisers would get high-quality advice that is of good value to them.

What happened subsequently? Well, subsequently, the government took the recommendations from the joint committee, which were unanimous, supported by the coalition, the then opposition, as well as the then Labor government. They turned that into their Future of Financial Advice legislation. But the Future of Financial Advice legislation differed significantly from the recommendations of the joint committee—differed significantly in ways that mattered. As a result, the then opposition, the coalition, did not join in with the majority chair's report on that legislation and put in a dissenting report. Essentially, that dissenting report reflected the differences between what the unanimous joint committee report decided and the changes that the then government put in place in their legislation. One example of that is the opt-in requirement that is now in the FoFA laws. That was not included in the Ripoll recommendations. Indeed, there was only one submission that even raised the possibility of opt-in with the joint committee inquiry, and that, of course, was Industry Super Australia, who clearly got their wish when the government put it into the legislation.

We delivered the dissenting report on the government's legislation at the time, which, at its heart, reflected the differences between the recommendations of the joint committee, commonly known as the Ripoll inquiry, and what the government actually delivered in terms of its legislation. Subsequent to that, we took to the election the promise that we would make changes to the government's FoFA legislation as enacted in order to get it closer to what we indicated in our dissenting report, which would better reflect the findings of the Ripoll inquiry.

What are we talking about here? What are the concerns that our senators had in the dissenting report—the concerns that are reflected in our election promise that we took to the last election—and what we are trying to achieve here now? We are concerned about the level of misinformation about the government's improvements to FoFA by Labor and the Greens on our changes. The government's FoFA improvements do not water down consumer protections. That is an absolute fallacy. The government is keeping the consumer protections that actually make a difference to consumers, such as the requirements for advisers to act in the best interest of their clients, which remains specifically in the legislation, and the ban on
conflicted remuneration continues. The remuneration that is offered, which has any potential at all to affect the advice that is being given, is banned and remains banned under the changes that we propose. The government is removing unnecessary and costly red tape and uncertainty to ensure there is access to high-quality advice that people can trust and that is affordable. That is important—if we are ever going to get to the 50 per cent of the Australian population receiving financial advice, we need to ensure that it remains affordable.

COMMITTEES

Senators' Interests Committee

Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:04): In accordance with the Senate resolution of 17 March 1994 on the declaration of senators' interests, I present declarations of interests and notifications of alterations of interests in the Register of Senators' Interests lodged between 11 December 2013 and 4 July 2014.

Privileges Committee

Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:04): I present the 157th report of the Committee of Privileges, entitled Person referred to in the Senate: Professor Simon Chapman, AO.

Ordered that the report be printed.

Senator BILYK: This report is the 68th in a series of reports recommending that a right of reply be afforded to persons who claim to have been adversely affected by being referred to in the Senate, either by name or in such a way as to be readily identified.

On 24 June 2014, the President received a submission from Professor Simon Chapman relating to a speech made by Senator John Madigan during the adjournment debate in the Senate on 17 June 2014. The President referred the submission to the committee under privileges resolution No. 5. The committee considered the submission at its meeting on 10 July 2014 and recommends that the proposed response be incorporated in Hansard.

The committee reminds the Senate that in matters of this nature it does not judge the truth or otherwise of statements made by honourable senators or the persons referred to. Rather, it ensures that these persons' submissions, and ultimately the responses it recommends, accord with the criteria set out in privileges resolution No. 5. I commend the motion to the Senate.

Ordered that the report be adopted.

COMMITTEES

Community Affairs Legislation Committee

Economics Legislation Committee

Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (17:06): Pursuant to order and at the request of the chairs of the respective committees, I present reports on provisions of the Australian National Preventive Health Agency (Abolition) Bill 2014, the Energy Efficiency Opportunities (Repeal) Bill 2014 and the Health Workforce
Australia (Abolition) Bill 2014, together with the *Hansard* records and proceedings, and documents presented to the committees. I move the other reports be printed.

Ordered that the reports be printed.

**DOCUMENTS**

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

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

**COMMITTEES**

Environment and Communications Legislation Committee

Membership

The **ACTING DEPUTY PRESIDENT** (Senator Back) (17:07): The President has received a letter from a party leader seeking variations to the membership of a committee.

**Senator RYAN** (Victoria—Parliamentary Secretary to the Minister for Education) (17:07): by leave—I move:

That Senator McEwen replace Senator Urquhart on the Environment and Communications Legislation Committee from 21 July to 22 August 2014 and Senator Urquhart be appointed as a participating member of the committee.

Question agreed to.

**REGULATIONS AND DETERMINATIONS**

Higher Education (Maximum Amounts for Other Grants) Determination 2013

Disallowance

**Senator KIM CARR** (Victoria) (17:08): I move:

That the Higher Education (Maximum Amounts for Other Grants) Determination 2013, made under sections 41–45(1A) and (1B) of the Higher Education Support Act 2003, be disallowed.

**Senator KIM CARR:** Perhaps I should explain this disallowance motion so that the Senate may find it easier to follow.

The **ACTING DEPUTY PRESIDENT:** We would be most appreciative if you did, Senator Carr.

**Senator KIM CARR:** This regulation was made under sections 41-45(1A) and (1B) of the Higher Education Support Act 2003. This determination is part of a measure that would cut $2.3 billion from the higher education sector. It precedes the $5.8 billion in cuts to universities and student support which were announced in the budget. It precedes the government's damaging and alarming ideological agenda to change the very structural basis of the higher education system in this country and this government, in all its manifest hubris, likes to pretend that this is anything other than a Liberal-National policy determination. It is a determination of a Liberal minister.

This Liberal-National party cut is brought about by the Minister for Education, Mr Pyne, who, we all appreciate, is now facing considerable difficulty in this portfolio. This minister has had three separate positions on Gonski. The minister said before the election that there would be no changes to university funding and, indeed, he repeated this promise prior to the
budget. We all know what happened in that regard. The minister said before the election he would not raise HECS but now wants to raise HECS to such a level that $100,000 degrees could well become the norm. This is a determination by a minister who, like his Prime Minister, has one modus operandi when it comes to the operation of government policy—that is, the big lie. In no sector of the operation of the Commonwealth has this technique been demonstrated more clearly than in education. This is not surprising because the coalition has long been an enemy of education. The audacity of the minister to introduce these cuts on one hand while pretending the government has nothing to do with them on the other is, by all standards, truly shocking. It shows a contempt for the public, a contempt for the higher education sector.

Labor does not support the cuts to university funding that this determination would enact and we do not support the further cuts to higher education planned by the coalition. Additional cuts are clearly on the way. Make no mistake: whatever the fate of this as yet unseen legislation, which we are now told may well be ready by October, there is no question about what the government intends to do—that is, to cut higher education still further. The government does not properly understand the value or the role of universities in a knowledge economy because it has a very narrow view about putting money into education.

It is not, in their minds, an investment; rather it is a cost because they say there has to be some short-term return that can be measured purely in dollars and cents. Therefore, taking money out of education, according to this line of logic, makes economic sense. Universities, it is argued, produce and disseminate knowledge, they help us solve problems, they make new products and processes, they protect our environment and they help us understand ourselves. In doing all of these things, nations grow in stature, economically, culturally and even politically. Universities should not be treated just as mere degree factories because they enrich our lives. That is what we mean by the public benefit associated with investment in education.

Many of those opposite had the very great fortune to benefit from a free education system. Many of them benefited from engaging in university politics, in sports and in clubs. Some would say they benefited so much that they never actually got out of student politics, that they have never been able to step outside their experience of university politics where they faced considerable hostility and that they want to feed that back through the political system to the end of their days. For some reason, there remains a contempt within the Liberal Party about the university system, a contempt which, in itself, beggars belief. This is reflected in every policy they have brought to bear on the sector. It is astounding that they would point to the Howard government's record on this.

Labor is very familiar with this record. We had to clean it up when were in government. When the coalition formed government in 1996, one of their very first acts was to plunder the higher education sector, without a word of warning. They delivered a massive five per cent budget cut to the higher education sector and none of that was announced before the election of the Howard government. Student fees skyrocketed, Commonwealth supported places slumped and billions of dollars were stripped out of the system in the decade of neglect which followed. They claimed that total government spending for universities increased by 13 per cent in real terms during their time in government. Even if that were true, it would still be a pretty ordinary record. To claim this kind of paltry figure shows the complete lack of understanding on the part of those opposite of the growing role of universities in our society.
Some figures are even more telling. From 1995 through to 2005, direct public payments to tertiary institutions showed no real growth—none whatsoever. It gets worse. Over the same period, total funding per capita of our universities fell by nine per cent. Funding fell due to two things: there were cuts and there was neglect. If we take indexation, the party of self-proclaimed market economists—with the exception of the agrarian socialists that act as their allies—left universities with a system of indexation which was totally and completely inadequate to meet the needs of contemporary Australia. It was a system of indexation so out of touch with the realities of running a modern university that, when Labor adjusted the formula to reflect real cost, it added billions of dollars over the forward estimates—money the coalition had been withholding from universities. With so many economic geniuses in their ranks, one can only assume that it was done deliberately because of hostility! Well, it surely couldn't be just a question of ineptitude! But others would suggest I am wrong on that.

They did not stop there. Not content with draining the budget, they also went after the culture of universities. Sporting clubs, legal services, child care, social events—they all had to go. Of course, that was all tied up with their approach to voluntary student unionism.

Senator Ryan: Hear, hear!
Senator KIM CARR: This decimated student services. I hear 'Hear, hear' from over there. You see—the policy has not lost its flavour for those on that side of the chamber. Only when Labor undid that wrong and brought in the student support and amenities fee did we begin to see essential services return to strength on campuses.

The coalition's meddling on campuses did not just affect student-run services. The long arm of this sort of neo-right ideology reached back into the staffrooms and the administration blocks, forcing universities to implement aspects of the coalition's industrial relations agenda or risk losing funding. Those were the higher education workplace relations requirements under the legislation at the time, and of course they very much became part of Work Choices. The party that claimed to hate regulation created a special branch of it just to tell universities what conditions they could and could not offer their staff.

Those opposite talk about their legacy in higher education—well, let me say to this chamber: it is a legacy that has not been forgotten. The legacy of the Howard era in higher education left the university system in crisis. It was a decade of neglect and much, much worse.

These actions of over a decade ago sound a warning, because it is the same coalition, with many of the same faces, using the same cabinet submissions to operate on the current policy position—as we see, for instance, with the cabinet submission which was leaked in 1999 which outlines chapter and verse what this government is doing today.

It was two months into their term when the government identified $1.43 billion in cuts to the education portfolio. This was on top of more than $3.7 billion in cuts in their first 100 days of government. Mr Abbott once claimed that universities would experience a period of 'masterly inactivity' under his government. Of course, that was wrong—there has been a great deal of activity. Either the Prime Minister was unaware of secret plans to gut higher education or that was, knowingly, totally untrue. So they started with the $3.7 billion worth of cuts and they continued this with an announced $5.8 billion. We saw it in the past under the Howard government and now it is flowing through to this current government.
Labor set about reducing the damage to the universities and, almost as soon as we formed government, we initiated the most significant review of higher education to date—the Bradley review. We also had the Cutler review, and initiated changes to the research program to ensure that we were able to meet the real costs of research. Under the Labor government, Commonwealth funding for universities rose from $8 billion to $14 billion between 2007 and 2013. And, if we were still in office, that amount, under Labor’s forward estimates, would grow to $17 billion by 2017. We increased real funding per student by nearly $2,000 in real terms to $18,000 per year. Labor improved indexation and replaced the hopeless, out-of-date system. We increased funding for the science, research and innovation budget by well over 30 per cent, compared to the previous government. We delivered more capital and infrastructure in four years than the coalition managed to do in the whole decade that they were in office. Labor delivered more than $5 billion in higher education and research infrastructure while we were in office. We began one of the largest reforms ever undertaken in the university system, moving towards the demand-driven system which led to the additional 190,000 extra students in universities compared to 2007. The government talks today about 80,000. Well, that record is well and truly surpassed by actual places in universities—and not at a reduced rate; not the sort of proposition that the government is talking about at the sub-degree level. Because of our initiatives today there are an additional 36,000 students from disadvantaged backgrounds actually at university, and we set the goal of increasing the proportion of the population with a degree to 40 per cent of 25- to 35-year-olds by 2020. For women, that goal has already been achieved. And for the whole community, we were within cooee of reaching that goal already—well before the 2020 date. We provided significant funding for those universities with substantial numbers of students from disadvantaged backgrounds.

But this is a government that actually gets rid of equity targets. This is a government that cuts equity programming. We argue that that approach is wrong. We believe that our university system should be for everyone with ability, regardless of how much money their parents have. That is why we also sought to ensure that the university experience itself was a rewarding one and supported the student services and amenities fee.

We made it easier for young people to study through reforms to youth allowance, so that more than 220,000 young people received the maximum rate—a much higher rate of payment—for the first time. So much of what we did was to repair the damage of the coalition’s previous government. The reckless damage and wilful neglect wreaked by the government that is now back in office shows us a measure of how the coalition actually operates in government. We are very proud of our record. We take the view that the Commonwealth of Australia should respect the role of universities and, to this end, we want universities to play a leading role in our nation’s future. We believe the economic argument for investment in universities is very, very clear; universities directly contribute about $22 billion to our GDP every year; they employ over 100,000 people; university graduates contribute more than $170 billion per year in wages to our economy; and university graduates comprise about one-quarter of the population that generates almost one-third of Australia's wages. There are about nine Australian companies listed on the Fortune Global 500, but there are 19 universities in the world’s top 500—that is Australia making its mark internationally.

Universities play a fundamental role in building Australia's future. They are essential to innovation. They produce the knowledge and the ideas. They help build the new technologies.
They help build the new industries and they create the new jobs. They play an essential role in local economies. We just need to look at what is happening at Wollongong or in Newcastle—I might add Deakin University in Geelong and the central role that it plays in rural and regional Australia.

Universities help us to interpret our world and to adapt to change. They help us grow in stature as a nation, and we do not want to see them decimated by a government that has no respect for the work that they do and therefore their importance in our future and the future of a knowledge based economy.

Those opposite have a long history of attacking not just the university budgets and university culture; they, unfortunately, have a well-ingrained process of denigrating their work. They have an indifference to the importance of intellectual work in this society. Their failure to even, for instance, appoint a minister for science highlights the negligence of the government. Of course, we see this replicated in their cruel cuts to jobs at the CSIRO. They have sustained attacks on the independence of the Australian Research Council where again the level of their indifference to the importance of the research highlights the sinister nature of the attacks that this government has launched on the intellectual work of this nation.

MPs in the current government have more than once picked out or named a project run by an eminent researcher and mocked them without any understanding or insight into the project, which of course is clearly unfortunate. I say their attacks on climate change science are a disgrace. These projects and the way research funding is allocated are chosen by panels of peers on the basis of expert merit. They have been successful in an environment in which less than 22 per cent of projects are able to be successful and we see, for instance, that that is a measure of the deep competition that exists within the university system. Yet certain members of this government behave as ignoramuses when it comes to the issue of research projects in this country.

As recently as December, the member for Hughes ridiculed no fewer than 23 recent grant recipients in the humanities, arts and sciences—projects that are amongst the best of the best. If you think I am being too harsh, just think of the member in another place in 2011 who provided us with the revelation that champagne contained carbon dioxide so we should stop global warming by 'drinking chardonnay instead of champagne'. Perhaps this is a measure of the intellectual depth of this government, but I am afraid it is all too serious to be funny.

We have a government that has set upon a course of action of profound hostility to universities. They have used whatever imaginary budget emergency they can find to demonstrate their capacity for cruel and quite vicious cuts to the university system. Their walking away from the Gonski program highlights that they do not have any long-term commitment to education in this country, and the failure of this government to acknowledge their responsibilities to our society and our future speaks volumes.

The original money was set aside under these changes when we were in government for the better skills program, the Gonski reforms, but the coalition has gutted Gonski. It is no longer a six-year commitment; it is four years. The fundamental point about the Gonski reforms is the bulk of the money was in years 5 and 6, the very years that this government has walked away from, despite what was said during the election campaign that there would be no cuts to education and that we could have exactly the same approach to schools funding between Liberal and Labor—it did not make any difference. In government we see this government
repudiating what it actually said in opposition, and now of course we see that this is a
government that clearly is in the business of saying one thing in opposition and another thing
in government. Therefore I submit to the Senate that these measures should be disallowed and
the government should not be able to proceed with these cuts to the university system.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (17:28):
Amongst all the bluster and all the noise we have just heard from Senator Carr, there is one
fact that we did not hear: that these are Labor's own measures. On three occasions in three
documents last year, the Labor Party proposed these very changes. All the fiction, the
confected reasons and outrage by Senator Carr cannot hide this fact.

These cuts were announced by Labor in April 2013. They were confirmed by Labor in the
last budget they presented in May 2013 and they remained in Labor's documents in the Pre-
Election Economic and Fiscal Outlook that was taken to the election campaign. Despite all of
Senator Carr's mock outrage, these are the proposals that Labor took.

All we are trying to do is to bring the budget back to a sustainable position and, in this
case, the Labor Party is stopping us from implementing their own measures. The problem we
have is that, as Senator Carr has said in this place on a number of occasions, it wasn't when he
was minister. To be fair, that is because we all lost track of the concertina business cards and
the constant replacement of departmental letterheads, because the previous government was
so chaotic. In my old portfolio they went through half-a-dozen small business ministers in
four years, and I lost track of how many in higher education, science, research and school
education.

The other words we do not hear from the Labor Party when they talk about alleged savings
being directed in certain ways to future years—not in the budget estimates for school funding,
even though these cuts were in the budget estimates—is a commitment that they will put the
money back. This is all empty rhetoric from the Labor Party. It is all empty rhetoric now they
are in opposition. It is all empty rhetoric from Senator Carr who is disregarded by his own
colleagues whenever they sit on this side of the chamber. Whether it is about the car industry,
the Green Car Innovation Fund being stripped, the uncertainty that even the then Managing
Director of Holden Mike Devereux referred to under the previous Labor government or
whether it is these changes, all we hear from Senator Carr is mock outrage when he is not in a
position to actually change the circumstances.

In the confected outrage of his 20-minute address, I heard Senator Carr refer to the great
expansion of university access. The truth is the greatest expansion of university access this
country came when Robert Menzies expanded the university system. The single greatest
expansion of universities from an elite group in our society was through Commonwealth
scholarships and a dramatic increase in the number of universities. This side stands proudly
by its record in higher education. The problem with Senator Carr is that he mistakes the
NTEU position for something in favour of universities. He talks about how important
universities are. He talks about how they can be important to creative thought and innovative
thought. He talks about their importance as public institutions, being places to nurture our best
and our brightest, giving an opportunity for all. Yet the one thing Senator Carr and the Labor
Party will not do is set the universities free, because they still must be run, in that famous
phrase, by 'Moscow on the Molonglo'. They still must be regulated in a way that no other
sector of this economy is. They must all have bureaucrats overseeing each and everything
they do, because they cannot be trusted. Senator Carr's position is entirely and utterly incoherent and inconsistent. I turn to a number of other points he raised.

Senator Birmingham: He is inconsistent.

Senator Ryan: Senator Birmingham, thank you very much. I have lost my train of thought. Senator Carr also referred to the allegation that somehow saving money over the four years of the forward estimates of the budget was going to magically fund Labor's mythical Gonski reforms that were never accounted for. If that was the case, Labor would not have stripped out $1.2 billion from the first four years of those reforms in the Pre-Election Economic and Fiscal Outlook. According to the previous Labor government, the students of Queensland, Western Australia and the Northern Territory did not deserve to be funded on the same basis as other students. That was gutted by the Labor Party before the election. This government then had to find $1.2 billion to put back into schools education. That move alone demonstrates the hypocrisy and emptiness of what Senator Carr refers to and the fiction that Labor has tried to create that somehow these measures were going to be directed towards schools funding—they were not.

Senator Carr says that we have a myopic view—I do not know that was the word he used—that this is about spending, not about investment. That betrays Senator Carr's factional home in the socialist left, because it is all spending. It must all be accounted for. There is no magical investment budget paper that says somehow we do not have to borrow that money or raise it through taxation. There are three ways to spend money. You get it from somewhere else within government, you increase taxes or you increase borrowings. Increasing borrowings is just deferring an increase in taxation. But Senator Carr tries to create this mythical separation between spending and investment, as if by somehow rebadging it with an NTEU bumper sticker it does not actually have to come out of the taxpayers' coffers—it all does.

Given Senator Carr brought it up, I cannot resist mentioning the issue of student unionism. Senator Carr referred to how proud he was that the Labor Party and their Green allies had brought back in compulsory student unionism through the student services and amenities fee. I imagine that now in this ski season, and it is a good one I understand, Senator Carr is proud of those students working part-time jobs so that those select few can get into Melbourne University's and Monash University's subsidised ski lodge at Mt Buller. Of course, the great majority of students cannot get anywhere near it. You will not see those students who are actually working their way through university, particularly those from disadvantaged backgrounds, in the Range Rovers up at Mt Buller this time of year. I am sure Senator Carr is proud of the fact that those students working part-time jobs, pushing trolleys around supermarkets or waiting tables in Carlton's Lygon Street or some other café near a university are subsidising the clubs' and societies' activities, the entertainment or indeed the legal services he referred to of the protestors who usually get themselves in trouble on the steps of the Victorian parliament.

Mr Deputy President, I think I was involved in an inquiry with you on this matter once quite a long time ago. That issue itself portrays Senator Carr's lack of concern about equity. Consider the idea that there is this poll tax, explicitly unrelated to anything to do with your university education, that you pay regardless of your means that is used to subsidise the activities of those who do have leisure time at the expense of those who might have to work. It is used to build Taj Mahals like ski lodges and subsidise those on the basis that the great
majority of students can never access them. I find this a profound challenge to any vision of equity in the university education system.

This measure is made necessary by the fiscal mess the previous government left us in. Senator Carr referred to a concocted or invented fiscal budget emergency. That betrays Senator Carr's true perspective that there is no problem with government debt. The Greens and other groups run around supporting the Labor Party, saying there is no problem with public debt. They compare Australia to other OECD nations, but they do not compare actual government debt in Australia. They take a very narrow measure of government bonds on issue. They do not take into account unfunded superannuation liabilities that are not yet accounted for by the entirety of the Future Fund. They do not take into account debt that is held at state government and local government levels. The taxpayer is on the hook for all of that. Over the period of the previous coalition government, the strong fiscal position of the Commonwealth is what made sure Australia's economy was resilient from the external shocks of the Asian financial crisis. It actually provided the capital that Senator Carr claimed credit for spending. The previous coalition government had money in the bank through the Future Fund, the Higher Education Endowment Fund and the Health and Hospitals Fund. Indeed, having a positive balance sheet allowed the Labor government to undertake the most wasteful stimulus program in Australian history.

Senator Carr cannot have it both ways. He cannot claim credit for spending the money that the previous government saved and then say it is not necessary to save money again. The fiscal situation inherited by this government is on a trajectory that is utterly unsustainable. As a country, we have a choice: we can make decisions now, when we are in a position to make them manageable; or we can push them off, as other countries have done, and then they will get much more difficult and much more intergenerationally unfair. The hypocrisy of the Labor Party in proposing this motion is betrayed by that and also by the fact that this was their measure. I will conclude on this point: this measure was announced by the Labor Party in April 2013, it was in the Labor Party's last budget in May 2013 and it was in the Labor Party's paperwork—the Pre-election Economic and Fiscal Outlook—before the last election. All this government is trying to do is put in place a saving that the Labor Party themselves took to the Australian people, to actually save the money that the Labor Party announced they were going to save. They refused to do that, and the hypocrisy is on display for all to see.

Senator RHIANNON (New South Wales) (17:38): It is fascinating to listen to how Senator Ryan and Senator Carr see higher education. Senator Carr gave Senator Ryan something pretty easy to come in on. Senator Ryan documented Labor's position in April and May 2013. Unfortunately Labor ditched that position when they went into opposition, which was certainly very shameful. Let's look at what Senator Ryan had to say. Senator Ryan did what so many Liberals do these days; he used Prime Minister Menzies as cover when he said, 'Yes, we care about universities, we care about people.'

Let's look at what Prime Minister Menzies did, which was far different from what the coalition is doing now. It is true that, in the 1950s, Prime Minister Menzies did start to take an interest in universities. He recommended that universities needed assistance and that it needed to be a federal issue and something that the then Liberal government should give attention to. That is certainly very much out of step with what we are seeing from this coalition government. The Liberal government back in the 1950s did commit to recurrent grant funding
to our universities. And then there were the Commonwealth funds which were made available for capital expenditure. But the coalition policy now is to slash funding to our universities and push the burden onto students. The coalition is handing out free public money to private sector companies which can now make profits out of higher education. This is quite different from the standards that former Prime Minister Menzies brought to this sector.

It is also a reminder of the whole issue of Commonwealth scholarships and how dishonest this government is. One piece of spin that we regularly hear from the Minister for Education, Christopher Pyne, when he is trying to justify this very cruel approach, is that these new Commonwealth scholarships will benefit disadvantaged students. The Commonwealth scholarships we have now are nothing like those we had under the Menzies government. 'Commonwealth scholarships' is just a name. There is no federal government money going into them. The whole arrangement is worked out within universities, which is adding to the pressure that they are under and the difficulties that they face. It is very dishonest to use the term 'Commonwealth scholarships'. For older generations the term has a good ring to it. It comes from the Liberal era of the 1960s and the Whitlam era before they went to free higher education. The term 'Commonwealth scholarship' has a good ring to it. It comes from an era when public money was used to assist students who might have difficulty in being able to go to university to study.

Again, we have total dishonesty from Senator Ryan—not surprising, because that is what he is getting from his minister—in terms of how the system works. It was interesting to listen to the banter that was going on. Senator Carr was correct in saying that what we saw from the coalition in opposition was quite different from what we are seeing from the coalition in government. Sadly, that is also something we see from Labor; they are a very different beast when in opposition. The challenge for community groups, unions and the Greens is to keep that pressure on so that they honour the decent policies that we hear more often from them when they are in opposition.

It is worth reminding ourselves just how differently the coalition have conducted themselves within the last year. This time last year we were all out campaigning. And what were we hearing from the then Leader of the Opposition, Tony Abbott, and Christopher Pyne? They were out spruiking that there would be no changes at all to higher education funding arrangements. That is what we heard from them, time and time again, prior to the election. But look what has happened now. We have seen the very ugly budget that they have brought down. We have seen the extreme measures in so many aspects of higher education funding—one of which we are dealing with right now in terms of the disallowance motion. In June this year, on the ABC’s Insiders program, we heard Minister Pyne defending the cuts as 'fair and sustainable'. He pulls words out of the air which have no realism in terms of what is actually happening.

Minister Pyne actually said:
I think that the contribution that students make can be rebalanced …
At the moment the taxpayers are funding 60 per cent of the tuition fees of university students, and universities' students are making up 40 per cent. Under our changes, it will be 50-50.
What we know, though, is if you look at the trajectory of where the coalition's higher education policies are going, you will see that there will be an even greater burden on students.
With regard to the regulation that brings us to this debate, the Higher Education (Maximum Amounts for Other Grants) Determination 2013, we do support the disallowance motion. We are very pleased that Senator Carr has brought it on. It seeks to cut over $435 million from the higher education and other grants program over four years. It is another example of where the coalition really are waging war on the funding of the higher education sector, pushing the costs more and more onto students, slashing money out of the universities themselves.

An issue that has had little attention but which is certainly part of the package is the coalition government opening up, for the first time, the ability of private companies, for-profit companies, to access public funding that once went to our universities. Now they can make money out of it. This is deeply troubling. Many institutions that run them often have little experience of the higher education sector. Again, what do we hear from Senator Ryan about a deregulated system? He was bashing the opposition about the fact that they want some regulations. Surely, we need to have some regulations and some standards in how our system is run. Again, going back to the cover that he tried to pick up for himself and his party, in talking about the Menzies’ era, there were regulations then. There were standards. When former Prime Minister Menzies started paying attention to universities, one of the things he did was to look for some consistency across the nation. As well as the funding issues, consistency in standards was a big part of it. But what do we get from this government? Deregulation, throwing money at private companies. With regard to the standards within our higher education sector what we will see and where it will lead to is deeply troubling.

Government regulation is cutting support to universities, particularly for the promotion of equality of opportunity and the support of diversity and open access to higher education. This is another aspect of the debate that concerns the Greens considerably. Under the coalition, we are seeing a push to create a higher education system where you would have to be pretty well off to shoulder the burden of the HELP debts imposed by this government. The government's regulation that we are debating here would cut funding for the support of research and training of research students for grants to foster collaboration. This comes at a time when research and innovation has never been more important. I believe it is very important for the development of individuals in terms of what they can offer Australia and, indeed, what Australia's economy can offer the world. More and more, we are becoming a global village and within that we need to share our innovation and knowledge that we develop through our research. But when you end up with a deregulated system, that is barely possible to achieve.

The regulation that we are dealing with will cut funding for grants to support the development of systemic infrastructure and capital development projects at universities. I particularly know from my work in this sector how important that is, particularly in regional universities. It shocks me when I visit a number of universities to see how run down they are. Under what this government is bringing forward, regional universities are going to do it really tough. They are already finding it difficult and, if the budget measures go through—and there are certainly mounting efforts to ensure that does not happen—it will be an enormous setback.

At a time of debilitating funding cuts to our universities, it would further slash support to promote the productivity of higher education providers and grants for activities that would assure and enhance the quality of our higher education sector. These are some of the issues that we see as very important and that explain why we support this disallowance motion.
I think it is also relevant that we are having this debate on a day when there has been another round of polling that shows how unpopular the government's higher education policies are that it wants to adopt. Extensive automative phone polling, undertaken by the National Tertiary Education Union—this was across 23 federal electorates and all states—found cuts in federal funding and changes to allow increased fees, higher loan charges and access to limited federal funding by non-university course providers are very unpopular.

The government would be wise to take that message on board. They would be wise in terms of the wellbeing of the nation and students who are looking to develop their career at our universities. And now we know that they would be wise in terms of the wellbeing of their own party, their own government and some of their own MPs, including the minister, because 69 per cent of those polled said that they oppose significant increases in fees and 65 per cent said that they oppose 20 per cent funding cuts to our universities. Just 28 per cent of voters said that they approved of deregulating the higher education sector to allow privately-owned institutions to have access to Commonwealth subsidies.

This is a strong negative backlash from voters. The public are deeply troubled by the higher education moves of the government. The government, with this very cruel, brutal budget that they brought down in May, are certainly loading the burden in terms of how they are going to raise money and save money onto the backs of the disadvantaged—students, the unemployed, the elderly, the sick and Indigenous people. They are all the people who are really copping it, who really will be hard hit by the budget measures.

What we are seeing with higher education is pushing the reach of the damaging, destructive aspects of the budget out to the middle class of Australia. So often, when I am out doing my meetings on the weekend and meeting people socially, I meet people who are really worried about how their own children are going to gain an education. Just today I was told an example of a university lecturer who said, 'I suddenly thought: how are my children going to get the education that I have received?' I was at a barbecue recently—the dad is a lawyer and the mum runs a small business. Their kids were running around; they are quite young. These parents were saying the same thing: 'We look at our children and we wonder: how are they going to get the education that we were fortunate to achieve?' This is starting to trouble people—people from regional areas and working-class people who have not had the opportunity to go to university but, like so many working-class families, hope that their children will be able to. And now we are seeing middle-class families really troubled about what this government is doing to this country. And we know how important education is.

These are very, very important reasons that we need to ensure this disallowance goes through and look to the next stage to ensure that the other very damaging aspects of the coalition's policy do not become law, do not become regulations, in this country. We know there is a sneaky way this government is working—choosing regulations more and more to try and get through its agenda. So I suspect that we will be having more debates along these lines—very important debates—because this goes far beyond education; it goes to the very nature of the type of Australia that we are setting out laws for and setting out a healthy future for.

Senator KIM CARR (Victoria) (17:54): I would like to sum up this debate on the motion to disallow the Higher Education (Maximum Amounts for Other Grants) Determination 2013.
I thank Senator Rhiannon for her indication of support by the Greens. Far be it from me to criticise those that are voting for the proposition we have before us. I do enjoy listening to the Greens provide us with advice on being pure and more proper and more principled than any other political organisation in the country. I suppose that comes from having a party position that allows you to have the very best social conscience that money could buy, as we see within the Greens, who are only too happy to criticise Labor for our actions but do not ever acknowledge the simple facts of life here—that, under a Labor government, support for higher education doubled. When I was minister, the amount of support for science and research increased by 43 per cent, the biggest level of increase for science and research in this country's history. I say to you: 190,000 extra students is a record that any government could be proud of.

Well may you criticise the decisions that were taken in the budget of last May, Senator Rhiannon—you are entitled to put that view—but I think you misrepresented me. I indicated at the very beginning of my contribution that Labor had changed its position. We put aside money, hypothecated money, last year to support the Gonski changes, to provide support for a six-year funding program for the schools system. We kept the budget savings within the education system. We said that, if you want to sustain a higher education system longer term, you have a look at the fundamental problems within the school system. I might also add that we provided additional support in the vocational system—more students in vocational education facilities across this country than ever we have seen in this nation's history. We never get any acknowledgement for that. I also say this—and I made this point in my remarks—that, when the government came in, they abandoned the position that they took to the election about supporting Gonski. They abandoned it and, as a consequence, the original funding that was earmarked for the Better Schools Plan was taken and put into consolidated revenue by this government.

So, Senator Ryan, I return to you, by drawing your attention to the fact that I also said that these are now decisions of this government, initiatives of this government, determinations by a Liberal Party minister. They have become your initiatives. I made that very, very clear. You have made the decision to cut university funding because of your bent ideological presumptions about what universities are about. We heard it from you again today. It was all about subsidising ski clubs. It may well be that your friends spend a lot of time in their Range Rovers at Mount Buller, but I say to you: I do not have that many friends that spend time there. Maybe they are just supporters of Melbourne Football Club; I do not know. But I just make this observation: you have a very distorted view about what actually goes on in universities. Liberal ministers, Liberal members of parliament, have demonstrated an extraordinary ignorance of the importance of universities, and they have a particularly perverse view about the role of education. They say money does not matter, yet they also say it is only reasonable that parents pay up to $30,000 a year to send their children to the most elite private schools in this country. So clearly money does matter to somebody. At Geelong Grammar, tell them money does not matter! Tell the parents that have to pay those fees that money does not matter! To suggest now that money does not really matter to the quality of education, I think, is to misunderstand how it really works.

The proposition we have before the chamber draws attention to the government's failure to fund the school system and the university system and the government's failed policy position.
when it comes to the question of the importance of education. The government do this under the pretext of a budget emergency, when in fact what they are doing is living out their ideological fantasies. We have had the Nobel prize-winning economist Mr Stiglitz tell us that, by international standards, this is a country to be proud of, that our budget performance is something to be envied, that there is no excuse for the cuts to higher education in this country and that they are wrong—and I think the word 'criminal' was used. That suggests to me just what a difference in mindset exists.

We have a government here that seems to want to mortgage the future. We have a government here that is not interested in ensuring the future. It wants to mortgage the future by suggesting that those with resources—those who are wealthy; those who are privileged—can enjoy and reinforce their privilege by ensuring that these educational institutions, which we all know unlock the door of inequality in Australia, are shut to the working people of this country. That is what this government's policy will mean. You withdraw the public resources and it is the private resources that take their place, so the people with money enjoy the benefits and the privileges of higher education.

We understand that there is a balance. We acknowledge the private benefit, but we also say that the overriding question is the public benefit of investment in education. That is why we say that the balance is about right at 60:40. Under the previous Liberal government, the balance shifted. The Howard government, despite the promises they made when in opposition, increased the level of private contribution by 100 per cent. That is where we get the 40 per cent from. When the HECs arrangements were first introduced they were about 20 per cent.

What we have seen over every successive Liberal government is a continuation of a policy theme of hostility to higher education, the culture of university and the importance of innovation, and a view that those with money should enjoy the benefits of having money and reinstate the privilege that they get from having that money. As a consequence, we are now seeing the Liberal policy under Howard being continued under Abbott. This policy will impose on the poorer people in this country, working people, particularly people in rural and regional areas a profound disadvantage—not freedom; an imposition of government to make the economic inequalities in this country greater. We know what a struggle it is to even up the score in our society. The Liberal's policy is to make that score even more uneven—to reinforce privilege and to reinforce inequality.

These measures that we are seeing today are not about spending money on education. I want to make senators very clear about this. This is about taking money out of education and putting it into consolidated revenue. That is the point of these changes the government has introduced. These are Liberal changes initiated by a Liberal government by a Liberal minister and—as we heard today in the defence from Senator Ryan—are all about Liberal philosophy. For those reasons, I call upon the Senate to reject these proposals and to support the disallowance motion.

The DEPUTY PRESIDENT: The question is that the Higher Education (Maximum Amounts for Other Grants) Determination 2013 be disallowed.
The Senate divided. [18:07]
(The Deputy President—Senator Marshall)

Ayes .................... 34
Noes .................... 29
Majority ............... 5

AYES

Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S
Lundy, KA
McLucas, J
Muir, R
Peris, N
Rice, J
Singh, LM
Urquhart, AE
Waters, LJ
Wright, PL

Bullock, J.W.
Carr, KJ
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
McEwen, A (teller)
Moore, CM
O'Neil, DM
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z
Whish-Wilson, PS
Xenophon, N

NOES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Macdonald, ID
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ryan, SM
Sinodinos, A
Williams, JR

Bernardi, C
Bushby, DC
Cash, MC
Day, R.J.
Fawcett, DJ (teller)
Fifield, MP
Leyonhjelm, DE
Mason, B
McKenzie, B
O'Sullivan, B
Payne, MA
Ruston, A
Seselja, Z
Smith, D

PAIRS

Bilyk, CL
Collins, JMA
Marshall, GM
Milne, C
Polley, H
Wong, P

Johnston, D
Brands, GH
Scullion, NG
Ronaldson, M
Cornmann, M
Abetz, E

Question agreed to.
Migration Amendment (Bridging Visas–Code of Behaviour) Regulation 2013

Disallowance

Senator HANSON-YOUNG (South Australia) (18:09): I move:

That the Migration Amendment (Bridging Visas—Code of Behaviour) Regulation 2013, as contained in Select Legislative Instrument 2013 No. 269 and made under the Migration Act 1958, be disallowed [F2013L02102].

Last day to resolve the motion or the instrument will be deemed to have been disallowed.

This list of behaviour protocols is a regulation that was flagged by Tony Abbott's coalition prior to the last election. That we have known about it for quite some time does not make it right. It does not make it okay to start segregating different groups of people by saying that some people have to abide by different laws to others. The ridiculous thing about this protocol is that it is simply listing what law-abiding citizens in this country should be doing anyway. Of course this is not about practicality; this is not about adding anything to the needs of asylum seekers or indeed about the safety of the community; this is all about vilification of asylum seekers and refugees.

This code of behaviour states that individuals must not: disobey road rules, commit sexual offences, commit any criminal activity, harass, intimidate, bully or engage in any other antisocial or disruptive behaviour. I would hope that no-one out there in the community would be participating in these types of activities. But the whole idea of needing a code of behaviour just for someone who is on a bridging visa because they arrived by boat is absolutely ludicrous. When this policy was announced by Mr Morrison, the coalition spokesperson on this issue and now the Minister for Immigration and Border Protection, it was laughed at. It was not just laughed at but held up as a pathetic attempt to try and divide and to drive a divisive wedge into the Australian community.

It was no none other than Dennis Shanahan, who, as we all know, is one of Australia's most conservative commentators, said that these protocols were a load of 'nonsense'. I must say, if Mr Shanahan has a problem with this you must think it has probably gone way too far. Mr Shanahan said 'I think this is a bridge too far for the coalition. I do not think you can suggest that everybody should have a warning attached to them. What are they supposed to wear? A scarlet letter 'A' for asylum seeker?'

The precise point here is the coalition is so obsessed with hating asylum seekers and refugees, so obsessed with whipping up fear about these vulnerable people just because of the mode in which they reach Australia that they come up with a list of protocols to say to the rest of the Australian people that asylum seekers are all so bad we have to whole new set of laws just to manage their behaviour. What an outrageous slur on the thousands and thousands of people who have come to this country over generations as asylum seekers and refugees and settled in this country peacefully, cooperatively and have done so with the very real commitment of contributing to our great nation. The idea that we have to—in order to satisfy Mr Abbott's and Mr Morrison's fearmongering on asylum seekers and refugees—have a special protocol to tell people to abide by the law is beyond me. This is about vilifying a group of people because of who they are, where they have come from and how they arrived. I do not step back from saying that at all. That is all this is. It is about fearmongering by the minister of Tony Abbott's government.
The code of behaviour is one page long. You have to sign your name and agree that you will not do any of these 'antisocial activities' and that you will abide by Australian law. The ridiculous thing about this is that, if somebody breaks the law, we have an Australian criminal justice system that deals with it. It deals with most law-breakers pretty well, whether you were born here or not. The whole idea of a special set of laws is to send a message to those out in the electorate that the coalition like pushing their buttons. They are saying: 'Asylum seekers and refugees should be feared. They are bad people. They are so bad we had to come up with a whole new set of laws to manage their behaviour.' What a load of nonsense, as Dennis Shanahan so rightly put it.

There are members within the coalition's own ranks that can already see that this is an appalling abuse not just of government authority in the form of being able to put forward legislation that controls people's lives and send very dangerous messages out to people in the electorate. There are many in the coalition who are sickened by how low this government has been prepared to go when it comes to asylum seekers and refugee policy. Russell Broadbent said there should 'never be special categories of laws for different categories of people'. He said: 'The rule of law should apply to all and we should not set some people apart. This kind of vilification of asylum seekers is unacceptable in this nation.' I could not agree more with Mr Broadbent on that matter.

It is outrageous to see how low, how far down the bottom of the barrel, this government is prepared to go to peddle their fearmongering and their dog-whistling. Some people would even say this is not a dog whistle; this is a pretty loud and clear trumpeting of fearmongering by this government. It is deliberately inciting fear about asylum seekers who live in the Australian community.

The saddest thing about all of this is that those who continue to live on bridging visas in the Australian community are terrified of what will happen next. Why? Because this government continues to hold over their head the constant threat of sending them back to countries where they will face the types of inhumane brutality and torture that they have fled.

We know that a number of these individuals have been so distressed by this circumstance that they have taken their own lives. That is not something that should be taken lightly. It is something this government should be reflecting on; that their policies are pushing vulnerable individuals, who have fled some of the worst atrocities and regimes in the world to come to Australia and ask for help. And we have government policy that is pushing them to the point of self-destruction and even, sadly, suicide. We know that one man in recent weeks set himself on fire and died as a result of the horrific burns to his body. That young man was so desperate not to be returned home to Sri Lanka to what he believed were his torturers that he set himself on fire in order to not have to go home.

Rather than putting forward these ridiculous, fearmongering, insulting vilification-driven code of behaviour protocols, this government should be focussing on what is wrong with a policy that pushes an individual to the point of setting themselves on fire to take their own life so they do not have to be subjected to the awful tortures and persecution that they believe waits for them at home. It is beyond me why this government thinks it is important to continue to peddle the myths and fears around asylum seekers and refugees.

We have one of the world's best and most thorough assessment processes, if we do it properly. We determine whether someone is a refugee. We should have a review process. If
they are rejected, there needs to be an appeals process. And, in all of that, you can be treating
people humanely you do not have to treat them like they are animals or as if they are
criminals.

There is nothing illegal in seeking asylum. I know Mr Morrison has directed all of his
Public Servants to use the word 'illegal'. But that does not make it so. In fact, there is not one
thing in the Migration Act, which this minister is responsible for, that says that just because
you are an asylum seeker or a refugee you are somehow illegal. The word 'illegal' does not
appear in the Migration Act in relation to asylum seekers and refugees. Yet this minister and
the Prime Minister, Mr Abbott, are determined to continue a fearmongering campaign against
some of the world's most vulnerable people. Why is that? I will tell you why. It is because
they are obsessed with the idea that this issue will win them cheap dirty votes. That is what
this is all about.

This is the vilification of one group of people to satisfy the coalition's electoral
achievements. We have seen it happen before. It is as though the coalition cannot help
themselves when it comes to being given the power to manage Australia's immigration
policies. We have a government who detain children on a remote island in a tented prison in
the middle of a phosphate mine and they think that is acceptable. We have a government who
are now detaining children on a prison ship out on the high seas and they will not even speak
about it—not in this place and not outside to the Australian people. When there are cries of
help and desperation from mothers detained in the Christmas Island detention centre, we have
a Prime Minister who accuses them of moral blackmail. This is how low the government are
prepared to go when it comes to dismissing the very genuine needs and concerns of refugees
who come to this country and how low they are prepared to go to vilify that group of people.

Last week when the Prime Minister accused refugee mothers—who are struggling with the
pressures of being a parent for their children, particularly young children and newborn babies,
and are incarcerated in the Christmas Island detention camp—of moral blackmail. It was
pretty much the lowest thing I have seen from this Prime Minister yet. I am not holding my
breath. I assume that, once he is on a roll, this is where it is going to go. Of course, only a few
weeks ago we had Mr Morrison, the immigration minister from the other place, stand up in
question time and say the coalition had not even warmed up yet when it came to their policy
on refugees and asylum seekers. God help us if this is not 'warmed up'.

What is next? We have vilification in relation to the code of behaviour rules, we have
hundreds of children incarcerated indefinitely and we have a Prime Minister who accuses
desperate, mentally scarred mothers of moral blackmail. It is hard to be morally blackmailed
if you are morally bankrupt, and that is what is wrong with this government. They have no
concept of how to run an immigration policy that looks after people and has the care,
dedication and compassion that is needed. They do not care about compassion. They do not
even care about proper process or the rule of law. All they care about is being able to set their
agenda of fear and hate. That is what this government continue to do over and over again.

Despite all the concern in relation to this issue last year when this code of behaviour was
first mooted by Mr Morrison and Mr Abbott, I am extremely disappointed that the Australian
Labor Party will be voting against this disallowance motion—simply giving the tick and flick
to this type of vilification. I hope I am wrong on that and I hope I have been misinformed and
perhaps the Labor Party will indeed vote to rid this scourge from our statute books, but I do
not hold my breath. I would be interested to see from members of the Labor Party exactly why they believe that this code of behaviour should continue. If we are going to have a code of behaviour in addition to and separate to the basic rule of law for one group of people, where to next? Who is the next group of vulnerable people that the government of the day want to start picking on? Will it be members of the Indigenous community? Maybe just Indigenous kids or single mothers or those who access the disability pension? At what point do we say, 'We're just going to have separate behaviour protocols for every group of people,' because that is the way the government want to control the law-making in this country, or do we stand up and say, 'There is the rule of law, which all of us, equally, are expected to abide by, and, if you do not abide by it, then there is a criminal justice system to deal with you'?

In the last minutes of my contribution tonight, I want to reflect on the comments made by Dennis Shanahan. They ring a very eerie truth. I would like to read them out again so that we can be clear. He said: 'I don't think you can suggest that everybody should have some warning attached to them. What are they supposed to wear? A scarlet letter A for asylum seeker?'

Those comments were not made lightly; they were made in direct relation to where this type of attitude goes. It is a slippery slope to allow vilification to be rubberstamped by a chamber of parliament just because the government of the day want to continue to whip up fear and blow their dog whistle. We know that the issue of immigration is consistently used by governments of the day and, indeed, oppositions to garner electoral support. It is about kicking the people who have no opportunity to speak for themselves. This is about pushing issues and blame to a small group of people who have not done anything wrong but have no voice in order to speak up, say no and stand up for themselves.

In this place, our job as elected members of parliament is to debate issues and take on board what the government of the day would like to do, but also to stand up for the rights of people in our country to be treated fairly and equally. I do not think for one moment that it is this chamber's job to rubberstamp and tick and flick the fearmongering agenda of the government of the day or a list of behaviour protocols that do nothing more than vilify a group of people because of who they are, where they come from or how they arrived. This is playing the race card. It is appalling and this chamber should kick it out. We should kick it out tonight and not stand for this type of behaviour or this attitude from the government. This is Scott Morrison and Tony Abbott's fearmongering agenda. The Labor Party and the crossbenchers should reject it.

Proceedings suspended from 18:30 to 19:30

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (19:30): I too rise to contribute to the debate on the disallowance motion of the Migration Amendment (Bridging Visas—Code of Behaviour) Regulation 2013. Despite what the Australian Greens say, the code of behaviour, itself, is an educative tool. When you release into the community thousands of people who have arrived here illegally by boat from very different backgrounds, then, as a government, we should at the very least, explain to these people what is expected of them in terms of their behaviour. Examples include people from Iran, Iraq or Afghanistan, who either do not speak English or have very limited knowledge of the English language. These people might come from cultures that are fundamentally different to our own—for example, cultures
where women are not equal to men and who have had little to no exposure to Australian society.

The regulations that are sought to be disallowed are necessary as they provide the framework for the government to address community concerns about the behaviour of illegal maritime arrivals, who are in Australia temporarily as the holders of bridging visas. To put the numbers into context, Labor was forced to release tens of thousands of people into the community who turned up illegally by boat, because the detention network could no longer cope with the unprecedented level of border protection failure experienced under the former government's watch.

Today, there are more than 25,000 people living in the community on bridging visas, who are part of a legacy case load in excess of 30,000 people, who arrived illegally by boat and were left behind by the previous government. To date, a total of 68 illegal maritime arrivals on bridging visa Es have had their bridging visas cancelled on the basis of criminal charges since 7 September 2013. For the benefit of all senators, these cancellations have been based on charges and convictions for offences, including theft, shoplifting, indecent assault, indecent assault of minors, domestic violence, assault with a weapon, assault occasioning bodily harm, wounding with intent, driving under the influence, stalking, people smuggling, attempting to obtain prohibited drugs, aggravated sexual assault on a person under the age of 16, rape and murder.

I remind senators that codes of behaviour are currently in force in both held and community detention. Therefore, it makes no sense at all that such codes of behaviour are not applied to those living in the community whose status has not yet been determined. Let us just remind ourselves that we already have codes of behaviour that are in place. They are in place in held detention and in community detention. Why then is it unfair to have a code of behaviour in place for another group of asylum seekers who are living in the community?

The grant of a bridging visa to an IMA is a privilege. It is not a right. This government has a zero tolerance approach to those who violate the privilege they have been granted to live in the Australian community. The government makes no apologies for providing a strong and an enforceable reminder of the behaviour that is expected of people living in the community on a bridging visa. As I have already stated, the code of behaviour is both an educative tool in terms of what the person's expectation is and a tool to limit non-compliance as it serves to clearly communicate expectations and standards of behaviour.

Listening to the Australian Greens on this issue, you would think that the code of behaviour places unnecessary and restrictive burdens on asylum seekers in the community. But for those unfamiliar with the code, let me just address what is actually in the code. I would say, everything listed in the code of behaviour is common sense to those on this side of the chamber and to every other member of the Australian society. The code, itself, contains six dot points:

- You must not disobey any Australian laws including Australian road laws; you must cooperate with all lawful instructions given to you by police and other government officials;
- You must not make sexual contact with another person without that person’s consent, regardless of their age; you must never make sexual contact with someone under the age of consent;
• You must not take part in, or get involved in any kind of criminal behaviour in Australia, including violence against any person, including your family or government officials; deliberately damage property; give false identity documents or lie to a government official;

• You must not harass, intimidate or bully any other person or group of people or engage in any anti-social or disruptive activities that are inconsiderate, disrespectful or threaten the peaceful enjoyment of other members of the community;

• You must not refuse to comply with any health undertaking provided by the Department of Immigration and Border Protection or direction issued by the Chief Medical Officer (Immigration) to undertake treatment for a health condition for public health purposes;

• You must co-operate with all reasonable requests from the department or its agents in regard to the resolution of your status, including requests to attend interviews or to provide or obtain identity and/or travel documents.

The code itself is particularly relevant where these people have engaged in antisocial or violent behaviour that does not result in a criminal charge. Common issues reported include intoxication, fighting between residents at accommodation, sexual harassment, threats of violence, acting aggressively towards departmental or service provider staff and refusing to cooperate with attempts by the department to solve a person’s immigration status.

Again I remind senators that, if you are going to release into the community tens of thousands of people who have had little to no prior exposure as to what is expected by way of Australian community standards, who have English not as a first language and in many cases do not speak English, who have cultures fundamentally different from the culture in Australia—and again I go to the example of where women are not equal to men—I would have thought that, at the very least as a government, we would take the time to explain to those people what is expected of them by way of general community standards in Australia. It is a fact that every single week since the election an average of almost two IMAs have been charged with criminal offences.

The code of behaviour makes it clear that antisocial as well as criminal behaviour will not be tolerated. It sets out clear standards of behaviour and expectations relating to the values that are important to Australian society. It also makes clear that bridging visa holders are expected to cooperate with the Department of Immigration and Border Protection regarding the resolution of their status. The code itself provides a proper basis for bridging visas to be cancelled and to prevent people from reapplying depending on the seriousness of the breach. In cases where criminal charges are laid, visas are now cancelled by this government and the alleged offender taken back immediately into held detention until their case is determined.

The grant of a bridging visa to an IMA is a privilege; it is not a right. This government has a zero tolerance approach to those who violate the privilege they have been given by way of living in the Australian community. This government makes no apology for providing a strong and enforceable reminder of the behaviour expected of people living in the community. Again, just for the record, in relation to the 68 IMA bridging visas which have been cancelled on the basis of criminal charges since 7 September 2013, I remind the Senate of the incidents for which these visas were cancelled: theft, shoplifting, indecent assault, indecent assault of minors, domestic violence, assault with a weapon, assault occasioning actual bodily harm, wounding with intent, driving under the influence, stalking, people smuggling, attempting to obtain prohibited drugs, aggravated sexual assault on a person under the age of 16 years, rape.
and murder. Again I state that this government makes no apologies at all for sending a strong
and enforceable reminder of the behaviour expected of people living in the community on a
bridging visa.

Senator KIM CARR (Victoria) (19:41): I draw the attention of the Senate to the fact that
this regulation, introduced in December 2013, extended the ability of the government to
cancel a BVE for persons who had engaged in behaviour not considered acceptable by the
community. It prevented a person who had a visa which was cancelled due to criminal
conduct or breach of the code of behaviour from applying for a further visa. The Labor Party
takes the view that it is appropriate that people seeking protection are made aware of the
expected standards of behaviour and conduct. In 2012, the Labor government introduced a
values statement, a precedent to this particular measure, which was made a requirement for
the granting of a protection visa. Former Labor minister Chris Evans also introduced
ministerial direction No. 55, which guides decision makers in the exercise of visa refusal and
cancellation powers under section 501 of the Migration Act 1958.

A character test has existed within the Migration Act for some time. It provides the
minister with the power to cancel a visa which has been granted to a person if they reasonably
suspect that a person does not pass the character test. The current character test relates to
criminal conduct and general conduct that is not of good character. Labor believe that the
values statement and the character test currently in place are an appropriate indication of the
standards of behaviour that are expected by the community. While we will consult widely and
monitor the application of the code over the coming months, we will not support this
disallowance.

Senator DI NATALE (Victoria) (19:43): Sometimes in this place we circle around the
truth without ever naming it. When it comes to this government's response to refugees and
asylum seekers, it is important to name what is going on here. It is racism, pure and simple.
There are no other words to describe it, no other words we can use to try to cover up what is
going on here. This is a cynical exercise, one designed to seed fear and incitement in the
Australian community. Every single message, every slogan every sound bite is designed for
the simple purpose of ensuring that people understand that they are different, that refugees are
not like us, that they do not share our values. That is exactly what is going on with the code of
behaviour. It is a code of conduct that has been designed with one simple message in mind: to
ensure that we keep reinforcing to the Australian community that, if you are a refugee or an
asylum seeker, you are different—that you do not respect our laws; that you do not respect
our values; that you do not respect our women. Every word in this code of conduct has been
carefully crafted to ensure that people understand that, if you are a refugee, you are not like
us.

It is not just the code of conduct. We have seen it with this government invoking the
Defence Force—using Australian men and women who have dedicated their lives to the
protection of Australia—for the most despicable political purposes: to create the impression
of an invasion of hordes of refugees and asylum seekers, in what is really a naked, self-
serving political exercise. Of course if you are in a war, if you are being invaded, then any
amount of secrecy is justified, because in a war secrecy is not just justified—it is necessary.

We see the word 'illegal' being thrown around like confetti. They know it is not true. But if
you do not respect our values, if you do not respect our laws, if you are illegal, you are not

CHAMBER
like us. You are so different from us that, when you are living your life in an offshore detention centre, lying in bed, being stripped of all hope, and thinking about putting that noose around your neck, or if you are somebody who is so desperate at the thought of being returned to a country where you face torture and perhaps worse, or if you are so desperate that you choose to cover yourself with petrol and light the match, or if you are a young child who sees no light and decides to self-harm—if you are any of those things and you choose to take your life, to harm yourself, then it is because you are morally bankrupt! It is not because you are in pain or suffering or enduring any of the normal human emotions that any of us would be feeling, facing those circumstances; it is because you are morally bankrupt; you are depraved; you are somehow of a different quality to the Australian people right here now!

It would be a mistake to suggest that this is new. It is true that we have plumbed the depths of political self-interest in the most recent debates, but this has been going on for years. It started with Prime Minister Howard's famous, 'We will decide who comes to this country and the circumstances in which they come.' We have heard the demonising of asylum seekers through language such as 'queue jumpers' used of people who, let us remember, are doing nothing other than making a choice that many of us would make. Faced with the threat of torture and persecution, they choose to escape those circumstances. That is absolutely morally justified, and yet we use terms like 'queue jumpers'.

All of this has been tremendously successful. When you ask people about the numbers that we are faced with, people have the numbers completely out of proportion. We have got people who think that there are more refugees and asylum seekers coming to this country than there are immigrants, when in fact the number of refugees coming to this country is only a small fraction of the total of our immigration intake. Because of this fear and anxiety that has been seeded over many years, through things like the code of conduct, we get a situation in Australia where people think that the current policies are justified. That is political success.

Some people might say that this actually says something about the Australian character—that there is a deep vein of racism that runs through the Australian people. I do not subscribe to that. What this reflects is a failure of political leadership, pure and simple. When we look at the South-East Asian refugees that were welcomed here with open arms, we see that Australians are a generous people. Instead what we have is a government that does not just blow a dog whistle. This is not a dog whistle. We have got to call it for what it is, for a dog whistle implies that this is a coded message, to be understood by only a small part of the Australian community. This is a racist foghorn—that is what this is. It is not a dog whistle; it is a racist foghorn.

So it is that we have a document so crude, so Orwellian and so shameful that it takes us into one of the lowest ebbs of this political debate. Let us look at this code of behaviour. It says: 'You must not disobey any Australian laws, including Australian road laws'—because, of course, these people just cannot wait to get out into the community, to start raping and pillaging, and to get to the nearest mosque to sign up to the nearest jihadi recruiting officer! They cannot wait for it! But look a little further: there is of course a reference to Australian road laws, because we have all been in a taxi with one of those dark-skinned drivers who didn't know how to drive or where he was taking us! And then there is point No. 2: 'You must not make sexual contact with another person without that person's consent.' So they are not just lawbreakers; they are not just terrible drivers putting our lives at risk; they just cannot
wait to get their dark, grubby hands on our women! That is what this is about. That is what this says. Never mind the fact that most cases of domestic violence and abuse towards women are perpetrated within the family home; never mind the fact that, when it comes to sexual abuse and violence towards women, it is the neighbour, the uncle or the husband that you need to worry about!

The implication here is that our children are not safe either.

The list goes on: you cannot take part or get involved in any kind of criminal behaviour in Australia; and you cannot harass, intimidate or bully another person. Having a code of conduct like this designed by the coalition government would not be so laughable if it had not come from an institution whose own behaviour was so inconsistent with the values of civility and decency that we are asking of others.

Senator Cash talks about the role of women in some of these cultures that are coming to our country. What about the role of the women in the Liberal Party? If women are treated so poorly by some of our refugees and asylum seekers, the Liberal Party hardly offers us a model that we should be looking towards.

Every now and then a chink of light shines through and, when we see refugees being resettled into communities, like in my home community of Colac, we see a response from the Australian community that is warm and welcoming, that says: 'We will look after you. We will give you the protection that you need.' And they become valued members of those communities.

Every now and then you see an asylum seeker who is driven to a desperate act like the young man who set himself alight and yet decided to become an organ donor, wanting to do nothing more than make a contribution to this country.

We cannot let people see that refugees and asylum seekers are normal people, wanting nothing more than to make a contribution and become decent hard-working citizens. So we have got to set the foghorn to maximum volume and create instruments like this code of conduct. We have to go further than that: we cannot afford for Australians to meet refugees, to be exposed to these stories, to learn about the hardships that they are fleeing and hear about the sorts of contributions that they want to make. That is why we keep them locked up offshore. We keep the press away. We keep Australians away, because we cannot afford to shatter the illusion that has been being created by this government and by governments before it.

I do not pretend for a moment that this is an easy issue but I condemn those people who use the tragedy of deaths at sea to justify a policy that is implemented for no other reason—not for reasons of compassion, care or decency—than for the most base political purposes. If you cared about deaths at sea, you would not be using words like 'illegal'. You would not be calling someone who is in a state of desperation a 'moral blackmailer' and you could not be implementing a code of conduct that implies these people are criminals, that they do not share our values and cannot wait to get their hands on our women.

I would like to see a code of conduct that went something like this: no more three-word slogans; no more lies about what it means to seek asylum; and no more using the word 'illegal' when you know it is not true and that it is a fundamental right. If we do not learn from the mistakes of the past, we are condemned to repeating them. We are going to use care and
compassion as guiding principles rather than simply inflaming people's fears and anxieties. We are going to use facts. We are going to reassure people that we do not need the army. We do not need our Defence personnel. We do not need the Navy, because this is a humanitarian issue.

Just as we expect you to uphold Australian law, we will uphold Australian law. We will make sure that we uphold domestic law and international law, which means that we will not forcibly deport you to countries where you are going to experience torture, persecution and possibly worse. Just as we want to ensure that you treat people with respect and do not engage in harassment, we will keep you safe and treat you with respect. We will treat you with the sort of respect that is currently being denied to you, because of your circumstances which involve being locked up in offshore prisons.

We need to name what this is: it is racism. It is not dog whistling. This is a racist foghorn, loud and clear, saying to the Australian community: 'Don't accept refugees. Don't accept asylum seekers. They are not like you and me. They don't share the same values we share. We don't want them here.'

I say to the coalition: they are ordinary people with families, children with the same hopes and dreams that all of us share and we, as a rich, decent and prosperous nation should offer them the protection they so badly need. If we do not do this, this is something that you will carry with you for the rest of your lives.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): The question is that the motion for disallowance of the Migration Amendment (Bridging Visas—Code of Behaviour) Regulation 2013 be agreed to.

The Senate divided. [20:03]

(The Acting Deputy President—Senator Whish-Wilson)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
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AYES

Di Natale, R
Hanson-Young, SC
Ludlam, S
Milne, C
Rhiannon, L
Rice, J
Siewert, R (teller)
Waters, LJ
Whish-Wilson, PS
Wright, PL

NOES

Back, CJ
Bernardi, C
Bilyk, CL
Birmingham, SJ
Bullock, J.W.
Bushby, DC
Cameron, DN
Canavan, M.J.
Carr, KJ
Cash, MC
Colbeck, R
Conroy, SM
Cormann, M
Day, R.J.
Edwards, S
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Gallacher, AM
Heffernan, W
Question negatived.

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (20:06): by leave—I move:

That the routine of business for the remainder of the day be as follows:

No. 3 Trade Support Loans Bill 2014

Trade Support Loans (Consequential Amendments) Bill 2014

No. 2 Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2]

No. 8 Asset Recycling Fund Bill 2014

Asset Recycling Fund (Consequential Amendments) Bill 2014

No. 6 Health Workforce Australia (Abolition) Bill 2014

No. 7 Australian National Preventive Health Agency (Abolition) Bill 2014.

Senator MOORE (Queensland) (20:07): The opposition will be supporting this motion because we take the principle that the government has the right to set the order of business. However, it is passing strange that this is the second time today that we have had a request from the government to change the order of business from the Senate red that we had when we all came into this place today. I acknowledge that the Manager of Government Business did tell us that this is what he wanted to do, but having already had one request for a change in the order of business, it seems odd that we are not able to get through the whole day without having another. The people on our side were all prepared to go through with the debate this evening on the Health Workforce Australia Bill and the Australian National Preventive Health Agency (Abolition) Bill as listed on the red this morning. We were ready to go into that debate this afternoon. Also, the community affairs committee was requested to have its report in this evening so that we would be able to progress that process tonight. It is confusing that we are again being asked to go along with a request and we do not know why. It makes the red we get in the morning almost redundant. It is as if we should come in here in the morning and say, 'Hey government, what do you want us to do now?' We have no warning
about what we need to do. This is not the way to run business. As the Manager of Government Business knows full well—after telling us for years—every time a motion came in from a manager of government business in the past we were lectured about our inability to run the affairs of the chamber. It was a regular occurrence. I have a number of former managers of government business behind me who have a record of being told they were not up to the job.

Senator Fifield: I never said that.

Senator MOORE: Senator Fifield, if you go back and check the Hansard, which I did, you will see that that phrase was used. The opposition and the Greens have had this discussion. We have said we will not stand in the way of this request for a change. We have said we will not stand in the way of this request for a change. We have said we will not stand in the way of this request for a change. We have said we will not stand in the way of this request for a change. We are taking note of the number of times we are asked to come in here and change our program for no known reason. This morning at 10 o'clock we had a vote to determine the order of business for a range of legislation that we are working through today. Already a number of bills have passed, yet this afternoon we were told that we have to make this change. This is not the way to make it work. We will not stand in the way, but we need to make our position known that this is not the standard way the Senate should operate.

Senator MILNE (Tasmania—Leader of the Australian Greens) (20:10): I want to add to the remarks of Senator Moore. This morning I opposed the rearrangement of business and I say exactly the same thing again. We now have a situation where the government, it seems, is prepared to do the bidding of certain parties in the Senate but not others. I would like an undertaking from the government that, if the Greens come in here and decide we do not want to deal with any of this legislation, it will rearrange the business accordingly. It would seem that all that is required is that certain members or certain sections of the parliament just come into the Senate and say, 'We're not prepared to deal with that today,' and the government says, 'Okay, we'll jump. How high?' Then they just come in and change the business for the second time in one day. If this is how we are going to run the Senate, then it has to be fair and equal for everyone; it should be that, if anyone is not happy to debate a matter, we just have it moved. If that is how it is going to be, it is going to be chaotic. What we know here is that the government is clearly not in charge and is doing the bidding of other sections in the Senate. It is an unworkable arrangement that gives no certainty to anyone in planning their work for the day. I say again that it seems extraordinary that we come in here in the morning and rearrange the business and then rearrange it again now. We still do not know why the health bills are not coming on. They were clearly on the Notice Paper. Why aren't they coming on? Perhaps the Manager of Government Business in the Senate can tell us why they have suddenly rearranged the business again and whether this is going to be something that is done for certain sections of the Senate but not others.

Senator IAN MACDONALD (Queensland) (20:12): What hypocrisy! I apologise to the Senate but I simply cannot allow to go uncommented upon the hypocrisy we have just heard. I sat in this chamber for the last six years when the Greens continually altered the arrangements of the then government. The then government rolled over every time. Why? Because the Greens political party supported the government of the time and it was the only reason Ms Gillard was Prime Minister. To sit here for three minutes and listen to the hypocrisy that has just been spoken is breathtaking. I say to those who are new to this chamber—unless they might be moved in some way by what the previous speaker has just
said—that what has happened today happened continuously in the last six years. When we would complain was there any backward step taken by the Greens political party? Absolutely not. And that was fair enough. If that was what they wanted at the time—and they had the numbers—fair enough. But to have to sit here in this chamber and hear this hypocrisy just sickens me and I cannot let it go without commenting.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (20:14): I thank my colleagues for their contribution to the debate on this motion. It is not an extraordinary or unusual thing, as Senator Macdonald pointed out, for governments on occasion to seek to rearrange the business. In this case, as I indicated to all parties and to all representatives of the cross bench that I spoke to, there was indeed a request for consideration of the two health related bills to be put later to allow additional consideration by those crossbench senators.

I thought that was an entirely reasonable request and is something that I flagged and indicated to those around the chamber. I might add that I did it at least a good four or more hours ago. So it is not something that has crept up. It is the government seeking to accommodate the legitimate desire of new senators to this place to consider these matters. As Manager of Government Business in the Senate I thought it was an entirely appropriate thing to do and those opposite, when they were on this side of the chamber, did this from time to time.

Senator Ian Macdonald: Regularly.

Senator FIFIELD: Regularly, indeed, Senator Macdonald. The then coalition opposition recognised that it was, on occasion, reasonable to do and we cooperated. I thank Senator Moore for her cooperation here on this occasion. Indeed, Senator Carr, has a shortish memory. But that is the reason why this motion to rearrange is being moved and I thank colleagues for their cooperation.

Question agreed to.

BILLS
Trade Support Loans Bill 2014
Trade Support Loans (Consequential Amendments) Bill 2014
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved:
At the end of the motion, add:
but the Senate notes that the Government has failed to:
(a) advise apprentices before the election that they would be abolishing the Tools for Your Trade program, thus leaving Trade Support Loans as the only form of assistance for the purchase of tools;
(b) adequately ensure that clear and easily understood explanations of the loan, the indexing and the repayment requirements are provided to all apprentices in a consistent format, in particular for school-based apprentices;
(c) put in place adequate privacy protections for the large volumes of information that will be acquired through the Trade Support Loans Program; and
(d) offer:

(i) fair and reasonable transition arrangements for current apprentices; and

(ii) apprentices the option of lump sum payments in order to purchase expensive items.

**Senator CORMANN** (Western Australia—Minister for Finance) (20:16): I thank all senators who have participated in the second reading debate on this bill, the Trade Support Loans Bill 2014 and related bill. It gives effect to the government’s 2013 election commitment to better support Australian apprentices through the introduction of the Trade Support Loans program. This loans scheme will provide support for apprentices to complete their skills training through access to interest-free loans, of up to $20,000 over four years, to help with everyday costs during their apprenticeship.

The Trade Supports Loans initiative signals an approach of targeted investment in key trades where skills shortages exist. We need to ensure that we are achieving the best value for money in our skills expenditure, which is why this program will target trade occupations in priority areas such as plumbers, diesel mechanics, electricians and fitters. Loans will be available to Australian apprentices undertaking qualifications leading to these occupations.

Currently, there are around 149,000 apprentices training in high-priority qualifications and a further 70,000 commencing each year. We know that about half of those who begin an apprenticeship in these qualifications drop out and most of these are within the first two years of training. More needs to be done to improve this outcome. The program will provide a stronger incentive for young Australians to take up the opportunity that an Australian apprenticeship offers and lift the number who finish their training and become productive members of the workforce. To increase completion rates, a further incentive will be provided through a 20 per cent discount on the amount of a trade support loan borrowed by apprentices who successfully complete their trade. For example, if an apprentice borrows $20,000 over the course of their apprenticeship, which they successfully complete, they will only need to repay $16,000.

We have heard from those in this chamber who are worried the trade support loans will not in fact be the better deal for apprentices. Yes, there are big changes but they are changes designed to give support where it is most needed and we are helping apprentices to transition to this new way of support. The program is being administered through a network of organisations that are already working with apprentices and employers and that understand the training system and what apprentices and employers need. We have also heard that some in this chamber are worried we are unnecessarily burdening young apprentices with debt and not restricting the apprentices in how they spend their loans. The trade support loans are not compulsory but are there to help with when an apprentice needs to make a decision on whether to spend some money now to enable them to succeed in the field of training they have chosen. This will enable them to do whatever they need to do, to help them in their apprenticeship, including finding a place to live that is closer to their workplace, buying a car or ute that can get them to work earlier or purchasing some tools or educational aids that will help them achieve the best they can in their training.

Our apprentices are our future workforce and so we are supporting them through concessional loans when they need it most. They will start paying off their loans when they join that workforce as well-paid, qualified trades men and women. As well as concerns, we have also heard from senators on both sides of the chamber who have benefited themselves
from taking on a trade and becoming qualified. This loans scheme will enable more kids from all backgrounds to choose an apprenticeship. We have also heard that lump sum payments would be more helpful. As you would understand, we need to ensure that the apprentice is sure they want to take on the debt and plan for the bigger purchases. This program has been designed to have front-loaded support, with bigger payments coming in the early years when they need them most. Several senators have suggested there is not enough protection of personal information. That is untrue. There are strong protections provided by the Privacy Act. In line with our promise to cut unnecessary and costly legislation and regulation, we are not going to replicate existing legislation and other privacy requirements in this bill.

The government is committed to ensuring that regulation is never adopted as the default solution. There has been a lot of commentary on the misuse of payments that occurred under the previous Tools For Your Trade scheme. Sarina Russo, an Australian apprenticeship centre contracted by the government, in their submission to the Senate inquiry into this very bill, said:

In our experience some apprentices did not use their $5,500 Tools For Your Trade funding to buy tools. A person will think more carefully about what they spend a loan on, compared to how they might spend money that is just thrown at them. We believe in apprentices and their ability to choose when they wish to receive support to meet their individual circumstances. Members of the opposition have tried to insinuate that we are not looking after apprentices who are aged under 18 or who are still at school. This is also untrue. Great consideration has been given to the position of those under the age of 18. A range of additional materials, including specialised application forms, fax sheets and information for parents have already been developed. We concede that trade training is not a lesser avenue to that of studying at university and it should stop being treated as such. With the introduction of trade support loans, we recognise the barriers young apprentices face, and, in the same way the Higher Education Loan Program has assisted university students, trade support loans will assist apprentices in overcoming those barriers and transitioning into meaningful work as qualified tradespeople.

We are looking at ways we can strengthen industry investment and engagement and ensure that the skills delivered are of high quality and what industry requires. We are also looking at the inconsistencies across the system in qualifications and length of training and how training is defined within the system, and we will streamline our approach for a simpler, more efficient system that enables training solutions that fit employer needs. Improvements to Australian Apprenticeships will be underpinned by the introduction of new support service arrangements for apprenticeships from 1 July 2015 to provide better support for employers and apprentices throughout the period of training.

I commend the Trade Support Loans Bill to the house, but, before I close, I might just make a few comments on behalf of the government on the second reading amendment foreshadowed by Senator Lines. The government will not oppose the opposition amendment flagged by Senator Lines regarding parental consent for minors. The government has already given great consideration and put great care into designing the scheme to ensure that those under 18 are fully informed. A range of additional detailed materials, including specialised application forms, fact sheets and information for parents have been developed. Australian Apprenticeships Centres, who are contracted to deal with apprentices, must take due care in
ensuring all apprentices who apply for trade support loans are aware of the obligations and implications of taking on an income contingent loan, in particular any apprentices under the age of 18.

Additional information and references to assist apprentices will be provided to assist them to make a decision about taking on a loan and to make sure they understand the full implications of entering into a trade support loan, including the obligation to repay when they start earning more than $50,000 a year. There will be space on application forms for parents and/or guardians to acknowledge the commitment that their child is entering into, and supplementary information will also be available for parents and guardians to ensure they are aware of the requirements and obligations their child may take on. Additionally, the availability of trade support loans for under 18s is consistent with other income contingent loans, such as the HELP scheme. With those few comments, I commend the bill to the Senate.

The PRESIDENT: The question is that the second reading amendment moved by Senator Carr be agreed to.

The Senate divided. [20:29]

AYES

Bilyk, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S
Lundy, KA
McLucas, J
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Urquhart, AE (teller)
Waters, LJ
Wong, P

Bullock, J.W.
Carr, KJ
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
McEwen, A
Milne, C
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z
Whish-Wilson, PS
Wright, PL

NOES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Day, R.J.

Bernardi, C
Bushby, DC
Cash, MC
Cormann, M
Edwards, S
Senator LINES (Western Australia) (20:31): As I foreshadowed this morning, and as has been circulated in the chamber, I move the amendment standing in my name:

At the end of the motion, add:

but the Senate calls on the government to determine a method for achieving parental/guardian approval for apprentices under 18 years of age, in particular school based apprentices, at the point of signing up for loan amounts.

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

Question agreed to.

Senator RHIANNON (New South Wales) (20:32): Mr President, I seek your guidance. We wanted to divide at that point and I was not clear what was happening. Could you put the question, again, please?

The PRESIDENT: Senator Rhiannon, I will put us to the mercy of the Senate. Let me just clarify that I did call for those of that opinion to say aye and I had one voice and then those of that opinion to say no and I heard no voices. I can only be guided by the chamber. If, by leave—and I am sure that the Senate will agree—I can put that motion again, I will ask for clarity in the voices and if there is a division required I will abide by that. Do I have the concurrence of the Senate to do this?

Senator Wong: Yes.

The PRESIDENT: The question is that the motion as amended be agreed to. The motion we are amending is the motion to read the bills a second time.
The Senate divided. [20:37]

(The President-Senator Parry)

Ayes ...............47
Noes ...............15
Majority ............32

AYES

Back, CJ
Bilyk, CL
Bullock, J.W.
Cameron, DN
Carr, KJ
Colbeck, R
Dastyari, S
Edwards, S
Fawcett, DJ (teller)
Fifield, MP
Ketter, CR
Lines, S
Lundy, KA
Mason, B
McKenzie, B
Moore, CM
O'Neil, DM
Parry, S
Polley, H
Ruston, A
Scullion, NG
Singh, LM
Smith, D
Williams, JR
Bernardi, C
Birmingham, SJ
Bushby, DC
Canavan, M.J.
Cash, MC
Cormann, M
Day, R.J.
Faulkner, J
Fieravanti-Wells, C
Gallacher, AM
Leyonhjelm, DE
Ludwig, JW
Macdonald, ID
McGrath, J
McLucas, J
Nash, F
O'Sullivan, B
Peris, N
Reynolds, L
Ryan, SM
Seselja, Z
Sinodinos, A
Sterle, G

NOES

Di Natale, R
Lambie, J
Ludlam, S
Muir, R
Rice, J
Wang, Z
Whish-Wilson, PS
Xenophon, N
Hanson-Young, SC
Lazarus, GP
Milne, C
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Wright, PL

Question agreed to.
Bills read a second time.

In Committee

Bills—by leave—taken together and as a whole.

Senator RHIANNON (New South Wales) (20:41): By leave—I move Greens amendments (1) and (2), and (4) to (7) and request (3) on sheet 7497.

(1) Clause 5, page 5 (line 17), omit "$20,000", substitute "$10,000".
Clause 5, page 7 (line 2), definition of **TSL debt indexation factor**, to be opposed.

Page 18 (after line 26), at the end of Division 4, add:

**25A Additional payment**

(1) If the Secretary must pay an instalment of trade support loan to a person on a day, the Secretary must pay an additional amount to the person on that day under this section.

(2) The amount of the additional payment is equal to the amount of the instalment.

(3) The additional payment is to be paid to the credit of the same bank account as the instalment (see section 25).

(4) To avoid doubt, the additional payment is not trade support loan, and is not repayable.

(5) Part 4.3 (Overpayment debts) applies in relation to an additional payment under this section in the same way as that part applies in relation to payments of trade support loan.

Clause 30, page 21 (line 8), paragraph (a), to be opposed.

Clause 31, page 21 (lines 22 to 28), omit subclause (1) (not including the method statement), substitute:

(1) A person's former accumulated TSL debt, in relation to the person's accumulated TSL debt for a financial year, is the amount worked out using the following method statement:

Clause 32, page 23 (line 19) to page 24 (line 12), to be opposed.

Clause 34, page 25 (lines 1 to 3), to be opposed.

As we are just coming back to this debate, it is worth, now we are in committee stage, reminding ourselves this is another attempt by the government to shift the costs, the funding needs of our public education sector onto students—in this case, onto apprentices. It is about the government saving itself a lot of money.

Abolishing the Tools for Your Trade scheme will save the coalition about $1 billion over the forward estimates. To put it in context, what we are talking about here is an ugly aspect of the policies that flow out of the budget where the government makes up the savings but they are savings at the cost of ordinary people and at the cost of quality education for our next generation of skilled workers.

Our amendments would lower the cap on the total loan available from $20,000 to $10,000. As senators would remember, the essence of this bill is that it turns the Tools for Your Trade $20,000 into a $20,000-loan. This is not the Green's preferred position but it is a way to deal with it that, I think, does bring forward a reasonable compromise. The loan would then be dropped from $20,000 to $10,000 and the difference would be made up by matching with direct government financial assistance dollar-for-dollar up to $10,000. Effectively, apprentices would get a $10,000-loan and they could also then get a grant. This is a simple measure and, we would argue, a very beneficial measure because it reduces the debt burden.

Let's reflect back on the debate because there were some interesting contributions. I very much congratulate senator Deborah O'Neill. She spoke with a real knowledge about the practical realities for apprentices and how important Tools for Your Trade is. She made the important point that we cannot trust the government and that is certainly the case. I hope that Labor, when they reflect on these amendments that the Greens are bringing forward, remember the words that many of their senators brought into this debate. The debt burden that the bill will place on apprentices, if it goes through in its current form, will really be an appalling way to start life. Very young people have not got a clear idea about how to manage
their finances, what it means to go into debt and will be, all of a sudden, saddled with a huge
debt. Let's remember some of Senator O'Neill's words: she talked about how it is 'miserly' and
'mean', and how it would deliver a debt-ridden future to apprentices. It would be provide a
debt to hang around their necks. I very much endorse those comments and I think that it is a
real reminder that we need to modify the scheme that is presented in this form that we have in
the bill before us.

I commend the Greens amendment. It is a responsible way to go forward. There is still a
burden of debt there, which—I have said and I will say again—the Greens are not fully happy
with it. We were hoping we could get a compromise so that would not be such a heavy debt
burden but still with that element of a grant, so that young people going into the first stages of
their careers as apprentices can manage their finances more successfully. I commend the
Greens amendments to the Senate.

Senator CORMANN (Western Australia—Minister for Finance) (20:45): I thank Senator
Rhiannon for her contribution. The government will not be able to support these proposed
Greens amendments. These amendments would have a significant impact on expenditure. The
first amendment, in addition to amendment (3), reduces the amount of trade support loan
payments that will be treated as an income contingent loan. This reduction is supplemented by
the introduction of an additional payment equal in value to the loan payment and paid at the
same time. It effectively turns trade support loans into 50 per cent loans and 50 per cent grant
payments. Changing the payment structure in this way is contrary to the clear and stated
public policy intention of the government.

The second amendment clause 5, page 7, line 2, in relation to the definition of TSL debt
indexation factor, can also not be supported. This amendment removes any indexation, CPI or
otherwise, from being applied to a person's trade support loan debt. This substantially changes
the treatment of trade support loans from other government income contingent loans and will
also have significant impacts on expenditure. So do all of the other amendments in relation to
lifetime limits and other indexation related amendments. On that basis, the government is not
in a position to support those amendments.

The TEMPORARY CHAIRMAN (Senator Seselja): Thank you, Senator Cormann.
Before I go to Senator Xenophon, I want to return to Senator Rhiannon's request. Is it the
wish of the committee that the statements of reasons accompanying the re
quests be
incorporated in Hansard immediately after the request to which they relate? There being no
objection, it is so ordered.

The statement read as follows—

Trade Support Loans Bill 2014

(Amendments, and requests for amendments, to be moved by Senator Rhiannon, on behalf of the
Australian Greens, in committee of the whole)

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

Amendment (3)

The amendment provides for an additional payment to be made to persons to whom trade support
loan is paid.
On the basis that the additional payment will result in increased expenditure under the standing appropriation in clause 104 of the Bill, amendment (3) should be moved as a request.

Trade Support Loans Bill 2014

(Amendments, and requests for amendments, to be moved by Senator Rhiannon, on behalf of the Australian Greens, in committee of the whole)

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

Amendment (3)

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

If, as stated, this amendment would result in increased expenditure under the standing appropriation in clause 104 of the Bill, it is in accordance with the precedents of the Senate that this amendment be moved as a request.

Senator XENOPHON (South Australia) (20:47): I have a preliminary question. I did not get to my feet in time to ask a broader question about the bill and the legislation. My question, Senator Cormann, is this: in terms of what is being proposed with respect to apprenticeships, has the government done any modelling as to the likely impact on the number of apprentices? We have seen a dramatic decline of apprentices; in my home state over several years there has been a 35 to 40 per cent decline in the number of apprentices. What does the government say will happen to the number of apprentices and the take-up of apprenticeships?

What does the government say will happen when the money for tools is taken away? It could be viewed as almost retrospective: you have started your course; you expect to get a certain amount of money; you went to your course in good faith, with respect to this money and your tools; and then it is taken away from you. But you have already committed to the apprenticeship.

Firstly, does the government concede that there is an element of retrospectivity in terms of taking away money for Tools For Your Trade? Young people have made a commitment to undertake a trade; they have made a massive, life-changing commitment, expecting to get some support from Tools For Your Trade, and that has been snatched away from them.

Secondly, has the government undertaken any modelling in respect of the impact these measures will have on the number of apprentices, and did that modelling or its assumptions rely in part on consultation with the TAFE sector and other interested stakeholders?

Senator CORMANN (Western Australia—Minister for Finance) (20:49): I thank Senator Xenophon for those questions. I advise the Senate of something the Senate probably already knows, which is that I am not usually the representative minister in this portfolio. It is usually Senator Ronaldson. I am relying heavily on the advice provided by officials here in the Senate with us. "Has there been any modelling?" I am advised that, yes, there has been and that the modelling in relation to the measures that are part of this bill has indicated that those measures will drive an increase in completion rates of about five per cent. There are of course other support measures that the government continues to put in place, which will seek to boost that further. We do not accept that the changes that are part of this legislation are...
retrospective. The changes apply to existing apprentices, but they only apply prospectively as per the provisions in the legislation that is before the Senate.

Senator XENOPHON (South Australia) (20:50): I thank the minister. In relation to the issue of modelling, will the minister advise whether the modelling will be tabled here and now? It is pertinent to the very basis upon which the government says it is undertaking this course of action. Secondly, in relation to the issue of taking away the money from the Tools For Your Trade for apprentices, does the government concede that there are some apprentices who commence their apprenticeship on the understanding that they will be able to get funding for their tools; only to find in subsequent years that that money will no longer be there?

Senator CORMANN (Western Australia—Minister for Finance) (20:51): Apprentices currently in training will be able to switch to the new arrangements but they do not have to. It is just that they will not get any further payments in the future, which is transparently put forward as part of our budget measures. Obviously what we have put forward in our judgement is a superior scheme which is why we are recommending it to the Senate. In terms of whether I could table the modelling, obviously I am not here and now in a position to do so but I am happy to take that on notice. I will confer with my good friend and valued colleague Minister Macfarlane and check with him if there is anything else I can share in relation to that modelling.

Senator XENOPHON (South Australia) (20:52): If I may assist the minister, some time ago when Minister Cormann was in opposition, I learnt the value of his pushing for orders for the production of documents, so I have learnt from the master the importance of orders for the production of documents. I foreshadow that there will be an order for the production of documents in relation to the modelling and I hope my crossbench colleagues and the opposition could indeed support that, because we want to see the base for this process. Even though the government does not acknowledge that it is retrospective, the question has been answered and I thank the minister for his frankness. Effectively, you are saying that there will not be the money that was promised earlier. You have to take out a loan for it. I reckon that is a bit rough. It seems that the government is willing to tackle apprentices head-on for their budget savings but will not, for instance, tackle anyone who has $10 million or $20 million in their private super account.

Senator CORMANN (Western Australia—Minister for Finance) (20:53): Firstly, I am pleased that Senator Xenophon was a student of my practices in opposition. I can assure him that I will do my absolute best now in government to comply with all of the requirements of the Senate in complying with relevant orders or providing an explanation as to why relevant public interest immunities might apply, consistent with proper Senate procedure. Thank you for that, Senator Xenophon.

In terms of your other question, what we are putting forward provides access to more significant support, but it provides that access in a way where, once an apprentice earns more than $50,000 per year, they would be required to repay the support that they have received, which is entirely consistent with the way this sort of support is provided to university students. We think it is important to provide appropriate levels of support to apprentices. We also think it is appropriate that, once apprentices on the back of that support have been able to build a successful career, those funds are paid back so that the government can provide further support to future apprentices. There is no unlimited money pot out there. As Margaret
Thatcher said some years ago, pennies do not fall from heaven; they have to be earned here on earth. There has never been a truer saying.

Senator Xenophon, what we are able to do with this bill is provide more significant support based on the proposition that, once apprentices are able to build successful careers, they repay that support so that the government is in a position to support future apprentices. Then we have a virtuous cycle where successful people in the future support other people who could be successful beyond that period.

Senator KIM CARR (Victoria) (20:55): Perhaps I could take this opportunity to indicate the opposition's position on this bill. At this point, I should explain that we think this bill is grossly inadequate. Mr Chairman, when you were speaking in the debate you were somewhat surprised at the approach that I took in highlighting the deep and very basic flaws that the government had taken with regard to this approach. I do not think the argument is a particularly difficult one to mount, simply because the government has made over $2 billion in cuts across the portfolio and, I am advised, $1 billion with regard to apprenticeship programs. There have been cuts to the Tools for Your Trade program, the government has capped the Australian Apprenticeships Access Program, it has cut the Australian Apprenticeships Mentoring Program, it has cut the Apprentice to Business Owner Program, and so it goes. The government has, in fact, misled the Australian public. It went to the election and told a pack of lies about what it was going to do with regard to apprenticeship training. Of course, when they got into government, they cut all these programs, having said they would do something entirely different.

What we see before us is the last remnant of support that the government is offering apprentices. It might be inadequate; it might not be able to meet the requirements. Alternative programs were there, which the government has removed. So the opposition is left with a simple proposition: what is left for us to support in terms of apprentices? That is why we are voting in favour of the bill. Others will take a different view. They will say that this is inadequate, and they are obviously entitled to that view.

Regarding the amendments moved by the Greens—and I understand that they are being dealt with in a cognate manner, so I might try to deal with them in that fashion—the opposition cannot support them because they do not improve what is a pretty ordinary bill. In some respects they make it worse. What has been presented to us are propositions which would be far more complex to put into practice. As senators would appreciate, there are much greater financial implications than have been intended in terms of the effect of these measures. They would open up possibilities for abuse of the system in circumstances which I think would lead to apprenticeship training in this country being discredited. It may well open up the possibility of rorting by employers, whereby apprentices would be sacked but loans would still be in place. We may find circumstances that, in truth, would be a bureaucratic nightmare. Because of that, there are unfair comparisons to the way in which the HECS system works for the higher education system. I do not think it is appropriate for these measures to be transferred in that matter.

I am not a particular fan of this whole arrangement. I do not think it is superior in any way to the carefully thought out measures which had real effect in terms of assisting young men and women secure a trade in this country. I certainly do not agree with the government's shocking abuse of apprentices that we have seen in terms of the slurs about the misuse of the
Tools for Your Trade program to date. In that context, there is one particular matter that I would like to draw the Senate's attention to. I foreshadow that there is an amendment standing in my name concerning the issue of parental engagement. Remember, this is a scheme that the government is proposing which will apply to 15-year-olds—15-year-old kids, signing up for $20,000 loans. We could make a comment about the appropriateness of that, but what we have got before us on the amendments that the Greens are proposing in this area are not adequate to deal with the job. So I propose an alternative amendment—that I am foreshadowing now—which goes to the issue of parental engagement. It makes the point that parents or guardians of kids under the age of 18 at the time of making an application must acknowledge that the applicant is fully aware of the commitment in which they are entering.

As a parent, I might say to you, I would be somewhat horrified to see my children at the age of 15 come home and find out that they have got a $20,000 loan signed up, which we knew nothing about in the household. But that is what the current arrangement allows for. I think, as a parent, I want to know whether or not the government was offering cash handouts to any of my children when they were 15 years of age. Actually, it is not a cash handout—I see the officers are looking a bit perplexed that I have used this term; but a $20,000 loan to a 15-year-old, with no restrictions with what they do with it, other than to say, 'Of course, it is for an apprenticeship.' I can suggest to you that there might be a few other things that they could do with $20,000.

The suggestion that $650 per month be paid directly into accounts of loan recipients in the first year is one that I think most parents would want to know about and that the money can be spent on anything because it is not a receipts based system. I think parents want to know about it. That is a very substantive amount of money about which parents and guardians should know that their children are lining up for. Given the size of the debts, it is appropriate that parents do know about it. The onus is on the government to make sure that parents and guardians are aware that their children are entering into a debt arrangement with the government. As I understand it, the government is not going to oppose this amendment.

Senator Cormann: I have already flagged it in the second reading—

Senator KIM CARR: Yes, I understand that, but the truth of the matter is, we want to actually see this in black and white. I am a bit old-fashioned. I have learned a few things from you and the opposition as well, Senator Cormann, and I want to see these things in black and white. That is why I am proposing these amendments. I understand that the government is not opposing these amendments. I trust they find the favour of the Senate. We simply want to ensure that parents and guardians are informed about the debts their children are entering into with the government. It is a common-sense amendment, which I trust will find favour in the chamber.

Senator RHIANNON (New South Wales) (21:02): The comments of Senator Carr are surprising because he has actually argued against some of his own policies when he was in government. Let us start off with the first point. He talks about how the Greens amendments could bring greater hardship to apprentices. That is clearly not the case. I would have thought that he could have seen his way that with Labor's amendment and the Greens amendment, we would have a tighter scheme. The Greens amendment actually lowers the cap on the total loan available from $20,000 to $10,000. But then more money can be accessed in the form of a grant, which is effectively the Tools For Your Trade system, which operated under Labor.
That is where you have the combination. So that is not bringing greater hardship; it is actually reducing the loan and therefore reducing the debt.

To hear Senator Carr talk about possible abuse of this scheme and possible rorting by employers. Rorting by employers I will leave aside. That can happen at any time but there are measures to stop that. But in terms of the abuse of the system, I sat through so many estimates, heard arguments in this chamber when the coalition were in opposition, abusing Labor about the Tools For Your Trade and when they came up with going off to tattoo parlours and buying mag wheels, and all the other insults that were hurled around. It is quite extraordinary to hear Senator Carr now talking about a system that we are proposing which is not dissimilar to what Labor had. Listening to the debate—and hearing how Labor will not support the Greens amendments that are trying to deal with a very problematic bill that we have before us—we are left concerned and wondering if Labor will wind back this policy when they are in government. Will we return to something similar, where direct support was given for apprentices, or are we heading down the path of these big debts going to the compound interest system that we have seen now introduced for university students? That is a worry that hangs over the debate. But for the moment, our amendments would bring a much better way of supporting young people who decide to start their careers with an apprenticeship.

The TEMPORARY CHAIRMAN (21:05): The question is that the amendments and the request for an amendment be agreed to.

Question negatived.

The TEMPORARY CHAIRMAN (21:05): The question is also that clauses 32 and 34 stand as printed.

Question agreed to.

Senator RHIANNON (New South Wales) (21:06): I seek leave to move Greens amendments (1) to (6), (8) and (10) to (12) and Greens requests (9) and (7) on sheet 7493.

Leave is granted.

Senator RHIANNON: I move:

(1) Clause 3, page 3 (line 1), after "reaches", insert "120% of".

(2) Clause 13, page 13 (after line 7), at the end of the clause, add:

(3) The application must include the consent of the person's parent or guardian, if the person is aged under 18.

(3) Page 20 (after line 14), after clause 28, insert:

28A TSL debt discharged by termination of apprenticeship

(1) Upon a person who owes a TSL debt to the Commonwealth ceasing to undertake a qualifying apprenticeship, the TSL debt is taken to have been paid, to the extent it relates to that apprenticeship.

Note: See subsections 8(3) and (4) for circumstances in which a person is, or is not, taken to be undertaking a qualifying apprenticeship.

(2) Subsection (1) does not apply to the person ceasing to undertake the qualifying apprenticeship:

(a) because the person has completed the apprenticeship; or

(b) at the person's own initiative.
The rules may prescribe a method of working out the extent to which a TSL debt relates to a qualifying apprenticeship.

Clause 31, page 21 (lines 22 to 28), omit subclause (1) (not including the method statement), substitute:

(1) A person’s former accumulated TSL debt, in relation to the person’s accumulated TSL debt for a financial year (the current year), is worked out by:

(a) applying the following method statement to work out an amount (the unindexed debt); and

(b) for each qualifying apprenticeship to which the unindexed debt relates:

(i) working out how much of the unindexed debt relates to that qualifying apprenticeship; and

(ii) multiplying that much of the unindexed debt by the amount that applies under subsection (3); and

(d) summing the amounts worked out under subparagraph (b)(ii).

Clause 31, page 23 (after line 18), at the end of the clause, add:

(3) The amount that applies for the purposes of subparagraph (1)(b)(ii) is the lesser of:

(a) the TSL debt indexation factor for 1 June in the current year; and

(b) the TSL debt indexation factor for the first 1 June after the person first incurred a TSL debt in relation to the qualifying apprenticeship.

For the purposes of subsection (3), disregard any law that:

(a) amends, or otherwise alters the effect of, section 32 or 33; and

(b) takes effect after the 1 June mentioned in paragraph (3)(b).

Clause 39, page 27 (line 5), after "reaches", insert "120% of".

Clause 39, page 27 (line 19), after "reaches", insert "120% of".

Clause 46, page 32 (line 5), after "exceeds", insert "120% of".

Clause 46, page 32 (after line 22), after subclause (1), insert:

(1A) For the purposes of the definition of applicable percentage of repayment income in subsection (1), the person’s repayment income is taken to be five sixths of what it actually is.

Clause 100, page 61 (line 21), after "this Act", insert "(other than subsection 13(3))".

These are the set of amendments that bring forward a range of badly needed changes to the bill. Together, they strengthen support for apprenticeships in the very responsible way. The amendments increase the repayment income threshold and provide for lower repayment rates. This would allow apprentices to earn more before paying off the debt, again something which is very important because we know apprentices do not start off with much money. This debt is going to put them under considerable pressure and this is a way to bring a better regime into managing this matter.

We have heard much debate about how the debt is an incentive. That is again why we are bringing this forward—to be able to moderate it to some extent. The changes set out reduce the negative impacts of the legislation with, as I said, links to the repayment rates of the HECS-HELP system, so that apprentices will begin to repay at a rate of four per cent of their income once they earn over $53,000. The amendment is needed because the loans scheme could well go the way of loans for university students, to a higher interest rate and a form of compound interest. As we know, that would mean that the debt burden would escalate considerably. I know that is not what is proposed but, when you look at the progress with the
debt burden that university students have to handle—and the government is proposing to change that too—we need to be aware of this, wary of it and, the Greens would argue, bring in ways to modify it.

We also have an amendment that would remove the CPI indexation. This would have the impact of reducing the real value of the loan over time. Every year an individual did not make a payment, the value of the loan would decrease at a cost to the government. The biggest beneficiaries of such a change would be low-income apprentices. Again, that brings in some protection for apprentices who start off on a very low wage, so that they do not end up with an extensive burden. This is another responsible amendment to manage what is, we would argue, not a good scheme. We are trying to put in some modifications that would allow the government to have the scheme it wishes. Labor wanted to support that but surely these modifications should be adopted.

There is also an amendment that would retain most of the current structure of the loans scheme but would ensure that, when an apprentice signs up to a loan with the current CPI interest rate, they will stick to that rate for the duration of their loan. This would prevent a situation we are now seeing where—

Senator Cormann: Mr Temporary Chairman, I rise on a point of order. It would seem to me that, with Senator Rhiannon now talking about indexation, she is actually talking to the amendment she previously moved, which the Senate has already dealt with. She might want to consider that.

The TEMPORARY CHAIRMAN (Senator Seselja): Thank you, Senator Cormann. We have been going across them a little bit. Senator Rhiannon, obviously there has been some wide-ranging debate but I would ask you to stick to the set of amendments currently before the committee.

Senator RHIANNON: Thank you, Temporary Chairman. I have done them in two lots in globo for the ease of the chamber and have explored those issues because there is some crossover with these amendments. I will move to requests (7) and (9) covering amendments which, upon completion, ensure the apprentice will get a 40 per cent discount on their loan, not the proposed 20 per cent. Then an amendment inserts a clause—and we see this as the most important amendment—that would waive the debt for any apprentice who is dismissed from their apprenticeship or traineeship as a result of any action taken by the employer. I give emphasis to that amendment because many situations could arise from this bill if it is put into law. One of those could be that a young person starting off on their career has an apprenticeship, the employer dismisses them and they end up with no qualification but with a large debt. We need to manage that in some way. Allowing that to happen would be a highly irresponsible way to be managing our apprenticeship schemes. That is why we have brought that amendment forward.

I commend the Greens amendments to the chamber. We have put a lot together for the ease of the committee at this late hour.

Senator CORMANN (Western Australia—Minister for Finance) (21:12): The government will not be able to support those Greens amendments. To raise the repayment threshold for the loans by 20 per cent would mean for 2014-15 that the repayment income threshold would be $64,014 instead of $53,345. The Trade Support Loans Program was
aligned by the government with the Higher Education Loans Program to ensure consistency and to reduce confusion for individuals. The apprentice is not expected to repay their loan until they are receiving a sustainable income. The Trade Support Loans Program differs from HELP in that it is paid directly to the apprentice rather than to an education provider. This means the apprentice can spend loan payments at their discretion, to assist with everyday living costs during their apprenticeship with a view to them completing that apprenticeship and, of course, as indicated, if the apprentice successfully completes the apprenticeship, he or she would receive a 20 per cent discount in relation to the loan that is to be repaid.

We are not able to support the proposition that this should be doubled to 40 per cent, the same as we are not able to support the proposition that the repayment threshold for loans be increased by 20 per cent because it actually adds complexity and also would have a significant impact on expenditure. Obviously, we have properly calibrated this program to ensure that it is able to provide this important support to apprentices in a fiscally sustainable fashion, which is why we cannot support those amendments.

In relation to the comments on indexation, I have previously dealt with those matters.

The TEMPORARY CHAIRMAN (Senator Seselja): The question now is that the amendments and the requests for amendments moved by Senator Rhiannon be agreed to.

The committee divided. [21:18]

(The Temporary Chairman—Senator Seselja)

Ayes ......................15
Noes ......................39
Majority..................24

AYES

Di Natale, R
Lambie, J
Ludlam, S
Muir, R
Rice, J
Wang, Z
Whish-Wilson, PS
Xenophon, N

Hanson-Young, SC
Lazarus, GP
Milne, C
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Wright, PL

NOES

Back, CJ
Birmingham, SJ
Bullock, DN
Cameron, DN
Carr, KJ
Collins, JMA
Day, R.J.
Fawcett, DJ
Ketter, CR
Lines, S
Macdonald, ID
McKenzie, B
Moore, CM

Bilyk, CL (teller)
Brown, CL
Bushby, DC
Canavan, M.J.
Colbeck, R
Cormann, M
Edwards, S
Gallacher, AM
Leyonhjelm, DE
Ludwig, JW
McGrath, J
McLucas, J
O’Neill, DM
Question negatived.

Senator KIM CARR (Victoria) (21:22): By leave—I move opposition amendments (1) and (2) on sheet 7523:

(1) Clause 13, page 13 (after line 7), at the end of the clause, add:

(3) A form approved for the purposes of paragraph (2)(a) must provide for a parent or guardian (if any) of an applicant who is aged under 18 at the time the applicant makes the application to acknowledge that the applicant is fully aware of the commitment into which the applicant is entering.

(2) Clause 100, page 61 (line 21), after “this Act”, insert “(other than subsection 13(3))”.

I have already outlined the reasons for these amendments.

Senator CORMANN (Western Australia—Minister for Finance) (21:22): I thank Senator Carr for moving these amendments and for explaining in his earlier contribution the thinking behind the amendments. The government will not be opposing the amendments moved by Senator Carr. The Australian government, in making trade support loans available to them, wants to ensure that minors are protected. Of course, consistent with my remarks in the second reading debate, the government does not oppose these amendments.

Question agreed to.

Bills, as amended, agreed to.

Bills reported with amendments; report adopted.

Third Reading

Senator CORMANN (Western Australia—Minister for Finance) (21:24): I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2]

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (21:24): I rise to speak on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2] and indicate again that the opposition will not be supporting this bill. It is the second time that
the bill has been before the Senate, and the reasons that we have given for rejecting this legislation have not changed—in fact, they have only been increased. They are increased in light of the government's deceitful and unfair budget.

The campaign against this tax by the coalition parties has been riddled with inconsistencies. Whether in opposition or government, the Liberal and National parties have a great deal of difficulty in deciding whether they hate this MRRT because it raises too much revenue from the mining sector or too little. On the one hand they say it is a disaster because it does not raise enough revenue and, on the other, they say it is a disaster because it has cruelled the mining industry in Australia. Well, you cannot have it both ways and both propositions cannot be correct. The government says we need to get rid of this because it does not raise enough money—and, really, if that is the case, how is it damaging the mining industry? We have heard all of this before—the same, tired scare campaigns we have come to expect from those opposite.

It is instructive when considering the MRRT to recall the debate around the petroleum resource rent tax. We were told at that time, when the Hawke government sought to introduce this, that we would see the end of offshore exploration in Australia. The legislation was implemented and enacted and not reversed by those opposite when they came to power in 1996 and it has raised for Australia since that time the equivalent in today's dollars of around $39 billion. I do not think anybody would suggest any longer that there is no offshore exploration going on because of the PRRT or no production going on because of the PRRT.

The bill also needs to be opposed for a range of other reasons. This government has attacked working Australians in its budget and it continues to attack working Australians through this legislation that is before the chamber. I first want to focus on the issue of retirement incomes—a significant concern for many in Australia, including in my home state of South Australia. I would make the point that we had an information session in the electorate of Hindmarsh at which Ms Macklin, the shadow minister, was able to explain to many Hindmarsh residents some of the change—and certainly there is a great deal of concern in the community about the government's agenda.

The Treasurer has told Australians that we need to work longer—in fact, we need to have the longest working life in the world—and that we need to all work until we are 70 before we become 'leaners' on the Australian taxpayer; to use his word, not mine. He tells Australian workers, whether they are manual labourers, nurses, police officers—people doing tough jobs—that they have to work longer and they do not deserve a pension until they turn 70, because it is not sustainable. Given that backdrop, what is the Treasurer's current approach, as set out in this bill, to the retirement incomes of Australians as demonstrated in this piece of legislation?

This legislation and this government make it harder particularly for low- and middle-income Australians to save for their retirement. The government's position includes the most retrograde steps we have seen in superannuation in a very long time. When those opposite were in opposition, they promised no adverse changes to superannuation. Well, what Australians have seen is adverse change upon adverse change. The original MRRT repeal bill which came before the other place last year proposed a delay in the increase in the superannuation guarantee. But, of course, that position has worsened since then, because the budget contained yet a further delay in the increase in the superannuation guarantee—which,
in keeping with this government's typically chaotic approach, was not originally reflected in
this legislation. Under the previous, Labor government and under the current law of the land
the superannuation guarantee was due to reach 10 per cent on 1 July next year. Now the
government amendments will see this start date moved back to 1 July 2018. This is worse
even than the original repeal bill by one year. So we have an ongoing, persistent continuation
of delay in ensuring Australians can work to fund their own retirement. The question the
government has never answered is how these changes make the retirement system in this
country more sustainable or take pressure off the aged pension system, and the reason they
cannot answer that question is it does not. It is an unfair and irresponsible measure.

The increase in the superannuation guarantee and the establishment of the low-income
superannuation contribution, which I also want to discuss tonight, would have enhanced
Australia's national pool of savings and superannuation by about $500 billion, so it is not a
small amount of money we are talking about. In relation to the aged pension, Treasury
analysis shows that a continuation of the previous government's policy settings would have
halved the proportion of older Australians on the full-rate aged pension by 2050. In other
words, the previous government's policy, which the government is moving away from, would
have made our aged pension more sustainable and given people more opportunity to live their
retirement without being entirely dependent on welfare. But of course this position is too
much of a win-win position for the Treasurer, whose position is instead this: 'We are going to
make it harder for people to save for their own retirement, and we're also going to make them
work longer.' In fact, we are going to give them the highest working age in the world. There is
not a single country with a pension age of 70 and not one projected to have a pension age of
70 in the OECD by 2035, which is when this government is proposing to introduce the age of
70 as the age of pension entitlement.

We hear from those opposite a lot about superannuation tax concessions and how they
should be protected—a lot of rhetoric about the protection of superannuation concession—
but, as they engage in that rhetoric, what do they do? They launch into an attack on low-
income Australians. When we came to office in 2007 low-income earners in this country
received a tax concession on their superannuation savings of exactly zero per cent. It is not
fair. High-income earners receive substantial tax concessions for their superannuation because
they are saving for their retirement. We all understand the policy logic of that, but what is not
right is that high-income earners receive substantial tax concessions but low-income earners
receive zero per cent tax concession. It is not good policy and it is not fair.

If you look at the combination of the government's policies—that is, the removal of the
low-income super contribution and the rephasing of the superannuation guarantee—what we
will see is $75 billion less in Australian retirement incomes by 2023. That is not that far away,
and yet this government has the hide to lecture Australians about how long they should work
at the same time as the government is undermining important advances in ensuring
Australians from all income levels can receive tax concessions for their superannuation. What
this government is saying to low-income Australians—to cleaners, to factory workers, to
manual labourers, to clerical workers around the country—is this: 'We're not going to give
you any support to save for your retirement. We're not going to give you any tax concessions,
but we are going to ensure that high-income earners continue to get large tax concessions.'
This is in the context of the previous government putting in place a policy that ensured we
would give low-income workers in this country some tax concessions and pull back the tax concessions for high-income earners in a very modest measure—just a little bit to ensure there was equity in the system. Those of us on this side of the chamber say shame on this Treasurer and shame on this Prime Minister for treating the low-income workers of Australia with such contempt and such arrogance. The government that said they do not want any adverse changes in superannuation has made an adverse change if you have ever seen one: a tax hike for people on low incomes in Australia.

In terms of the impact on low- and middle-income earners—and I would remind the National Party, although I do not think the Leader of the National Party in the Senate is here—this is a regressive change which will affect low- and middle-income earners and will affect disproportionately individuals in rural and regional Australia. Mr Bowen in the other place has drawn attention to a report that said 24 of the 25 electorates hardest hit by the abolition of the low-income earners superannuation contribution are in rural or regional Australia. If you rank Australia's electorates and look at which electorates are worst hit by the effective tax hike on low-income workers, 24 of the 25 are rural or regional electorates. You would think in that context that you would have the National Party standing up in the party room and saying: 'No, this is bad for our voters. This is bad for the people we represent.' But what we have is silence.

**Senator Scullion:** Have you got spies in there?

**Senator Wong:** I will take the interjection. The Leader of the Nationals in the Senate says, 'Have you got spies in there?' I do not need spies to tell me that you are not talking about it or, if you are, you are pretty ineffective. It is quite clear that the policy that you are supporting, which has gone through your party room and cabinet, hits the people who voted you here, the people you are here to represent, more than anybody else—in fact even more than Labor voters. That is the reality.

We are voting for the removal of a tax break that gives low-income earners just some semblance of concessionality in the face of very substantial concessionality for superannuation contributions of high-income earners. Who would have thought that in fact the Labor Party, the Greens and the Democratic Labor Party would be standing up for rural and regional Australia so much more than the National Party when it comes to superannuation and retirement incomes? What is the phrase—‘Lions in the bush and lambs in Canberra’? I think that is pretty apposite here. We have a lot of roaring out there. You see that in the FOFA amendments. You see that in Senator Williams talking big. You see that in National Party senators telling everybody how much they are here to represent the bush. Meanwhile they are backing in the Liberals with policies that do over regional and rural Australia. There is no other way to explain it and there is nothing to justify it.

**Senator Scullion interjecting—**

**Senator Wong:** I welcome the interjections. If you are so clear that this budget is good for rural and regional Australia, why don't you stand up and speak on it? This is a tax hike on low-income earners. So why don't you say to 3.6 million Australians, many of whom might have voted for you, 'I think you should have a tax hike, but I think we should absolutely protect all the tax concessions that high-income earners in this country get when it comes to superannuation. That is the National Party position.' Explain to them why that is good, why
that is the right position, and why it will help them to save for their retirement and be less
dependent on the age pension as your Treasurer demands. He is very quiet now.

_Government senators interjecting—_

_Senator WONG:_ 'Out of respect!' Thank you. I am not sure that you even got called, that
is how gentle your interjections were.

_Senator Colbeck:_ We are polite.

_Senator WONG:_ I think you are embarrassed, actually. The other constituency that is
adversely affected is of course the small business community. What is the coalition doing in
this legislation? Increasing the tax rates on small business. So it is a tax hike for low-income
earners and a tax hike for small business through changing the threshold for the instant asset
write-off. This increases the tax burden for small business and it also increases their red tape
burden. The instant asset write-off was a Labor measure that enabled business to make an
investment that it could write off quickly with a minimum of paperwork and an improvement
to cash flow. When we came to office the threshold was $1,000. We increased it to $6½
thousand in a measure welcomed by small business around the country. We made an election
commitment to increase it further because we want to back investment by small business and
employers. What does this government do, the party of small business? It takes it right back
down to $1,000. It was at $6½ thousand, increased by the Labor government. We promised to
increase it to $10,000, but this government said, 'Actually we're going to reduce it right down
to $1,000'—in other words, you start paying tax far earlier for any investment and on a far
greater proportion of income. There is also a change in the depreciation of motor vehicles.
That is gone under this legislation. So the government is radically changing not only the
instant asset write-off but also the way in which it applies to motor vehicles—again hitting
some of the very people the government purports to stand up for.

In the last few minutes that I have left I want to deal with the attack on the cost-of-living
support for Australians that is contained in this legislation. What we see in the bill that is
before the chamber is the abolition of the schoolkids bonus, which is $410 a year for primary
school students and $820 a year for high school students. Of course, this adds up if a family
has a couple of kids. Over the course of their schooling life, it amounts to around $15,000
worth of support—all gone under this government. On a daily basis over recent years, and
certainly in this last period of time, the Prime Minister has been beating his chest about what
he claims is a $550 reduction in the cost-of-living pressure for Australian families, a figure
which is questionable in itself. If you look at what the government are now saying, they are
moving away from that figure because they know it is not sustainable.

_Senator Colbeck interjecting—_

_Senator WONG:_ Well, the Prime Minister acknowledged $820 a year—it is obviously
substantially more for a single high school student—which is abolished in the legislation that
he is putting to this chamber. That is only one of the measures which this government has put
forward. I described this budget at one point as a vicious assault on low- and middle-income
Australia. I think Senator Abetz at the time took issue with what I was saying. But if you look
at who this government is asking to bear the burden of its budget, it is low-and middle-income
Australia, the people who are least able to afford the cuts which are being imposed by this
government. Among the worst things about this budget is that it has been brought down
against the backdrop of the lies told by this Prime Minister prior to the election. Australians were told repeatedly that there would be no cuts to health, no cuts to education. They were not told about so many of the cuts that are contained in the government's budget—and that is the backdrop to this legislation. It is not only this legislation, and the cuts in it, that the Labor Party opposes. What we oppose is a government that told Australians before the election that they would not have to worry about cuts and then handed down a budget which, as its centrepiece, has cuts to health and education.

In conclusion, the reasons for opposing this legislation have not reduced since it was last rejected in the other place. In fact, they have increased because of the arrogant approach of this government—the attacks on the retirement incomes of Australians, on low- and middle-income Australians, making it harder for people to save for their retirement. The government has said on a number of occasions that it simply wants to get rid of all the associated spending measures with the MRRT. What I would say to this chamber is this: the government should be able to stand up in this place and articulate to new crossbench senators the reason why these are bad policies that should not be a priority. They should come in here and tell Australians why it is that billions of dollars should be spent on gold-plated paid parental leave but low-income Australians have to take a tax hike on their super. They should come in and explain why it is that they want people to work longer and harder before they can retire. They do not want people to be leaners but, at the same time, they are making it more difficult for people to save for their retirement.

The measures in this bill are bad policy and they are set against a budget which is not only full of broken promises but an attack on low- and middle-income Australia.

Senator WATERS (Queensland) (21:44): I rise to speak against the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2] for the second time. Senators have already rejected this bill once but, obedient to their political masters in the fossil fuel lobby and heedless of the damage that their budget will do to ordinary Australians, the government are trying again.

Only this government would say that we are in a budget crisis and then axe a revenue-raising measure. Only this government would bring down the harshest and most unfair budget in living memory and simultaneously try to give a tax break to some of the world's largest corporations. In the limited time that is available to me this evening, I seek leave to move the second reading amendment standing in my name, to protect the low-income super contribution.

The ACTING DEPUTY PRESIDENT (Senator O'Neill): Senator Waters, you do not need leave; you can just move it.

Senator WATERS: I move the second reading amendment standing in my name:

At the end of the motion, add:

but the Senate is of the opinion that the repeal of the Low Income Superannuation contributions should not be concealed in this legislation as it will:

(a) diminish, by around $27,000, the retirement savings of one in three Australians,

(b) negatively impact on almost one in two working women and 80 percent of women who work part time, and

(c) will place further pressures on future governments due to increased costs to the aged pension.
The low-income super contribution is a tax rebate to low-income Australians earning less than $37,000 per year. It is a rebate of $550 per year, which is aimed at supporting their retirement savings. It addresses the discrimination in our super tax system, which favours high-income earners. That system sees low-income earners paying more tax on their super contributions than they did on their take-home pay, while high-income earners pay the 30 per cent flat rate on contributions, even though their marginal tax rate is higher. That means that high-income earners get a tax break while low-income earners do not.

The repeal of the low-income super contribution will impact disproportionately and unfairly on women. As the Australian Greens spokesperson for women, I indicate that the Greens strongly object to its scrapping. Women are more likely to be in casual and part-time employment and are more likely to have caring duties which take them away from paid work for a time. On average, women retire with $112,600 in super, while men retire with $198,000. There are many contributing factors, including caring responsibilities and unpaid work, career breaks and overrepresentation in casual and part-time work. But the fact remains that this bill, with the removal of the low-income super contribution, would deplete the retirement savings of one in every two working women and 80 per cent of women working on a casual or part-time basis.

By seeking to junk the low-income super contribution the Abbott government is making a cash grab on the retirement savings of one in three workers to the value of around 27,000, or 15 per cent, of their expected retirement savings. This raid on super savings will place further pressures on future governments in relation to the age pension. That is why we have moved the second reading amendment, to protect the low-income super contribution.

We come back to the fact that this will have a massive and disproportionate impact on women. It should never have been tied to the mining tax. The low-income super contribution was always about equity and removing it will further entrench the disparity that women face when they retire. The bill abolishes the low-income super contribution for all working Australians and, in particular, will have that effect on working women. This change has significant impacts on everyday Australians and, frankly, has not had the public airing and debate that it deserves.

Tonight, I would like in the very brief time left to me to acknowledge the hard work that has been done by a broad range of groups and individuals who have campaigned for this sensible and much-needed policy to be kept, particularly those working under the banner of 'Women in Super' and many unions and superannuation organisations. I think it is important to put this in the context of the other antiwomen moves that we see from this government. The Abbott government's record on women is bad and it is getting worse. The government's changes to HECS, by imposing the new interest rate on student loans, will again impact disproportionately on women. Women will pay an average 30 per cent more over the course of their working lives.

In terms of workplace gender equality reporting, we know that the Abbott government has delayed a scheduled improvement in that reporting, which would have required businesses to provide additional information on how many women they interview, appoint, promote and retain, compared to men. That leaves us with less comprehensive data on which to base efforts to close the shameful gender pay gap that we still have in this country, of more than 17 per cent.
Debate interrupted.

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator O'Neill) (21:50): Order! I propose the question:

That the Senate do now adjourn.

**Middle East**

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (21:50): Tonight I rise to talk about the tragedy that is the Middle East, Iraq, Syria, Palestine and Israel. I do not think it matters what your position might be on any of these conflicts and who you side with. Any moral and compassionate person would say that the victims of any of these conflicts are children. We saw the tragedy of the three young Israeli men who were murdered a couple of weeks ago. We saw the absolute horrific death of the young Arab boy from East Jerusalem who was burnt alive and, obviously, the resultant escalation in hostilities in that particular part of the world. I do not think anybody could possibly say that those acts of pure violence against young people are anything but to be condemned.

Over 150 people have been killed in Gaza over the last few days of hostilities. I am sure many more would have been killed in Israel had it not been for the fact that they have the luxury of a very sophisticated defence Iron Dome mechanism, which intercepts the rockets that come into Israel. Once again, I just put on the record that it is the children who our hearts must really go out to. Notwithstanding the tragedies that are unfolding before our eyes and that have received a massive amount of media coverage over recent times, the tragedy that is Syria is probably even more so.

When you consider that Syria is a country of 22.4 million people and Australia has 23.5 million people, you get an idea of the size of the country. Ten thousand children have been killed in Syria since the civil war commenced there a couple of years ago. My home town of Renmark has 10,000 people, so it is like the entire population of my home town of Renmark, in children, have been killed in that conflict. More than 500,000 people have been injured in the conflict, many of whom, surprisingly—particularly on the border of Israel—are actually treated in Israeli hospitals.

A couple of months ago I visited the region. We went to Syria, Palestine and Israel. Probably one of the most memorable experiences on the trip was a visit to the Ziv Medical Centre, on the border of Syria. That hospital was treating victims of the civil war in Syria. We saw many young people. One case that probably hit home more for me than for anyone else was that of a 12-year-old boy. I have a 12-year-old son, so it was particularly pertinent to me. This little boy had lost both his legs and one of his arms in a home-made bomb attack. Only a matter of a few weeks before, nobody knew whether he was going to survive. By the time we got there, the critical danger from the injuries to his physical body had passed, but who would know the toll of the mental damage that had been done to this little 12-year-old boy? The even greater tragedy, I suppose, was his mother. All his mother wanted was for the medical centre to give him two prosthetic legs and a prosthetic arm so she could take him back home again so that he could get on with fighting the good fight in Syria. It just made your heart go out to this poor little boy who had been such a terrible victim of this war.
When you look at the numbers, you see that 170,000 people have been killed in this conflict. That equates to the population of Townsville. It just is quite mind-blowing. The UN has estimated that over nine million people have been driven from their homes by this conflict. That is the equivalent of the people of Tasmania, South Australia, Western Australia and Queensland being displaced from their homes. It gives you an extraordinary concept of what is going on in that place at the moment. The UN has made the statement that Syria is one of the most dangerous places in the world to be a child, and, when you consider what I have just said, then it is no wonder that UNICEF and other aid organisations are seeing Syria as a place so much in need.

You can look at the whole area—look at Iraq, Syria, Israel, Palestine, Gaza and the events that have happened in Egypt in recent times. We so terribly take for granted the fact that we can be safe. I took back to my son's school, after I came back from that part of the world, pictures of a wonderful colourful playground with all this wonderful playground equipment in it. The kids in the class were all terribly excited to see this playground equipment—these big concrete wiggly worms and little houses that the children could run in and out of. The kids thought this was fabulous until they realised that this playground was actually a bomb shelter for the school. We just take it for granted in this country that we have the right to feel safe and for our children to be safe. It is a privilege that we must never underestimate, because the children of the Middle East, when they go to bed tonight, are probably sleeping with one ear open and the door of the bomb shelter open so that they can run into it. And that is for the lucky ones that live in places where they have bomb shelters. There are obviously a lot of children that live in places where they do not have the luxury of being able to go to a bomb shelter.

It makes it even worse when you realise that so many of the children in these countries are being used as pawns of war. We saw little children, as young as five, in classrooms spitting vile venom about people that they did not like. To see a little five-year-old sitting there and being absolutely ruthlessly aggressive towards somebody that they had never seen, somebody they did not know anything about, was really quite tragic. To also see little boys at the age of five running around with machine guns strapped to them, shouting and yelling nasty things about, once again, people that they had never seen and did not know was really quite tragic. Once again, we in Australia need to make sure that we never take for granted the fact that we live in a country where we are safe and where we would never expose our children to the kind of devastating situation that these children in many overseas countries are in.

Tonight I would like to say, for all the children of the world who live in countries where there is war, that we as a society need to condemn the use of children in war. We need to make sure that we do everything we can to protect these children. We also need to do whatever we can to stop the hostilities, to try and help bring to an end the conflicts that are causing so many children to be killed, injured, maimed and displaced. In this world, I suppose, adults can make decisions for themselves. Adults are big enough to be able to fight for themselves. Adults know what they are doing. The children of this world are not so lucky. They just become victims of the postcode into which they were born. It is totally unacceptable that so many children are being put in this position in the world, and I would like to see that we would do more to ensure that the children of the world are taken out of this position of such great risk.
Commonwealth Scientific and Industrial Research Organisation

Senator MADIGAN (Victoria) (21:59): I believe this afternoon it has emerged that CSIRO has announced to staff that it is axing all the remaining forest scientists in that national research organisation. In case you did not hear that: CSIRO has decided that the remaining 33 forest scientists in CSIRO are to be sacked. They have about eight weeks notice. There were about 300 forest scientists in the CSIRO a couple of decades ago, and it has been whittled down to just 33.

The forest business is big business in Australia. It directly supports 77,300 jobs and a total of 200,000 jobs are supported through flow-on economic activity. The forestry sector, some would say, makes our auto sector look small in comparison. The forestry sector comprises 6.7 per cent of our manufacturing output, with gross sales in excess of $22 billion. This government tells businesses to innovate and then takes an axe to the organisation that can help one of our most important sectors to innovate and compete successfully. It does not make sense. It does not add up.

I have been vocal in recent weeks about the action or the inaction of this government over the budget. I have called it a 'family bashing' budget and criticised the government for its inability and/or unwillingness to negotiate. Since then, some ministers and their staff have taken the bit between their teeth and the carpet to my office has been worn thin by some ministers and their staff. But, still, even at this stage, this is not happening across the board. Tonight I asked for an urgent briefing from industry minister Ian Macfarlane on the CSIRO cuts. I have asked for five minutes of his time, but I have heard nothing back to date.

The government tells us that the opening up of the forests in Tasmania is based on good science. So why is the government getting rid of the scientists leading the charge? The government said it is wanting carbon stored in the carbon farming initiative and that that will play a big part in Direct Action achieving its targets. And guess what? Trees store carbon dioxide. Today I have learned that CSIRO scientists who are working in this vital area of the government's Direct Action initiative are being chopped. Why is that and why is it happening now? Why today, when the parliament is completely consumed with other things? Why announce this today without any external notification? My information comes from a leaked email. The CSIRO has kept this quiet and the government has kept this quiet.

Timber built this nation and still underpins so many of our regional communities. In my electorate of Victoria, 24,000 people work directly in the timber industry. That is 24,000 families who pay their mortgage and their rent, educate their children and put food on the table through the timber industry. I am told there are 52,000 jobs indirectly supported by the timber industry. In a global, growing economy, timber and all its uses will be massive. Products like bio plastics and biofuels are going to change our children's future. Why then are we abandoning this playing field to our competitors? Do you know where these CSIRO scientists will most likely spend the coming Christmas? They will be looking to get jobs in Chile, Vietnam, China and Canada—places which are rapidly taking over our markets. That is innovation Australian style under the current government—export our finest minds, stifle our most productive industries and put people out of work.
Nuclear Disarmament

Senator RHIANNON (New South Wales) (22:03): In the 1980s the call for nuclear disarmament resonated around the planet. In Australia Palm Sunday rallies attracted hundreds and hundreds of thousands of people and prominent people added their voice to the public discourse that recognised that ridding the world of nuclear weapons was a key priority. Three decades on, the issue of nuclear disarmament is not the priority it was, but the threat remains just as real.

The good news is that this campaign is gaining renewed energy, and in my state of New South Wales a number of Sydney peace groups regularly raise their concerns with me. This discourse has added vigour and analysis. Since the visit of the Japanese Prime Minister, Mr Abe, a number of people have expressed to me their disquiet about some of the comments that Prime Minister Abe and Prime Minister Tony Abbott made about military cooperation and they have also raised their continuing concern about the Australian-US military alliance.

One colleague reminded me of a statement issued last year by former Prime Minister Malcolm Fraser. It is very relevant to be reminded of his words. I want to share some of them with the Senate, because, considering the comments that were made last week in our joint sitting, I think we should reflect on them. These comments were made in May last year. Former Prime Minister Malcolm Fraser stated:

Australians should be profoundly concerned that our government is today doing more to increase the dangers of nuclear weapons being used than it is helping to ban them. Its professed support for nuclear disarmament is contradicted by its actions. We claim the protection of US nuclear weapons, despite there being no agreement or treaty giving the concept of 'extended nuclear deterrence' any credibility. We support continued investments in US nuclear weapons and willingness to use them, despite this making us a nuclear target.

Mr Fraser went on:

We are dramatically ramping up Australia as a subservient US military base, with growing spy, surveillance and communications facilities; increasing military exercising; US troops on permanent rotation; plans for drones based on the Cocos Islands; and possibly a US aircraft carrier taskforce in Fremantle. We are accomplices to a hazardous and provocative US policy of containment of China, which risks a new cold war. We, our children and the world deserve better.

Australia should, as New Zealand has done, ensure that nuclear weapons have no place in our military alliances, and that no facilities on our soil and no Australians ever take part in their use. We should use our position on the UN Security Council to help lead the push for negotiations on a treaty to prohibit and eliminate nuclear weapons.

Mr Fraser's words are giving leadership and inspiration to many who realise that there is still a lot to be done in the ongoing campaign to rid the world of nuclear weapons.

However, in international forums, Australian government representatives have resisted calls by civil society to join the vast majority of nations in supporting negotiations on a treaty to outlaw and eliminate nuclear weapons. Australian governments have generally been strong proponents of what is often called 'horizontal nuclear proliferation'—that is, stopping nuclear weapons from spreading to other countries—and is obviously something we should support. However, Australia does avoid the issue of nuclear disarmament—that is, getting rid of existing weapons. Rhetoric has centred on what other nations must do or not do and has
ignored the enormous responsibility Australia has by virtue of its ties with nuclear armed states.

The 2009 Defence white paper issued by the former Labor government stated:

Stable nuclear deterrence will continue to be a feature of the international system for the foreseeable future.

While more than 140 nations support the goal of a treaty banning nuclear weapons, Australia, to our shame, is not among them. This is despite public campaigning and high-level advocacy from many Australians. Nearly 800 recipients of the Order of Australia including former Prime Ministers, Governor-Generals, foreign affairs and defence ministers, premiers, governors, High Court justices and chiefs of the armed forces have called on the government to adopt a nuclear-weapon-free defence posture and work for a nuclear weapons convention. This clearly should be listened to.

Australia's reluctance, however, to support a global ban on nuclear weapons can be directly linked to this nation's continued reliance on and support for the US policy of extended nuclear deterrence. Australia's support for the US nuclear posture as providing both stable deterrence globally and extended deterrence protection regionally plays out with Australia hosting US intelligence and military facilities vital to US nuclear war operations.

The joint defence facility, Pine Gap, in Central Australia is a key part of US systems of missile early warning, missile defence and nuclear targeting. I pay tribute to the many organisations that have organised protests at Pine Gap, one of the most difficult areas to be able to mobilise people to—and I had the opportunity to participate in a women's-only camp at Pine Gap in 1983 where we took up these very issues.

The Australian government has acknowledged that Pine Gap would be a high-priority target for the reasons that I set out that: missile early warning, missile defence and the nuclear target. Pine Gap would be a high priority target in a major war between the US and China. Interestingly, this has been reinforced by Dennis Richardson, the Australian ambassador to the US, in a closed congressional session in 2009 where he stated:

Australia's most enduring contribution to the US nuclear force posture has been through our partnerships in the joint defence facility Nurrunga and the joint defence facility Pine Gap. So clearly these facilities make Australia a nuclear target.

We are caught up in this sorry saga because Australia exports uranium to, among other countries, all of the nuclear weapons states that are party to the nuclear proliferation treaty—Russia, the US, France, Britain and China—while repeating the decades-old myth that safeguards keep our uranium out of weapons.

The movement for nuclear disarmament is also gaining momentum within the tertiary sector. The international campaign to abolish nuclear weapons has contacted all public universities in Australia in an effort to find out whether they invest any of their funds in companies that produce nuclear weapons. ICAN has confirmed that four universities do invest in nuclear weapons producers and 12 do not. For the remaining 17 universities insufficient information was available. Interestingly, they found that most universities do not have ethical investment policies for externally managed funds.

Australian public universities, some of which have endowments exceeding $1 billion, routinely invest in international markets. These investments are significant because they
undermine the work for a nuclear-weapon-free world and it devalues any commitment by the Australian government to achieve nuclear disarmament. The international campaign to abolish nuclear weapons commenced a global divestment campaign to build pressure on nuclear weapons producers to end their involvement in nuclear weapons work. This is where we can have a role in Australia, and I congratulate the students who are now lobbying the universities in this country to ensure that they are not paying any part of this trade.

There is a very useful report put out by ICAN entitled Don't Bank on the Bomb—A Global Report on the Financing of Nuclear Weapons Producers. Australian public universities receive their funding from various sources including from students, from federal and state governments and from private donors so this issue is very relevant to public consideration. ICAN's investigation has found out that: the Australian National University has invested about $840,000 in nuclear weapons companies; the University of Sydney, over $2 million; University of Wollongong, just over $130,000; Swinburne University of Technology is also involved but the amount is unknown; and then there are all the other universities that they have not been able to get figures on.

I have been following this closely. Those figures are from a couple of years ago. I know the groups I work with are trying to ascertain if there have been changes in that area; hopefully, there has and that can be reported to the Senate. This is an issue of vital importance for the very security of our society, for the health of our communities and for the world's environment. But we need to ensure that nuclear weapons are no longer produced, no longer deployed and that those currently in production are disbanded. (Time expired)

Central Coast Greek Community

Senator O’NEILL (New South Wales) (22:13): I rise to speak this evening about one of the treasures that I have uncovered on the Central Coast in recent times. One in particular is a wonderful man whose work is celebrated in this book, a gentleman by the name of Michael Galovic, who does the most incredible iconography. I came to know him through my meeting with the local Greek community, which is a burgeoning community on the Central Coast. I met with them in February on the first occasion at Saint Haralambos for the feast day, which was on the concrete that forms part of the church that is now under construction in the suburb of Tuggerah at the northern end of the Central Coast.

The Greek Orthodox community has been working for years to plan and save for this brand new church. It culminated on that day in the laying of the foundation stone on what is to be the floor of the church. The parishioners and worshippers packed a big tent. Outside, all the food was being prepared for the community celebration. Hundreds of people packed the site to celebrate this great day of achievement; and the community that came from Sydney to support this community is acknowledged.

I want to take this opportunity to formally acknowledge the amazing work of the members of this committee and the many others who have helped them to achieve this very holy goal—particularly, Mr Jim Dimis, who is the senior vice-president, and Dr Tas Fermanis. They have shown great vision and leadership in bringing this community together around this tremendous project. It is hard to believe, but they have been fundraising so successfully and working so hard that they are hoping to have the roof on and to have the church dedicated as early as November this year, which is no small achievement.
Last weekend, on Sunday, I was able to join Tas and Gloria Fermanis for a wonderful fundraising lunch at their home, which they opened to the Greek community. They raised more than $3,500 towards the church through that single event. It was at that great occasion that I met a national treasure by the name of Michael Galovic. Michael was born and schooled in Belgrade, Yugoslavia, and is a 1974 graduate of the Belgrade Academy of Arts. He began absorbing the ancient tradition of iconography as a child while watching his stepfather restoring frescoes and icons in the Serbian churches and monasteries there.

In early 1999, Australia became his new home. Since his arrival, Michael has held many solo shows. His icons and contemporary work are renowned throughout Australia. As he was explaining to me, he delights in living in the quiet and close community of the Central Coast when much of his artwork now engages him in international showings and in the international art community.

Michael engages in a few parallel directions, including traditional icons, contemporary religious art and non-religious art. He keeps revisiting a theme he graduated with—the flight and fall of Icarus—as well as the crucifixion. Most recently he has been particularly focussed on building a body of work based on Uluru, the sacred rock in the Northern Territory. After many years of teaching art and art making, he decided to completely dedicate himself to his own studio and work in a gallery on the Central Coast.

His work has been highly admired internationally. He created a depiction of Saint Benedict, which became a gift to the now retired Pope Benedict. He was explaining to me how delighted he was to receive notification from the papal offices of how much his work was appreciated. Indeed, I think that Cardinal Pell, former Archbishop of Sydney, has in his offices one of Michael's works, a picture of Saint Francis.

So, on the Central Coast, yet another range of treasures discovered. Apart from the beautiful environment we live in, it is also a community that really appreciates the works of art that are generated there. It is a thriving and growing artistic community and we are very proud amongst the Greek community to be able to celebrate the works of Michael Galovic.

**Carbon Pricing**

Senator McKENZIE (Victoria) (22:18): I welcome the opportunity to speak tonight on the need for the Senate to repeal the carbon tax as a matter of urgency. Labor's carbon tax has caused $15.4 billion of damage to the Australian economy in its first two years of operation.

The Clean Energy Regulator last week showed the carbon tax hit Victorians with $1.5 billion in additional costs in 2013-14. This ill-conceived and ineffective tax has had a damaging effect on increasing costs to households and business. But tonight I want to focus on regional areas, regional industries and regional families that have been disproportionately affected by a policy dreamt up in the city by politicians—areas such as Stawell, Ararat, Benalla and Heathcote, struggling with the cost of living.

Businesses key to food production and food processing have been struggling under the weight of the carbon tax. For the country's largest dairy food company, Murray Goulburn, the carbon tax has resulted in an annual cost of $14 million in just its first year. National irrigators have suffered an extra $449,000 because of this tax. Refrigerated transport, also key to getting our produce to market, is similarly affected.
However, it is not only business that has borne the cost of this toxic tax. Victorian public health, which would be supposedly exempt from the carbon tax, has paid approximately $13.5 million, which could have allowed an additional 2,700 patients each year to potentially receive elective surgery across the state.

In regional areas, no commodity is more essential to our wealth generation than water; and for communities in northern Victoria the uncertainty of recent droughts, floods, the Murray-Darling Basin plan debate, the increased cost of doing business on dairy farms, and permanent plantings for the longstanding horticulture industry have all been severely impacted by the carbon tax. Irrigators have no opportunity to pass these costs on. The Murray-Darling Basin Plan negotiated through state and federal governments has been a breakthrough in how to manage water. It means that Australia leads the world in how to manage water resources most effectively. To quote the New South Wales Irrigators Council:

Australian irrigators have - with government insistence - moved to efficient irrigation techniques that require significant energy inputs.

We're now being slugged with hundreds of thousands of dollars in carbon tax as a result with no way out of it.

From our research, the impact of the carbon tax is crystal clear; it adds significant costs to irrigators across the state who have no opportunity to pass these costs on.

We support the government in its effort to abolish the carbon tax.

I know that irrigators right across northern Victoria feel the same. That is the result of the strong advocacy of National Party candidates: Scott Turner in Ripon; Steph Ryan in Euroa; and Greg Barr in Shepparton.

A strong irrigation industry leads to a strong dairy industry, and Victoria's dairy sector accounts for 65.6 per cent of Australia's milk production. Our dairy sector also exports from Victoria 86 per cent of our nation's dairy export, valued at $1.85 billion.

According to Dairy Australia, the indicative carbon price rate on some dairy farm bills in Victoria is 0.022c per kilowatt per hour. That is based on a sample of 10 Victorian dairy farms and suggests that our dairy farms are paying more than $1,600 a year if the carbon price is being passed on in full. This is in addition to the price that many of those dairy farmers are paying for their irrigation. The carbon price is also directly costing milk companies, such as Devondale Murray Goulburn, incurring an annual carbon price cost of approximately $14 million, as I mentioned earlier. Tatura Milk, in northern Victoria, has incurred a direct cost $660,000, plus electricity and gas as a result of the carbon tax. Noel Campbell, Chair of ADIC, said the following:

The dairy industry is committed to reducing carbon emissions; however the carbon tax has added to the cost of production for dairy farmers and processes, and makes our costs out of line with our key international competitors.

While we respect differing views, there can be no doubt the Coalition sought and received a mandate from the Australian people to remove the Carbon Tax.

We have significant potential to grow as an industry and create jobs in food production and manufacturing, however to take advantage of international demand, we need the dead weight of the carbon tax lifted off us.
Dairying is a key industry in the seats that I mentioned, where the Nationals are running strong candidates for the state election. They are committed to getting rid of the carbon tax and have been strong advocates to me on the issues surrounding the carbon tax and getting rid of it. It is important for their local industries and the cost affects small manufacturers and small businesses. Indeed, there are the cost-of-living issues for local families.

It is not just the dairy industry that struggles against these high electricity prices. In an area like Shepparton in northern Victoria, electricity prices have had a significant effect on other farmers, such as orchardists, who are battling against the high price of running their cool rooms, Greg Barr is determined to address these concerns and knows that freezing the carbon tax is an essential step. In fact, removing this carbon tax could see an extra $1,000 for Fishers IGA in Stawell, according to Scott Turner, or $550-odd for refrigerated transport in a medium sized truck from Seymour to Benalla for produce from those two areas to head to the Melbourne markets.

Cheap electricity was once a great strength of the Victorian economy which gave us the competitive advantage that saw us develop a very strong manufacturing sector that prospered. Unfortunately, Labor's carbon tax has hit the Victorian economy particularly hard, as evidenced by our declining manufacturing base. Our candidate in Euroa, Steph Ryan, is a strong advocate for regenerating industry, particularly in the regions. I know that the repeal of the carbon tax is something she has been very vocal about. She knows that decreasing the cost of doing business in towns like Seymour is essential if those communities are to reach their economic potential.

On this side of the chamber, we look forward to ensuring that regional Australians can reach their potential and live their lives to the full. This includes ensuring the best health outcomes for all Australian. The Labor Party can stand here and claim that they do too and the carbon tax does not apply to healthcare providers, but in reality even the health industry succumbed to the symptoms of this toxic tax. There have been increases in hospital supply chains, nitrous oxide supply, capital works, food and, importantly, energy bills. In 2012-13 the carbon tax was between nine and 23 per cent of the total energy spent for individual health services in Victoria. Just to touch on a few: Goulburn Valley Health, 17 per cent; Echuca Regional Health, 15 per cent; Albury Wodonga Health in the seat of Indi, 12 per cent—and I note that particular local member voted to keep the carbon tax; and Ballarat Health Services, 15 per cent. Scott Turner, our candidate for Ripon has raised the issue of the cost for Maryborough District Health Service at 14 per cent. Total energy expenditure by Victorian health services was over $96 million in 2012-13, an increase of almost 28 per cent. The Department of Health has claimed that the abolition of the carbon tax would allow for an additional 2,700 patients each year. Bendigo Health Care Group, paid approximately half a million dollars in carbon tax. They said:

For a health service the size of Bendigo Health this expenditure, if available, could be used in a variety of ways to provide additional services that could not be provided while the carbon tax is in place.

The carbon tax has been crushing for our health sector and the Labor party would have us believe that this tax does not affect the health sector. We need to act now to prevent the consequences of this damaging tax.

Labor and the Greens claim to support regional Australia and the agriculture industry and yet they are increasing our cost of living every day this tax stays in place, stifling job creation.
and impacting our industries and communities right across regional Australia, and specifically in my home state, particularly because of the energy-intensive industries in our regions. Now is the time to prove their support for regional Australia and Victorians, because we want the carbon tax gone.

The Nationals candidates, Greg Barr in Shepparton, Scott Turner in Ripon and Steph Ryan in Euroa believe that removing the carbon tax will lead to job creation, lowering the cost of living for families and small businesses, assisting our farmers and reducing electricity prices. The election result could not have been clearer: the people of Australia, and particularly people in regional Australia, want the carbon tax gone. This is not about whether climate change is real or imagined. We must act. But we can address climate change without destroying business, agriculture and our local communities. The Nationals, as part of a strong coalition, are determined to see the end to this impost. At the state and federal level, we are doing everything we can to let people in this place know how it affects our communities. It is time for Labor and the Greens to stop denying the coalition government’s mandate to repeal the carbon tax and deliver much needed financial relief for our regional communities.

Senate adjourned at 22:28

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


_Australian Research Council Act 2001—_Approval of Learned Academies Special Projects Proposals for funding commencing in 2014—Determination No. 126.

_Australian Research Council Act 2001—_Approval of Special Research Initiative Proposals for funding commencing in 2014—Determination No. 125.

_Australian Research Council Act 2001—_Determination No. 127.

_Australian Research Council Act 2001—_Funding Rules for schemes under the Linkage Program for 2014 – Special Research Initiative for Tropical Health and Medicine [F2014L00983].


_Civil Aviation Act 1988—_Civil Aviation Safety Regulations 1998—Exemption — design of modification or repair for an aircraft that is to be operated under a special flight permit—CASA EX58/14 [F2014L00975].
Exemption — for certain aircraft to tow gliders—CASA EX53/14 [F2014L00974].
Commissioner of Taxation—Public Rulings—
Goods and Services Tax Advices—Notices of Withdrawals—GSTA TPP 042, GSTA TPP 049,
GSTA TPP 053, GSTA TPP 054, GSTA TPP 075, GSTA TPP 088, GSTA TPP 089 and GSTA TPP
104.
Taxation Determinations TD 2014/18 and TD 2014/19.

Select Legislative Instrument 2014 No. 108 [F2014L00979].
Defence Act 1903—Determination under section 58H—ADF Allowances — Reserves — Amendment—
No. 6 of 2014.
DisabilityCare Australia Fund Act 2013—DisabilityCare Australia Fund Investment Mandate
Directions 2014 [F2014L00971].
Environment Protection and Biodiversity Conservation Act 1999—Amendment to the list of threatened
species under sections 178, 181 and 183 (163) (3 July 2014) [F2014L00982].
Migration Act 1958—Migration Regulations 1994—
Health Service Provider—IMMI 14/041 [F2014L00980].
Required Health Assessment—IMMI 14/042 [F2014L00981].
National Consumer Credit Protection Act 2009—ASIC Class Order—CO 14/569 [F2014L00976].
Public Interest Disclosure Act 2013—Public Interest Disclosure Amendment (Conduct of